DEMERGER PROSPECTUS **3 June 2019**

Adapteo.

The Board of Directors of Cramo Plc (the "**Demerging Company**" or "**Cramo**") has on 18 February 2019 approved a demerger plan (the "**Demerger Plan**") pursuant to which all of the assets, debts and liabilities relating to Cramo's Modular Space business will transfer, without liquidation, from Cramo to Adapteo Plc (the "**Receiving Company**" or "**Adapteo**") (the "**Demerger**"), a company to be incorporated in connection with the Demerger. The Board of Directors of Cramo has on 2 May 2019 proposed the approval of the Demerger and the Demerger Plan to the Extraordinary General Meeting of Shareholders of Cramo to be held on 17 June 2019 (the "**EGM**"). The Demerger will become effective if the EGM approves the Demerger and the Demerger Plan and if the completion of the Demerger is subsequently registered in the Trade Register maintained by the Finnish Patent and Registration Office (the "**Finnish Trade Register**"). The completion of the Demerger is expected to be registered in the Finnish Trade Register on or about 30 June 2019 (the "**Effective Date**"), on which date the incorporation of Adapteo will also become effective.

Cramo's shareholders will receive as demerger consideration one (1) share in Adapteo for each share in Cramo owned (the "**Demerger Consideration**"); that is, the Demerger Consideration will be issued to Cramo's shareholders in proportion to their existing shareholdings with a ratio of 1:1. The Adapteo shares to be issued as Demerger Consideration will be recorded on the book entry accounts of Cramo's shareholders on or about the Effective Date or as soon as possible thereafter in accordance with the practices applied by Euroclear Finland Ltd ("**Euroclear Finland**"). No Demerger Consideration will be issued in respect of own shares held by Cramo. The aggregate number of shares in Adapteo to be issued as Demerger Consideration is expected to be 44,682,697 shares (based on the number of shares in Cramo (excluding own shares held by Cramo) as at the date of this demerger prospectus (the "**Demerger Prospectus**")). The final aggregate number of shares in Adapteo to be issued as Demerger Consideration will be determined on the basis of the number of shares in Cramo (excluding own shares held by Cramo) on the Effective Date. After the EGM has approved the Demerger and the Demerger Plan, Cramo's shareholders will not need to take any action in order to receive the Demerger Consideration. This Demerger Prospectus has been prepared and published by Cramo on behalf of Adapteo in order to carry out the Demerger and to apply for the listing of the shares in Adapteo on the Main Market of Nasdaq Stockholm AB ("**Nasdaq Stockholm**") (the "**Listing**"). See "*Important Information*" for information on Cramo's obligation to supplement this Demerger Prospectus prior to the EGM and to make announcements on matters that could have a material effect on the value of shares in Adapteo following the EGM and prior to the Listing.

As at the date of this Demerger Prospectus, there is no public trading market for shares in Adapteo. Nasdaq Stockholm has assessed that Adapteo fulfils the listing requirements of Nasdaq Stockholm, subject to certain conditions described in detail under "*Summary of the Demerger – General Description*". In accordance with Nasdaq Stockholm's listing process, Adapteo intends to apply for admission to trading on Nasdaq Stockholm at the latest on the business day preceding the first day of trading. The trading of shares in Adapteo on the Main Market of Nasdaq Stockholm is expected to commence on or about 1 July 2019 under the share trading code ADAPT. Neither the Demerger nor the Listing will affect the listing of shares in Cramo on the official list of Nasdaq Helsinki Ltd.

This Demerger Prospectus is furnished solely to provide information to shareholders of Cramo, who will receive a distribution of Demerger Consideration shares through the Demerger. The distribution of this Demerger Prospectus may, in certain jurisdictions, be restricted by law. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy any shares in Cramo or Adapteo in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. In particular, no shares in Cramo or Adapteo are being offered or sold, directly or indirectly, in or into the United States pursuant to this Demerger Prospectus. The distribution of the Demerger Consideration shares has not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state of the United States and, accordingly, the Demerger Consideration shares may not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S under the Securities Act), unless registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable state securities laws of the United States. Neither the U.S. Securities and Exchange Commission ("**SEC**") nor any U.S. state securities commission has approved or disapproved of the distribution of the Demerger Consideration shares or passed upon the accuracy or adequacy of this Demerger Prospectus or any document referred to herein. Any representation to the contrary is a criminal offense under U.S. law. See also "*Important Information*".

Financial Adviser

Danske Bank

IMPORTANT INFORMATION

Cramo has prepared and published a Finnish language Demerger Prospectus ("**Finnish Demerger Prospectus**") in order to issue Demerger Consideration shares to the shareholders of Cramo. The Demerger Prospectus has been prepared in accordance with the following regulations: the Finnish Securities Market Act (764/2012, as amended), Commission Regulation (EC) No 809/2004, as amended, implementing Directive 2003/71/EC of the European Parliament and of the Council concerning information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (appendices I, II, III and XXII), the Decree 1019/2012 by the Finnish Ministry of Finance as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the "**FIN-FSA**"). The FIN-FSA has approved the Finnish Demerger Prospectus, but is not liable for the correctness of the information presented therein or herein. The record number of the FIN-FSA's decision of approval is FIVA 28/02.05.04/2019. This Demerger Prospectus is available in the Finnish and English languages. This Demerger Prospectus is a translation of the approved Finnish Demerger Prospectus made under the sole responsibility of the persons responsible for the approved Finnish Demerger Prospectus.

In the Demerger Prospectus, prior to the Effective Date, any reference to "Cramo" means Cramo Plc (Cramo Oyj in Finnish), a company incorporated under the laws of Finland, and its subsidiaries, including Adapteo Plc ("**Adapteo**", the "**Receiving Company**" or the "**Company**"), on a consolidated basis, except where it is clear from the context that the term means Cramo Plc or a particular subsidiary or business group only. After the Effective Date, any reference to "Cramo" means Cramo Plc and its subsidiaries, excluding Adapteo, on a consolidated basis, except where it is clear from the context that the term means Cramo Plc or a particular subsidiary or business group only. Any reference to the "Receiving Company" or "Adapteo" means Adapteo and its consolidated subsidiaries after the Effective Date, except where it is clear from the context that the term means Adapteo or a particular subsidiary or business group only. Adapteo may also refer to the Modular Space business prior to the Effective Date. Demerger refers to the partial demerger of Cramo into a company to be incorporated, which will take the trade name Adapteo Plc, in accordance with the Demerger Plan approved and signed by Cramo's Board of Directors on 18 February 2019. Demerger Plan means the Demerger Plan approved and signed by Cramo's Board of Directors on 18 February 2019 and registered in the Trade Register on the same day, which describes the carve-out of Adapteo from Cramo in the partial demerger, as well as the assets, debts, liabilities and responsibilities transferred to Adapteo. Adapteo's Board of Directors means the Board of Directors of Adapteo to be appointed in the Extraordinary General Meeting of Cramo deciding on the Demerger, which will be, according to the notice of the meeting, held on 17 June 2019. Any reference to the Company's shares, share capital and governance will, however, mean Adapteo's shares, share capital and governance.

Shareholders and prospective investors should rely solely on the information contained in the Demerger Prospectus as well as in the stock exchange releases published by Cramo. No person has been authorised to provide any information or give any statements other than those provided in the Demerger Prospectus. Delivery of the Demerger Prospectus shall not, under any circumstances, indicate that the information presented in the Demerger Prospectus is correct on any day other than on the date of the Demerger Prospectus, or that there would not have been any adverse changes or events after the date of the Demerger Prospectus, which could have an adverse effect on Cramo's or Adapteo's business, financial position or results of operations. However, if a fault or omission or material new information is discovered in this Demerger Prospectus before the validity period of the Demerger Prospectus has expired and such fault or omission or material new information may be of material importance to shareholders and prospective investors, the Demerger Prospectus shall be supplemented in accordance with the Finnish Securities Market Act. Information given in the Demerger Prospectus is not a guarantee or grant for future events by Cramo or Adapteo and shall not be considered as such. Unless otherwise stated, any estimates with respect to market development relating to Cramo or Adapteo or their industry are based upon reasonable estimates of the management of the respective company that such information concerns.

None of the Demerger Prospectus, any notification or any other Demerger material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. In a number of jurisdictions, in particular in Australia, Canada, Hong Kong, Japan and South Africa, the distribution of this Demerger Prospectus may be subject to restrictions imposed by law (such as registration, admission, qualification and other restrictions). Other than in Finland, no action has been taken or will be taken by Cramo, Adapteo or the Financial Adviser to permit a public offering or the possession or distribution of the Demerger Prospectus (or any other offering or publicity materials or application forms relating to the Demerger) in any jurisdiction where such distribution may otherwise lead to a breach of any law or regulatory requirement.

Neither Cramo, Adapteo nor Financial Adviser accept any legal responsibility for persons who have obtained the Demerger Prospectus in violation of these restrictions, irrespective of whether these persons are prospective recipients of the Demerger Consideration shares. Cramo advises persons into whose possession this Demerger Prospectus comes to inform themselves of and observe all possible applicable restrictions. Any failure to comply with the restrictions described above may result in a violation of applicable securities regulations.

Adapteo will be relying on an exemption provided by Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934, as amended, and therefore will not be required to register the Demerger Consideration shares with the SEC. In accordance with Rule 12g3-2(b), Adapteo will make available certain documents on its website. These documents will consist primarily of English-language versions of its annual reports, press releases and certain other information made public in Finland. However, Adapteo will not be required to file with the SEC annual reports on Form 20-F or furnish reports on Form 6-k.

Any disputes arising in connection with this Demerger Prospectus will be settled exclusively by a court of competent jurisdiction in Finland. Shareholders and prospective investors must not construe the contents of this Demerger Prospectus as legal, investment or tax advice. Shareholders and prospective investors should consult their own advisers, as they consider it necessary, and make their own independent assessment of the legal, tax, business, financial and other consequences of the Demerger.

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SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. The Elements are presented in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be included, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be included in the summary due to the type of securities or issuer, it is possible that no relevant information exists regarding the Element. In this case, the summary includes a brief description of the Element along with a notion of the Element being 'not applicable'.

	Element	Section A – Introduction and warnings
A.1	Warning	This summary should be considered as an introduction to this Demerger Prospectus (the "**Demerger Prospectus**"). Any decision by the investor to invest in the shares of Adapteo Plc ("**Adapteo**", the "**Company**" or the "**Receiving Company**") should be based on consideration of the Demerger Prospectus as a whole. If a claim relating to the information contained in the Demerger Prospectus is brought before a court, the plaintiff investor might under the national legislation of an EEA state, have to bear the costs of translating the Demerger Prospectus before the legal proceedings are commenced. Civil liability attaches to those persons who are responsible for this summary including its translation only if the summary is misleading, inaccurate or inconsistent in relation to the other parts of the Demerger Prospectus or if the summary does not provide, when read together with the other parts of the Demerger Prospectus, the key information required by the investors when considering whether to invest in the shares.
A.2	Financial intermediary	Not applicable.
	Element	**Section B – Issuer and guarantor**
B.1	Legal and commercial name of the issuer	The registered name of the Receiving Company to be incorporated on the date of registration of the execution of the demerger (the "**Demerger**") (the "**Effective Date**") is Adapteo Oyj in Finnish, Adapteo Abp in Swedish and Adapteo Plc in English.
B.2	Domicile and legal form, law applicable to the issuer and the issuer's country of incorporation	Adapteo will be domiciled in Vantaa, Finland. Adapteo will be a public limited liability company incorporated in Finland and organised under the laws of Finland.
B.3	Nature of the issuer's current operations and principal activities	*Since Adapteo will not be incorporated until the Effective Date, the following description of Adapteo's business reflects a number of assumptions and expectations regarding Adapteo's operations based on, among others, the Demerger being completed in the manner and in the timeframe contemplated in this Demerger Prospectus and the operations of Adapteo being organised as anticipated as at the date of this Demerger Prospectus.* **Overview** Adapteo is a leading Northern European provider of modular space solutions measured by revenue and it possesses a market leader position in the Nordics with a strong position in the rental market in Finland, Sweden, Norway and Denmark. [1, 2] In addition to the Nordics, Adapteo has rental operations also in Germany. Modular space solutions can be defined as prefabricated buildings ("**Modular Space Solutions**") either rented or sold to public sector customers, such as municipalities and private sector customers, such as industrial companies and private enterprises. Adapteo's net sales for the three months period ended 31 March 2019 on a carve-out basis were EUR 52.8 million and EUR 152.0 million for the year ended 31 December 2018. Adapteo's net sales on a pro forma basis, illustrating the effects of the NMG Acquisition (as defined below), were EUR 220.6 million for the year ended 31 December 2018. As at 31 March 2019, Adapteo had a total of 385 employees in five countries.

[1] Northern European is defined as Sweden, Finland, Norway, Denmark and Germany and the Nordics is defined as Sweden, Finland, Norway and Denmark.
[2] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.

Business Strategy

The management has prepared a new strategy for Adapteo for the period spanning until 2023. The management has identified a number of strategic avenues to continue strengthening the Northern European leadership position as well as to further improve the strong operational platform and efficiencies to create value for shareholders. In the near-term, Adapteo will place high emphasis on the integration of Nordic Modular Group Holding AB ("**NMG**"), which will be an important enabler for delivering the strategy. The management believes that a successful integration of NMG will unlock significant potential to leverage the stronger combined modular space platform and capture synergies both on revenue and cost sides. During the period until 2023, Adapteo's strategy is built on three key strategic pillars, being break-out growth, commercial excellence and operational efficiency.

Business Areas

Effective as of the completion of the Demerger, Adapteo will be organised in two business areas: Rental Space and Permanent Space, and it will have operations in five geographical areas: Finland, Sweden, Norway, Denmark and Germany. 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. For the year ended 31 December 2018, the Rental Space Business Area represented approximately 84 percent and the Permanent Space Business Area approximately 16 percent of Adapteo's total external net sales on a pro forma basis.

The Modular Space Solutions are delivered ready-for-use to the customers. Adapteo's projects in Modular Space Solutions usually include the provision of services such as needs assessment, design, planning, assembly, maintenance and disassembly as well as other services such as the management of building permit processes and the possibility to rent furniture or other equipment through Adapteo. Adapteo offers its services and solutions predominantly to the customer segments in the social infrastructure sector, including school, daycare, health and social care, special accommodation, as well as office and other customer segments, such as exhibitions and fairs. Furthermore, Adapteo offers facility management services to its rental and sales customers.

Rental Space Business Area

Adapteo is one of the leading rental modular space providers in Northern Europe with an approximately 13 percent market share of the addressable rental market as measured by revenue[3]. The Company's market share in the Nordic rental market is approximately 26 percent as measured by revenue[4].

In the Rental Space Business Area, Adapteo provides temporary Modular Space Solutions to different types of customers from the public sector, and the private sector. Adapteo offers Modular Space Solutions for different temporary purposes, primarily relating to the social infrastructure such as schools, daycares, health and social care and special accommodation, as well as offices and other temporary needs such as exhibitions and fairs. For the Rental Space Business Area, school is the largest customer segment, representing approximately 55 percent of the business area's rental income for the year ended 31 December 2018, which also brings some seasonality to the rental business especially at the beginning of the school year in August.[5] The majority of Adapteo's customers in the Rental Space Business Area operate in the public sector. Consequently, a large part of the Rental Space Business Area's net sales originates from public procurements. A typical duration of a new rental contract is three years, however 70 to 80 percent of all new contracts are prolonged one or multiple times and, based on Adapteo's estimate, the total average rental period including prolongations has historically been approximately five years.

Permanent Space Business Area

Adapteo entered the Modular Space Solutions sales market through the acquisition of NMG (the "**NMG Acquisition**") during 2018. In the Permanent Space Business Area, Adapteo's sales companies, Flexator AB and Flexator Leasing AB, provide mainly tailor-made prefabricated Modular Space Solutions for sale or long-term leasing to public and private sector customers. In this business area, Adapteo provides turn-key solutions, which can be considered by customers as substitutes for buildings constructed by traditional building contractors and which are manufactured in controlled

[3] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[4] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[5] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

		indoor circumstances with a short delivery time. According to the management's view, the modular buildings in this business area also resemble permanent buildings in their characteristics and comply with the permanent building requirements. In addition to long-established sales operations in Sweden through NMG, Adapteo has recently entered the Finnish and Norwegian sales and long-term leasing market. Approximately half of the customers in the Permanent Space Business Area are public sector customers and the other half private sector customers, the main customer segments being school and daycare. Within the Permanent Space Business Area, school and daycare are the largest customer segment, representing more than half of the business area's total net sales for the year ended 31 December 2018.
B.4a	Main recent trends affecting the issuer and its industry	The results of operations of Adapteo have been affected, and are expected to continue to be affected, by a number of factors that are either mainly outside Adapteo's influence, or external, or within Adapteo's influence, or internal, in nature. The internal key factors affecting Adapteo's results of operations include, but are not limited to, the following: • *Ability to execute strategy*: One of the main purposes of the Demerger is to allow the different businesses of Cramo Plc ("**Cramo**") to accelerate the implementation of their independent strategies, which Cramo's management expects to create the potential for increased value for Cramo's shareholders and other stakeholders. Adapteo's ability to achieve the anticipated benefits of the Demerger will depend on its ability to organise its business and effectively implement its independent strategy in a timely manner. • *The Demerger and business acquisitions*: Adapteo's net sales during the the years ended 31 December 2018, 2017 and 2016 as well as the three months' period ended 31 March 2019 have been impacted by the business acquisitions Cramo has made in its Modular Space business during the recent years, in particular by the NMG Acquisition. • *Fleet development and utilisation rate of modules*: The main contributors to Adapteo's net sales have been rental sales and revenue from assembly and other services. The development of Adapteo's rental sales is dependent on the size and utilisation rate of its fleet. Achieving and maintaining a sufficient utilisation rate is key to sustain stable rental sales and profitability, as well as return on capital employed. • *Pricing and product mix:* Adapteo's results of operations and profitability depend on the rent it is able to charge its customers for renting or selling its solutions as well as the fees it is able to charge from various assembly and other services including but not limited to customisation of modules, assembly, transportation and disassembly. • *Efficiency of operations and operational leverage*: Operational efficiency and effective use of resources are important in the Company's business and have an impact on the results of operations. Efficiently operating the rental and sale of Modular Space Solutions requires a well-invested operating platform and value chain capabilities. The majority of Adapteo's costs are variable and include direct costs related to the rental and sale of modular spaces. • *Project management and sales organisation*: The performance of individual projects is dependent on successful project management, which includes, for example, a determination of overall costs, the pricing guidance in the offering process for public procurements and other tender processes, the use of resources, project planning and scheduling as well as assembly process management, cost control, handling of modification requests and the execution of projects as agreed within the agreed timeframe. The external key factors affecting Adapteo's results of operations include, but are not limited to, the following: • *General economic conditions*: The prevailing economic conditions and changes in the customers' preferences may affect the Company's business and, as such, be reflected in the Company's results of operations. The macroeconomic and financial market conditions especially in the Company's operating countries are factors that may affect the demand for the Company's services and solutions and order volume. • *Changes in political and demographic factors*: Changes in political, demographic and technological factors can have an effect on the demand for Adapteo's solutions and services and the prevailing cost level, among others. Such changes include, e.g. an ageing building stock in the Nordics, changes in the age structure of the population and internal migration.

- *Competition*: Adapteo operates in a competitive business sector. Adapteo's rental fleet is among the largest in the Nordics, which brings the group competitive advantage as it enables fast delivery and matching demand and supply.

- *Changes in currency exchange rates*: Adapteo will operate in several countries and, as a result, it will generate a large portion of its sales and incur a large part of its expenses in other currencies than the euro, primarily in Swedish krona. Adapteo's results of operations will be subject to currency translation risk as well as currency transaction risk.

- *Regulatory changes*: Adapteo's business is subject to regulation concerning, for example, building and safety regulations. Authorities, such as municipalities, have the jurisdiction to prepare plans for land use that steer also operations of companies providing modular spaces.

- *Seasonal variations*: Adapteo's operating results are not significantly affected by seasonal variations.

B.5 Group structure

Following the Effective Date, Adapteo Plc will be the parent company of the Adapteo group. There will be 15 subsidiaries in the group, which will be part of Adapteo. Adapteo Plc is a holding company and operating activities are primarily carried out in the group's subsidiaries. In addition to Finland, Adapteo will operate mainly in Sweden, Norway, Denmark and Germany. The following table presents the subsidiaries of the group along with respective ownership shares of Adapteo as at the Effective Date:

Subsidiaries of the Company	Consolidated shareholding and voting right (percent)	Country of incorporation
Group companies		
Adapteo Finland Oy	100	Finland
Adapteo AB	100	Sweden
Adapteo AS	100	Norway
Adapteo A/S	100	Denmark
Adapteo GmbH	100	Germany
Adapteo Holding AB	100	Sweden
Adapteo Services AB	100	Sweden
Flexator AB	100	Sweden
Flexator Leasing AB	100	Sweden
Temporent AB	100	Sweden
Temporent Oy	100	Finland
Temporent A/S	100	Denmark
Temporent AS	100	Norway
Flexihus Rent i Sverige AB	100	Sweden
Joint venture		
Ungabostäder Haninge AB	50	Sweden

B.6 Major shareholders

As at 31 May 2019, Cramo had 44,690,554 shares. The shareholders of Cramo will receive as demerger consideration one (1) share in Adapteo for each share in Cramo owned (the "**Demerger Consideration**"); that is, the Demerger Consideration will be issued to the shareholders of Cramo in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration will be issued in respect of own shares held by Cramo (7,857 as at 31 May 2019).

The following table sets forth the 10 largest shareholders of Cramo on 31 May 2019 that is based on the shareholder register maintained by Euroclear Finland and information provided by EQT Fund Management S.à r.l regarding its ownership. The following table also sets forth Adapteo's largest shareholders and their share ownership as at the Effective Date assuming that there are no changes in the ownership of the largest shareholders of Cramo and the number of Cramo's treasury shares between 31 May 2019 and the Effective Date:

Shareholder	Number of shares in Cramo	Percent of shares and votes in Cramo	Number of shares in Adapteo	Percent of shares and votes in Adapteo
EQT Fund Management S.à r.l	5,500,018	12.31	5,500,018	12.31
Rakennusmestarien Säätiö	2,129,422	4.76	2,129,422	4.77
Ilmarinen Mutual Pension Insurance Company	1,459,040	3.26	1,459,040	3.27
Nordea Funds	835,407	1.87	835,407	1.87
Varma Mutual Pension Insurance Company	758,387	1.70	758,387	1.70

Evli Funds	723,023	1.62	723,023	1.62
Danske Invest Funds	570,000	1.28	570,000	1.28
ODIN Finland	507,656	1.14	507,656	1.14
OP Funds	355,590	0.80	355,590	0.80
Rakennusmestarit ja –insinöörit AMK RKL ry	301,220	0.67	301,220	0.67
Ten largest, total	13,139,763	29.40	13,139,763	29.41
Nominee-registered shares, total[1)]	19,215,051	43.00	19,215,051	43.00
Other shareholders	12,327,883	27.58	12,327,883	27.59
Treasury shares	7,857	0.02	-	-
Total	**44,690,554**	**100**	**44,682,697**	**100**

[1)] Excluding EQT Fund Management S.à r.l

Adapteo will have one class of shares with equal voting rights. To the extent known to Cramo, Cramo is not directly or indirectly owned or controlled by any person as at the date of this Demerger Prospectus. Accordingly, as shareholders of Cramo will receive new shares in Adapteo in proportion to their existing shareholdings, Cramo does not expect Adapteo to be directly or indirectly owned or controlled by any person on the Effective Date (assuming that changes in Cramo's ownership between the date of this Demerger Prospectus and the Effective Date do not result in such ownership or control). Adapteo is not aware of any agreements between shareholders that would have a significant bearing on the use of ownership rights or voting behaviour at a General Meeting of Shareholders.

B.7 Selected historical key financial information

The following tables present selected carve-out financial information of Adapteo as at and for the years ended 31 December 2018, 2017, 2016 and as at and for the three months period ended 31 March 2019 and 2018. The selected carve-out financial information presented below has been derived from the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017, 2016 and the unaudited carve-out financial information of Adapteo as at and for the three months period ended 31 March 2019, including unaudited comparative carve-out financial information as at and for the three months period ended 31 March 2018. The carve-out financial information of Adapteo has been prepared in accordance with the IFRS standards, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to Adapteo as described in note 1 to the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016.

The NMG Acquisition was completed on 31 October 2018, from which date NMG has been included into Adapteo's carve-out financial statements. Thus, Adapteo's historical financial information for the periods preceding the completion of the NMG Acquisition does not include the results, balance sheet items or cash flows of NMG's operations and are not comparable. Adapteo has adopted new IFRS 15 Revenue from contracts with customers, IFRS 9 Financial instruments and IFRS 2 Share-based payments standards on 1 January 2018 and the historical financial information for the periods prior to 1 January 2018 has not been restated with the impacts of the new standards. In addition, Adapteo has adopted new IFRS 16 Leases on 1 January 2019 and the historical financial information for the periods prior to 1 January 2019 has not been restated with the impacts of IFRS 16 standard. Accordingly, the carve-out financial information presented below are not fully comparable between the financial years and interim periods.

Combined Income Statement

	1 January to 31 March		**1 January to 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
In EUR million	**(unaudited)**			**(audited)**	
Net sales	52.8	32.3	152.0	126.6	118.3
Other operating income	1.0	0.1	1.6	2.2	2.3
Materials and services	-17.2	-11.3	-57.0	-50.4	-46.9
Employee benefit expenses	-9.1	-3.6	-19.8	-15.6	-13.6
Other operating expenses	-10.2	-3.9	-19.5	-14.2	-11.6
Depreciation, amortisation and impairments	-10.4	-5.9	-27.9	-21.8	-18.3
Share of profit of joint ventures	0.0	-	-0.0	-	-
Operating profit (EBIT)	**7.0**	**7.7**	**29.3**	**26.9**	**30.2**
Finance income	0.0	0.1	1.7	0.2	0.1
Finance costs	-1.9	-1.1	-5.1	-2.9	-2.2
Finance costs, net	**-1.9**	**-1.0**	**-3.4**	**-2.7**	**-2.2**
Profit before taxes	**5.0**	**6.8**	**25.9**	**24.2**	**28.0**
Income taxes	-1.0	-1.6	-5.0	-5.3	-6.1

Profit for the period	**4.0**	**5.1**	**20.9**	**18.9**	**22.0**
Attributable to owners of Adapteo	4.0	5.1	20.9	18.9	22.0

Combined Statement of Comprehensive Income

Profit for the period	**4.0**	**5.1**	**20.9**	**18.9**	**22.0**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	-2.1	-0.5	2.0	-0.7	-0.6
Other comprehensive income for the year, net of tax	-2.1	-0.5	2.0	-0.7	-0.6
Total comprehensive income for the year	**1.9**	**4.6**	**22.9**	**18.2**	**21.3**
Attributable to owners of Adapteo	1.9	4.6	22.9	18.2	21.3

Combined Balance Sheet

	As at 31 March		**As at 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
In EUR million	**(unaudited)**			**(audited)**	
ASSETS					
Non-current assets					
Property, plant and equipment	442.1	300.1	423.3	298.1	264.7
Goodwill	171.7	32.0	173.9	32.7	31.9
Other intangible assets	27.2	2.3	28.0	2.5	0.7
Investments in joint ventures	1.2	-	1.2	-	-
Deferred tax assets	3.5	3.3	3.1	2.5	1.6
Finance lease receivables	5.3	-	5.5	-	-
Loan receivables	0.2	-	0.2	-	-
Other receivables	0.4	0.6	0.3	0.4	0.1
Total non-current assets	**651.7**	**338.3**	**635.6**	**336.1**	**298.9**
Current assets					
Inventories	7.1	1.9	6.8	2.0	1.3
Finance lease receivables	5.2	-	5.2	-	-
Trade and other receivables	53.7	33.8	55.6	36.2	33.2
Income tax receivables	3.1	0.4	3.0	0.2	0.1
Cash and cash equivalents	3.3	0.1	2.4	0.2	0.4
Total current assets	**72.4**	**36.2**	**73.1**	**38.5**	**35.1**
TOTAL ASSETS	**724.0**	**374.5**	**708.7**	**374.7**	**334.0**
INVESTED EQUITY AND LIABILITIES					
Total invested equity	**221.3**	**203.8**	**214.6**	**210.4**	**200.7**
Non-current liabilities					
Borrowings	363.2	85.9	350.1	76.5	40.2
Deferred tax liabilities	43.9	22.7	43.1	23.6	23.0
Provisions	0.0	0.4	0.1	-	-
Pension liabilities	0.1	0.3	0.4	-	-
Other liabilities	-	-	-	0.7	0.5
Total non-current liabilities	**407.2**	**109.3**	**393.7**	**100.8**	**63.7**
Current liabilities					
Borrowings	19.8	22.9	30.5	24.8	35.5
Trade and other payables	73.4	37.1	68.3	37.8	34.0
Income tax liabilities	2.0	0.9	1.3	0.3	0.1
Provisions	0.3	0.5	0.3	0.5	-
Total current liabilities	**95.5**	**61.5**	**100.5**	**63.5**	**69.7**
Total liabilities	**502.8**	**170.8**	**494.1**	**164.3**	**133.4**
TOTAL INVESTED EQUITY AND LIABILITIES	**724.0**	**374.5**	**708.7**	**374.7**	**334.0**

Combined Cash Flow Statement

	1 January to 31 March		**1 January to 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**

In EUR million	(unaudited)		(audited)		
Cash flow from operating activities					
Profit before taxes	5.0	6.8	25.9	24.2	28.0
Adjustments:					
Depreciation, amortisation and impairments	10.4	5.9	27.9	21.8	18.3
Share of profit of joint ventures	-0.0	-	0.0	-	-
Other non-cash adjustments	-0.3	-0.5	-1.9	-2.1	-2.1
Net gain on sale of property, plant and equipment	-0.1	-0.1	-0.8	-0.8	-1.7
Share-based payments	0.1	0.1	0.4	0.3	0.2
Finance costs, net	1.9	1.0	3.4	2.7	2.2
Cash generated from operations before changes in working capital	17.0	13.1	54.8	46.1	44.9
Change in working capital					
Change in inventories	-0.3	0.1	2.5	-0.7	-0.3
Change in trade and other receivables	1.5	1.6	-1.3	-3.9	-5.8
Change in trade and other payables	6.9	-0.8	6.2	3.3	3.6
Change in working capital	8.1	0.9	7.5	-1.3	-2.5
Change in finance lease receivables	0.1	-	0.9	-	-
Cash generated from operations before financial items and tax	25.1	13.9	63.2	44.8	42.4
Interest paid	-0.8	-0.4	-2.3	-1.8	-1.2
Interest received	0.0	0.0	0.0	0.1	0.1
Other financial items, net	1.8	-0.1	-1.0	-0.3	-0.8
Income taxes paid	-1.4	-1.0	-2.0	-3.1	-3.6
Net cash inflow from operating activities	**24.8**	**12.4**	**58.0**	**39.6**	**36.8**
Cash flow from investing activities					
Payments for property, plant and equipment	-18.6	-12.8	-68.1	-55.0	-55.6
Payments for intangible assets	-0.3	-0.1	-0.3	-0.2	-0.1
Proceeds from sale of property, plant and equipment and intangible assets	1.8	0.3	11.6	3.6	5.9
Acquisition of subsidiaries and business operations, net of cash acquired	-0.8	-	-139.0	-7.7	-
Net cash (outflow) from investing activities	**-17.9**	**-12.6**	**-195.8**	**-59.3**	**-49.8**
Cash flow from financing activities					
Proceeds from bank loans	-	-	209.6	-	-
Repayment of bank loans	-	-	-63.7	-	-
Change in other current borrowings	-5.1	-	1.9	-	-
Net proceeds from / repayment of (-) in loans from Cramo Group	-6.0	7.9	15.2	27.6	-16.5
Finance lease payments	-1.3	-0.1	-0.6	-0.3	-1.8
Equity financing with Cramo Group, net	6.5	-7.7	-22.5	-8.0	31.5
Net cash inflow from financing activities	**-5.9**	**0.2**	**140.0**	**19.4**	**13.2**
Change in cash and cash equivalents	**0.9**	**-0.0**	**2.2**	**-0.3**	**0.2**
Cash and cash equivalents at beginning of the year	2.4	0.2	0.2	0.4	0.2
Exchange differences	-0.0	0.0	0.0	-0.0	0.0
Cash and cash equivalents at year end	**3.3**	**0.1**	**2.4**	**0.2**	**0.4**

Financial Key Figures

	1 January to 31 March or as at 31 March		**1 January to 31 December or as at 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
In EUR million, unless otherwise indicated	**(unaudited)**		**(unaudited, unless otherwise indicated)**		
Net sales	52.8	32.3	152.0[1)]	126.6[1)]	118.3[1)]
Rental sales	33.2	22.8	100.0[1)]	84.6[1)]	77.5[1)]
Organic sales growth, %	7.1%	-	10.3%	5.0%	-
Net sales growth in constant currency, %	67.2%	-	23.8%	7.9%	-
Rental sales growth in constant currency, %	48.7%	-	22.0%	10.2%	-
Operating profit (EBIT)	7.0	7.7	29.3[1)]	26.9[1)]	30.2[1)]

Operating profit (EBIT) margin, %	13.2%	23.9%	19.3%	21.2%	25.5%
Comparable EBIT	12.1	7.7	33.9	26.9	30.2
Comparable EBIT margin, %	22.8%	23.9%	22.3%	21.2%	25.5 %
EBITA	7.6	7.8	30.0	27.1	30.2
EBITA margin, %	14.4%	24.1%	19.8%	21.4%	25.6%
Comparable EBITA	12.7	7.8	34.6	27.1	30.2
Comparable EBITA margin, %	24.1%	24.1%	22.8%	21.4%	25.6%
EBITDA	17.3	13.6	57.2	48.7	48.5
EBITDA margin, %	32.8%	42.1%	37.6 %	38.4 %	41.0%
Comparable EBITDA	22.4	13.6	61.8	48.7	48.5
Comparable EBITDA margin, %	42.5%	42.1%	40.6%	38.4%	41.0%
Capital employed	629.7	332.7	620.5	332.8	297.4
Net capex	16.5	13.7	58.2	55.1	53.8
Net fleet capex	12.1	11.7	53.5	53.6	53.3
Growth capex	10.5	10.9	46.7	47.2	50.8
Maintenance capex	1.8	0.8	6.9	6.4	2.5
Non-fleet capex	4.4	2.0	4.7	1.5	0.5
M&A capex	-	-	262.0	8.7	-
Operating cash flow before growth capex	24.3	11.6	57.6	39.5	43.0
Cash conversion before growth capex, %	108.5%	85.2%	93.3%	81.1%	88.6%
Free cash flow	13.8	0.7	11.0	-7.8	-7.8
Utilisation rate, %	85.5%	84.0%	84.7%	81.8%	83.5%
Average rent per sqm (€/year)	159	160	163	162	162
Number of modules	32,695	24,776	32,410	23,947	21,738
Total sqm of modules	983,569.9	687,468.6	970,447.0	669,283.7	605,342.5
Average number of FTEs	374	143	187	158	140

1) Audited.

The Definitions and Reasons for the Use of Financial Key Indicators

Key figure	Definition	Reason for the use
Organic sales growth	Sales growth of assets owned by the company for the whole current and previous reporting period (i.e. excluding acquisitions, divestments and exchange rate impact)	Organic sales growth presents the development of Adapteo's net sales excluding the effect from acquisitions, providing better comparability between periods and growth of the underlying business.
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 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 combined income statement	Operating profit (EBIT) shows result generated by the operating activities.
EBITA1)	Operating profit (EBIT) + amortisation and impairment on intangible assets resulting from acquisitions	EBITA is a result metric adjusted for amortisations and impairments resulting from acquisitions and better reflects the underlying business performance.
EBITDA1)	Operating profit (EBIT) + depreciation, amortisation and impairments	EBITDA is the indicator to measure the performance of Adapteo. EBITDA also provides a proxy for cash flow generated by operations.
Comparable EBIT1)	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. Adapteo believes that these comparable performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between the periods. Additionally growth of the comparable EBITDA is one of Adapteo's long-term financial targets.
Comparable EBITA1)	EBITA + items affecting comparability	
Comparable EBITDA1)	EBITDA + items affecting comparability	
Items affecting comparability	Material items outside ordinary course of business, such as costs related to the contemplated 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 break-downs 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.
Utilisation rate	Average rented fleet during the period divided by average 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 sales (interim periods annualised, 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.
Average number of FTEs	-	Average number of FTEs indicates the human resources required in the operations.

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

Reconciliation of Alternative Performance Measures

In EUR million, unless otherwise indicated	1 January to 31 March or as at 31 March		1 January to 31 December or as at 31 December		
	2019	2018	2018	2017	2016
	(unaudited)		(unaudited, unless otherwise indicated)		
Specification of items affecting comparability					
Costs related to the contemplated listing	3.0	-	1.4	-	-
Acquisition and integration related expenses	0.5	-	3.2	-	-
Restructuring costs	1.7	-	-	-	-
Total items affecting comparability in EBIT	**5.1**	-	**4.6**	-	-
Acquisition related expenses in net finance costs	-	-	0.4	-	-
Total items affecting comparability	**5.1**	-	**4.9**	-	-
Operating profit (EBIT)	**7.0**	**7.7**	**29.3**[1)]	**26.9**[1)]	**30.2**[1)]
Total items affecting comparability in EBIT	5.1	-	4.6	-	-
Comparable EBIT	**12.1**	**7.7**	**33.9**	**26.9**	**30.2**
Operating profit (EBIT)	**7.0**	**7.7**	**29.3**[1)]	**26.9**[1)]	**30.2**[1)]
Amortisation of intangible assets resulting from acquisitions	0.7	0.1	0.7	0.2	0
EBITA	**7.6**	**7.8**	**30.0**	**27.1**	**30.2**
Total items affecting comparability in EBIT	5.1	-	4.6	-	-
Comparable EBITA	**12.7**	**7.8**	**34.6**	**27.1**	**30.2**
Operating profit (EBIT)	**7.0**	**7.7**	29.3[1)]	26.9[1)]	30.2[1)]
Depreciation, amortisation and impairments	10.4	5.9	27.9[1)]	21.8[1)]	18.3[1)]
EBITDA	**17.3**	**13.6**	**57.2**	**48.7**	**48.5**
Total items affecting comparability in EBIT	5.1	-	4.6	-	-
Comparable EBITDA	**22.4**	**13.6**	**61.8**	**48.7**	**48.5**
Comparable EBITDA	22.4	13.6	61.8	48.7	48.5
Change in net working capital	8.1	0.9	7.5	-1.3	-2.5
Maintenance capex	-1.8	-0.8	-6.9	-6.4	-2.5
Non-fleet capex	-4.4	-2.0	-4.7	-1.5	-0.5
Operating cash flow before growth capex	**24.3**	**11.6**	**57.6**	**39.5**	**43.0**
Growth capex	-10.5	-10.9	-46.7	-47.2	-50.8
Free cash flow	**13.8**	**0.7**	**11.0**	**-7.8**	**-7.8**
Operating cash flow before growth capex	24.3	11.6	57.6	39.5	43.0
Comparable EBITDA	22.4	13.6	61.8	48.7	48.5
Cash conversion before growth capex	**108.5%**	**85.2%**	**93.3%**	**81.1%**	**88.6%**

[1)] Audited.

B.8 Pro forma financial information

The unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") is presented for illustrative purposes only to give effect to the NMG Acquisition and the Demerger and related refinancing to Adapteo's historical carve-out financial information had these been consummated at an earlier point in time. The unaudited pro forma combined income statement for the year ended 31 December 2018 give effect to the NMG Acquisition as if it had occurred on 1 January 2018 and the unaudited pro forma income statements for the three months ended 31 March 2019 and for the year ended 31 December 2018 give effect to the Demerger and related refinancing as if they had occurred on 1 January 2018. The unaudited pro forma combined balance sheet as at 31 March 2019 gives effect to the Demerger and related refinancing as if they had occurred on that date.

The Unaudited Pro Forma Financial Information has been prepared in accordance with the Annex II to the Commission Regulation (EC) N:o 809/2004, as amended, and on a basis consistent with the IFRS accounting policies applied by Adapteo. Adapteo adopted IFRS 16 – Leases standard on 1 January 2019 using the simplified approach, where comparative figures were not restated.

The NMG Acquisition has been accounted for as a business combination at consolidation using the acquisition method of accounting under the provisions of IFRS with Adapteo as the acquirer. The NMG Acquisition related adjustments presented in the Unaudited Pro Forma Financial Information are presented to reflect the NMG Acquisition's effect on Adapteo's results of operations had the NMG Acquisition been consummated at an earlier point in time. The unaudited pro forma income statement does not reflect any expected cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the NMG Acquisition.

The Demerger related adjustments presented in the Unaudited pro forma financial information have been presented to illustrate those impacts of the Demerger, which are not included in the historical carve-out financial information. Demerger related pro forma adjustments include also adjustments related to equity to illustrate the contemplated equity structure of Adapteo Plc as described in the Demerger Plan, adjustments related to refinancing in connection with the Demerger and estimated direct costs related to the Listing including costs related to the commencement of Adapteo's operations.

The Unaudited Pro Forma Financial Information has been derived from Adapteo's audited carve-out financial statements as at and for the year ended 31 December 2018 and unaudited carve-out financial information as at and for the three months ended 31 March 2019 and NMG's audited consolidated financial statements as at and for the year ended 31 December 2018.

This Unaudited Pro Forma Financial Information is presented for illustrative purposes only. Because of its nature, the Unaudited Pro Forma Information illustrates what the hypothetical impact would have been if the NMG Acquisition, the Demerger and related refinancing had been consummated at the date assumed in this pro forma financial information, and therefore, does not represent the actual results of operations or financial position of Adapteo. The unaudited pro forma information is not intended to project the results of operations or financial position of Adapteo as of any future date and does not represent the results of operations or financial position had Adapteo been an independent publicly traded company for the periods presented.

The final amounts of assets and liabilities transferred to Adapteo in the Demerger, including the final amount of the transferring portion of Cramo's external debt increasing the amount of borrowings in Adapteo's balance sheet, may materially differ from those presented in the pro forma financial information as such balances will be determined on the Effective Date. This could result in a significant variation to the results of operations and financial position of Adapteo presented in the Unaudited Pro Forma Financial Information. In addition, it should be noted that the corporate headquarter costs allocated to Adapteo for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if Adapteo had operated as an independent legal entity. Accordingly, additional costs may be incurred by Adapteo following the Effective Date in order for it to operate as an independent listed company, as well as from organising the headquarter functions.

Unaudited Pro Forma Combined Income Statement for the Three Months Period Ended 31 March 2019

In EUR million	**Adapteo Historical**	**Demerger and related refinancing**	**Adapteo Pro forma**
Net sales	52.8	-	52.8
Other operating income	1.0	-	1.0
Materials and services	-17.2	-	-17.2
Employee benefit expenses	-9.1	-	-9.1
Other operating expenses	-10.2	3.0	-7.2
Depreciation, amortisation and impairments	-10.4	-	-10.4
Share of profit of joint ventures	0.0	-	0.0
Operating profit (EBIT)	**7.0**	**3.0**	**9.9**
Finance income	0.0	-	0.0
Finance costs	-1.9	0.1	-1.9
Finance costs, net	**-1.9**	**0.1**	**-1.8**
Profit before taxes	**5.0**	**3.1**	**8.1**
Income taxes	-1.0	-0.6	-1.6
Profit for the period	**4.0**	**2.5**	**6.5**

Unaudited Pro Forma Combined Income Statement for the Year Ended 31 December 2018

In EUR million	**Adapteo Historical (audited)**	**NMG Pro forma**	**Demerger and related refinancing**	**Adapteo Pro forma**
Net sales	152.0	68.6	-	220.6
Other operating income	1.6	2.0	-	3.6
Materials and services	-57.0	-26.6	-	-83.6
Employee benefit expenses	-19.8	-13.8	-	-33.6

Other operating expenses	-19.5	-9.1	-7.4	-36.0
Depreciation, amortisations and impairments	-27.9	-7.9	-	-35.8
Share of profit of joint ventures	-0.0	0.0	-	0.0
Operating profit (EBIT)	**29.3**	**13.3**	**-7.4**	**35.2**
Finance income	1.7	0.0	-	1.7
Finance costs	-5.1	-1.1	-3.0	-9.1
Finance costs, net	**-3.4**	**-1.0**	**-3.0**	**-7.4**
Profit before taxes	**25.9**	**12.2**	**-10.3**	**27.8**
lncome taxes	-5.0	-2.4	2.1	-5.4
Profit for the year	**20.9**	**9.8**	**-8.3**	**22.4**

Unaudited Pro Forma Combined Balance Sheet as at 31 March 2019

In EUR million	**Adapteo Historical**	**Demerger and related refinancing**	**Adapteo Pro forma**
ASSETS			
Non-current assets			
Property, plant and equipment	442.1	-	442.1
Goodwill	171.7	-	171.7
Other intangible assets	27.2	-	27.2
Investments in joint ventures	1.2	-	1.2
Deferred tax assets	3.5	-	3.5
Finance lease receivables	5.3	-	5.3
Loan receivables	0.2	-	0.2
Other receivables	0.4	0.4	0.7
Total non-current assets	**651.7**	**0.4**	**652.0**
Current assets			
Inventories	7.1	-	7.1
Finance lease receivables	5.2	-	5.2
Trade and other receivables	53.7	-0.5	53.2
Income tax receivables	3.1	1.8	4.8
Cash and cash equivalents	3.3	2.3	5.6
Total current assets	**72.4**	**3.5**	**75.9**
TOTAL ASSETS	**724.0**	**3.9**	**727.9**
Equity attributable to owners of the parent company			
Share capital	-	10.0	10.0
Reserve for invested unrestricted equity	-	74.5	74.5
Translation differences	-2.0	-	-2.0
Retained earnings	-	108.5	108.5
Invested equity and retained earnings	223.2	-223.2	-
Total equity	**221.3**	**-30.2**	**191.1**
Non-current liabilities			
Borrowings	363.2	49.2	412.4
Deferred tax liabilities	43.9	-	43.9
Provisions	0.0	-	0.0
Pension liabilities	0.1	-	0.1
Total non-current liabilities	**407.2**	**49.2**	**456.4**
Current liabilities			
Borrowings	19.8	-14.0	5.8
Trade and other payables	73.4	-1.1	72.2
Income tax liabilities	2.0	-	2.0
Provisions	0.3	-	0.3
Total current liabilities	**95.5**	**-15.1**	**80.4**
Total liabilities	**502.8**	**34.1**	**536.8**
TOTAL EQUITY AND LIABILITIES	**724.0**	**3.9**	**727.9**

B.9	Profit forecast or estimate	Not applicable.
B.10	Description of the nature of qualifications in the auditor's report on the historical financial information	The independent auditor's report on the audit for the carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 includes an emphasis of matter paragraph. In this paragraph, the independent auditor, without qualifying its opinion, draws attention to note 1 to the carve-out financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them, and that the carve-out financial statements may not necessarily reflect what the combined result of operations and financial position would have been had Adapteo existed as a separate independent legal group, nor may they be indicative of Adapteo's future performance, financial position or cash flows. The carve-out financial statements have been prepared for the inclusion in this Demerger Prospectus prepared by Cramo in connection with the Extraordinary General Meeting deciding on the Demerger and the listing of Adapteo on Nasdaq Stockholm.
B.11	Working capital	Adapteo believes that the working capital available to it is sufficient for at least the 12 months following the date of this Demerger Prospectus.
	Element	**Section C – Securities**
C.1	Type and class of securities offered and/or admitted to trading	Adapteo will have one class of shares and each share will carry one vote at the General Meeting of Shareholders. As at the date of this Demerger Prospectus, the shares of Adapteo are not subject to public trading. Nasdaq Stockholm AB has assessed that Adapteo fulfils the listing requirements of the Main Market of Nasdaq Stockholm AB ("**Nasdaq Stockholm**"), subject to certain conditions. In accordance with Nasdaq Stockholm's listing process, Adapteo intends to apply for admission to trading on Nasdaq Stockholm (the "**Listing**") at the latest on the business day preceding the first day of trading. The trading in the Adapteo shares on Nasdaq Stockholm is expected to begin on the first business day following the Effective Date or as soon as reasonably possible thereafter. The ISIN code of the shares in Adapteo will be FI4000383898 and the trading code on Nasdaq Stockholm ADAPT.
C.2	Currency of issue	The reporting currency of the shares in Adapteo will be euro and the trading currency of the shares on Nasdaq Stockholm will be Swedish kronor.
C.3	Number of shares issued / nominal value	The aggregate number of shares in Adapteo to be issued as Demerger Consideration is expected to be 44,682,697 shares (based on the number of shares in Cramo (excluding own shares held by Cramo) as at the date of this Demerger Prospectus). The aggregate number of shares in Adapteo to be issued as Demerger Consideration will be determined on the basis of the number of shares in Cramo (excluding own shares held by Cramo) on the Effective Date. Shares in Adapteo will have no nominal value.
C.4	Description of rights attached to the securities	The rights attached to the shares are determined by the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and other applicable Finnish regulation. **Shareholders' Pre-emptive Subscription Right** Pursuant to the Finnish Companies Act, the shareholders of a Finnish limited liability company have a pre-emptive right to subscribe for the company's new shares, option rights and convertible bonds in proportion to the number of shares in a company they already hold unless otherwise provided in the resolution of the General Meeting of Shareholders or the Board of Directors resolving on such issue. **General Meetings of Shareholders** Shareholders exercise their decision-making powers in matters concerning the company at the General Meeting of Shareholders. Pursuant to the Finnish Companies Act, the shareholders have the right to attend and vote at the General Meeting of Shareholders. A shareholder may attend and vote at the General Meeting of Shareholders in person or by using a representative. Resolutions at the General Meeting of Shareholders generally require a majority vote. However, certain resolutions, such as amending the Articles of Association, issuing shares in deviation of the shareholders' pre-emptive subscription rights and decisions on e.g., mergers or demergers require a qualified majority of at least two-thirds of the votes cast and of the shares represented at the General Meeting of Shareholders. In addition, certain resolutions, such as a mandatory redemption of the shares by the company in deviation from the shareholdings of the shareholders, require consent of all shareholders. **Dividends and Other Distribution of Profits**

All of the shares entitle their holders to equal rights to dividend and other distributable funds (including the distribution of the Company's assets in dissolution) after the shares are entered in the Finnish Trade Register of the Finnish Patent and Registration Office (the "**Finnish Trade Register**").

The dividend can only be distributed after the General Meeting of Shareholders has confirmed the Company's financial statements and decided on the distribution of dividends on the basis of the proposal of the Board of Directors. Resolution on the distribution of dividends or granting of authorisation to the Board of Directors regarding the distribution of dividends requires a majority decision at the General Meeting of Shareholders.

The amount of dividends distributed may not exceed the distributable funds in the latest adopted financial statements of the Company. Material changes in the Company's financial position after the adoption of the previous financial statements shall be taken into account upon resolving on the distribution of dividends. In addition, no dividends may be distributed if, when deciding on the distribution, it is known or should be known that the Company is insolvent or that the distribution will cause the Company to be insolvent.

C.5	Restrictions on the free transferability of the securities	Not applicable. Shares in Adapteo will be freely transferable.
C.6	Admission	Nasdaq Stockholm has assessed that Adapteo fulfils the listing requirements of Nasdaq Stockholm, subject to certain conditions. In accordance with Nasdaq Stockholm's listing process, Adapteo intends to apply for admission to trading on Nasdaq Stockholm at the latest on the business day preceding the first day of trading. The shares in Adapteo are expected to be listed on Nasdaq Stockholm on the first business day following the Effective Date or as soon as reasonably possible thereafter.
C.7	Dividend policy	According to Adapteo's dividend policy, Adapteo's target is to distribute a dividend of at least 20 percent of the net result of the group (excluding items affecting comparability).
	Element	**Section D – Risks**

D.1 Key information on major risks applicable to the issuer or its industry

Risks related to the Demerger

- There is no certainty that the Demerger will be completed, or the completion may be delayed.
- Adapteo may not be able to implement its independent strategy in the manner and timeframe currently anticipated and it may not be able to realise any or all of the anticipated benefits of the Demerger.
- The Demerger may have undesirable effects on the uninterrupted continuity of certain functions central to Adapteo's operations, such as IT systems.
- Following the Effective Date, Adapteo may not have fully independent corporate functions in place and, as a result, will be subjected to the risk that its financial reporting is inaccurate or misleading.
- Adapteo's carve-out financial information and pro forma financial information may not give a true and fair view of Adapteo's business, result of operations and/or financial position.
- Certain agreements entered into by Cramo that relate to Adapteo may be terminated by Cramo's counterparties as a result of the Demerger.
- The Demerger may negatively affect Adapteo's market position, brand awareness, reliability, and negotiating position.
- Adapteo may be liable for certain obligations of Cramo following the Effective Date.

Risks Related to Adapteo's Operating Environment

- Uncertain global economic and financial market conditions could have a material adverse effect on the Company's business, financial condition and results of operations.
- Adapteo's business is exposed to economic cycles, and slow or negative economic growth could have a material adverse effect on the demand for Adapteo's services as well as the financial condition and results of operations.
- Demand for Adapteo's modules depends largely on the public sector's increasing need for temporary relocation and varies with the general state of economy, demographics and political decisions.
- Changes in the public sector's perception and acceptance of Modular Space Solutions may have an adverse effect on the demand for Adapteo's services and solutions.
  Changes in legislation concerning Adapteo's business operations as well as developments in case law may be unfavourable for Adapteo.

Risks Related to Adapteo's Business Operations

- Adapteo may be unsuccessful in fulfilling its strategy or the strategy itself may be unsuccessful.
- Adapteo may not necessarily be able to fully realise the anticipated benefits of the NMG Acquisition, and it may not necessarily be successful in integrating NMG into its existing business in the manner or within the timeframe currently estimated.
- The materialisation of risks related to regulation, contractual liabilities and legal proceedings could have a material adverse effect on Adapteo's business.
- Adapteo may not necessarily be able to maintain the sales volume and the profitability of its business due to unsuccessful public procurements and other tendering processes, project management, project delivery and execution or preparation of project contracts.
- Effective management of Adapteo's fleet is vital to Adapteo's business, and a failure to properly manage the designing, manufacturing as well as the repair and maintenance of Adapteo's rental modules could have a material adverse effect on Adapteo's business, financial condition and results of operations.
- Adapteo may not be able to re-rent its units effectively should a significant number of rented modules be returned during a short period of time, which could adversely affect its financial performance.
- Adapteo may not be able to employ capital efficiently due to, for example, possible failures in managing utilisation rate, estimating demand for new modules or with regard to pricing.
- Adapteo's business operations are dependent on its logistics chain and any problems in its warehouses or transportation of modules could have a material adverse effect on Adapteo's business, financial condition, results of operations and reputation.
- Adapteo may face increasing competition or other business operations related challenges in its business areas, which could drive down prices or lead to a significant reduction in the demand for Adapteo's services or solutions.
- Adapteo's success is dependent on its ability to recruit and retain highly qualified and skilled personnel.
- Adapteo may not be successful in its tenders for new customer contracts and it might lose its existing customer contracts.
- Adapteo's operating capability is dependent on IT systems and Adapteo may fail in identifying, resourcing and managing information and cyber security risks and in complying with regulations.
- Failure in the protection of intellectual property rights could have a material adverse effect on Adapteo.
- The materialisation of risks related to occupational health and safety could have a material adverse effect on Adapteo.
- Significant increases in raw material costs could increase Adapteo's operating costs significantly and harm its profitability.
- Adapteo's reputation could be damaged, which could have an unfavourable effect on the Company's customer acquisition and retention as well as its ability to recruit and retain personnel.
- Adapteo is dependent on its suppliers' ability to manufacture modules, provide necessary components for Adapteo's modules and to provide transportation, assembly and disassembly services properly and in a timely manner.
- Adapteo is exposed to risks relating to the costs of skilled labour and the results of collective labour negotiations, as well as to potential work stoppages due to labour market disputes or organisational changes.
- Operational risks in the Company's internal and external operational environment could have a material adverse effect on Adapteo.
- Adapteo may fail to maintain its insurance coverage or the terms and conditions of Adapteo's insurances may not cover all of Adapteo's losses or all claims for damage resulting from potential future accidents.
- Risks related to mergers and acquisitions could have a material adverse effect on Adapteo.

Risks Related to Adapteo's Financial Position and Financing

- Following the Effective Date, Adapteo will have to secure its financing independently, and there can be no assurance that any future financing arrangements will have terms similar to those of financing obtained prior to the Effective Date.
- Difficulties in accessing additional financing or complying with the financial covenants included in Adapteo's financing arrangements as well as increases in costs of financing could have an adverse effect on Adapteo's financial position.
- A possible impairment of goodwill, other intangible assets or property, plant and equipment could have adverse effects on Adapteo's financial condition and results of operations.
- Adapteo's actual results of operations may differ materially from the financial targets included in this Demerger Prospectus and investors should not place undue reliance on the financial targets.
- Adapteo is exposed to foreign exchange risks especially with respect to the Swedish krona.
- Adapteo is exposed to changes in interest rates in its borrowings.
- Adapteo is exposed to credit and counterparty risks through the trade receivables and receivables associated with financial intermediaries.

		• Adapteo's tax burden could increase as a result of changes to tax laws or their application or as a result of a tax audit. • If Adapteo will be unable to utilise its deferred tax assets, its results of operations could be adversely affected. • The adoption of new or revised IFRSs may have material effects on the comparability of Adapteo's future consolidated financial statements.
D.3	Key information on the risks specific to the securities	**Risks related to shares in Adapteo** • The shares have not been previously subject to public trading, and thus the share price is uncertain and it may be volatile, and an orderly and liquid trading market may not develop. • Adapteo will incur additional costs and new obligations as a consequence of the Listing that could have an adverse effect on Adapteo's business, financial condition and results of operations. • Future share issues and sales of significant number of shares may reduce the price of the shares and future share issues may dilute the share of ownership of the shareholders. • The amount of any dividends to be potentially paid by Adapteo in any given financial year is uncertain. • Fluctuations in the EUR/SEK exchange rate will affect the value of the shares and distributed dividends. • Holders of shares in Adapteo registered in custodial nominee accounts may not be able to exercise their voting rights. • Certain foreign shareholders may not necessarily be able to exercise their subscription rights.
	Element	**Section E – Offering**
E.1	Total net proceeds and estimated total costs of issue	Not applicable. There will be no net proceeds as securities will be given as Demerger Consideration. Unless separately agreed between Cramo and Adapteo, the costs and remuneration related to the Demerger shall be allocated so that Cramo shall be responsible for the costs and remuneration that relate directly to the Demerger process and its completion, and Adapteo shall be responsible for the costs relating to the Listing, creation of the shares in the book-entry securities system and costs related to the commencement of Adapteo's operations. Cramo and Adapteo shall each be responsible for one-half of the costs and fees that cannot be allocated based on the above or that are not directly related to the operations of either of the companies. In practice, Cramo will pay all of the costs until the Effective Date and will invoice Adapteo after the Effective Date the costs allocated to Adapteo. After the Effective Date, both Cramo and Adapteo will be responsible for their own costs. The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 13 million, of which Cramo's portion is approximately EUR 4 million and Adapteo's approximately EUR 9 million. In addition, Cramo will, in accordance with the Demerger Plan, invoice Adapteo approximately 2 million for other costs related to the commencement of Adapteo's operations.
E.2a	Reasons for offer, use of proceeds and estimated total net proceeds	The Board of Directors of Cramo has on 18 February 2019 approved the Demerger Plan. The shares in Adapteo constitute the Demerger Consideration.
E.3	Terms and conditions of the offer	The Board of Directors of Cramo has on 18 February 2019 approved the Demerger Plan concerning the partial demerger of Cramo. Pursuant to the Demerger Plan, Cramo will demerge so that all the assets, debts and liabilities belonging to Cramo's Modular Space business are transferred without a liquidation procedure to Adapteo. The Demerger and the Demerger Plan will be presented for approval to the Extraordinary General Meeting to be held on 17 June 2019 (the "**EGM**"). The Demerger will become effective if the EGM approves the Demerger and the Demerger Plan and if the execution of the Demerger is subsequently registered in the Finnish Trade Register. The execution of the Demerger is expected to be registered on or about 30 June 2019 (i.e., the Effective Date). On the Effective Date, the incorporation of Adapteo will become effective. The shareholders of Cramo shall receive as Demerger Consideration one (1) new share of Adapteo for each share owned in Cramo, that is, the Demerger Consideration shall be issued to the shareholders of Cramo in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration shall be issued to any treasury shares held by Cramo. The final total number of shares in Adapteo issued as Demerger Consideration shall be determined on the basis of the number of shares in Cramo held by shareholders, other than Cramo itself, on the Effective Date. According to the situation as at the date of this Demerger Prospectus, the total number of shares in Adapteo to be issued as Demerger Consideration would therefore be 44,682,697 shares.

		The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of Cramo in relation thereto. Nasdaq Stockholm has assessed that Adapteo fulfils the listing requirements of Nasdaq Stockholm, subject to certain conditions. In accordance with Nasdaq Stockholm's listing process, Adapteo intends to apply for admission to trading on Nasdaq Stockholm at the latest on the business day preceding the first day of trading. The shares in Adapteo are expected to be listed on Nasdaq Stockholm on the first business day following the Effective Date or as soon as reasonably possible thereafter.
E.4	Description of all essential interests regarding the offering, including conflicts of interest	In accordance with customary practice, Cramo has agreed with the Financial Adviser that part of their remuneration shall be paid only if the Demerger is completed. Fees to the Financial Adviser that are conditional on the completion of the Demerger, amount to approximately EUR 1.3 million in total.
E.5	Name of persons selling the security and lock-up agreements	Not applicable. No entity is offering to sell securities. There are no lock-up agreements.
E.6	Degree and percentage of immediate dilution resulting from the offering	Not applicable. The ownership base of Adapteo will be formed in connection with the incorporation of Adapteo.
E.7	Estimated costs charged to investor by the issuer	Not applicable. No expenses will be charged to shareholders and prospective investors by Adapteo. Custodians, account operators and brokers may charge normal commissions for trading shares. Each custodian and account operator will charge fees in accordance with its own price list for maintaining a book-entry account and for entries on the account.

RISK FACTORS

Shareholders and prospective investors should carefully review the information contained in this Demerger Prospectus, and in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Demerger Prospectus by Cramo and its management and, therefore, is not necessarily exhaustive. Should one or more of the risk factors described herein materialise, it could have a material adverse effect on Adapteo's business, financial condition and results of operations and investors could lose a part or all of their investment. Adapteo also faces many additional risks not currently known or not currently deemed material that could also impair its business, financial condition and results of operations. Shareholders and prospective investors should note that the order in which the risk factors are presented is not intended to be an indication of the probability of their materialisation or order of priority.

This Demerger Prospectus includes forward-looking statements that involve risks and uncertainties. Adapteo's actual results may differ in a material way from those anticipated in the forward-looking statements due to the risks described below and other factors described in this Demerger Prospectus.

Risks Related to the Demerger

There is no certainty that the Demerger will be completed, or the completion may be delayed.

The Demerger will become effective if the Extraordinary General Meeting ("**EGM**") of Cramo approves the Demerger and the Demerger Plan and if Cramo's Board of Directors subsequently resolves that the Demerger is executed in accordance with the terms and conditions of the Demerger Plan and such execution is then registered with the Finnish Trade Register. The completion of the Demerger is intended to be registered in the Finnish Trade Register on or about 30 June 2019 (the **"Effective Date**") and the shares are thereafter intended to be listed on the Main Market of Nasdaq Stockholm. The Board of Directors of Cramo has on 2 May 2019 proposed that the EGM of Cramo, which is will be held on 17 June 2019, will resolve on the Demerger in accordance with the Demerger Plan. The Demerger and the Demerger Plan must be approved by Cramo shareholders representing at least two-thirds of the votes cast and shares represented at the EGM. The Demerger Plan must be approved in the form proposed by the Board of Directors of Cramo or the Demerger will not be completed.

Pursuant to the Finnish Companies Act (624/2006, as amended, the "**Finnish Companies Act**"), the Demerger requires the prior completion of a creditor hearing process during which creditors of the demerging company (i.e. creditors of Cramo) may object to the demerger until a specified due date. In the Demerger, such due date is 24 May 2019. If any of Cramo's creditors object to the Demerger in the creditor hearing process and do not revoke such objection, the execution of the Demerger is not registered until a competent district court has issued a confirmatory judgment stating that the opposing creditor has received payment for its receivables or that a security for the payment of the creditor's receivables has been posted. While Cramo has obtained consents and waivers from certain of its lenders covering financial facilities totalling approximately EUR 425 million as well as from the holders of its EUR 150 million senior unsecured bond due 2022 (see "*Summary of the Demerger – Creditor Consents and Waivers*") there can be no assurance that Cramo's other creditors will not object to the Demerger in the creditor hearing process, which could delay or prevent the completion of the Demerger.

A delay in the completion of the Demerger could have a material adverse effect on Cramo's business, financial position and results of operations and the market price of Cramo shares. Additionally, if the EGM does not approve the Demerger or the Demerger is otherwise not completed, the contribution of Cramo's management in the Demerger will be lost and the significant Demerger and Listing preparation costs will be borne by Cramo.

Adapteo may not be able to implement its independent strategy in the manner and timeframe currently anticipated and it may not be able to realise any or all of the anticipated benefits of the Demerger.

One of the main purposes of the Demerger is to allow the different businesses of Cramo to accelerate the implementation of their independent strategies, which Cramo's management expects to create the potential for increased value for Cramo's shareholders and other stakeholders. See "*Summary of the Demerger – General Description*". Adapteo's ability to achieve the anticipated benefits of the Demerger will depend on its ability to organise its business and effectively implement its independent strategy in a timely manner. The implementation of Adapteo's strategy involves certain risks and uncertainties, some of which are outside of Adapteo's control, and there can be no assurance that Adapteo will be able to implement its strategy as currently expected or to realise any or all of the anticipated benefits of the Demerger.

Risks and challenges for Adapteo relating to the Demerger and implementation of Adapteo's independent strategy include, but are not limited to, the following:

- the implementation of the new organisation for Adapteo;

- the ability to secure necessary financing facilities for Adapteo also in the future;
- the implementation of corporate, financial, control and administrative functions, including cash management, internal and other financing, insurance, financial control and reporting, information technology infrastructure, shared information technology systems, communications, compliance and other administrative functions;
- the retention of key senior management and/or key employees and the ability to hire new qualified personnel; and
- higher than expected indirect costs related to operating as a stand-alone entity.

Should Adapteo not be able to organise its business or implement its independent strategy as currently anticipated and in a timely manner and realise the anticipated benefits of the Demerger in the manner or within the timeframe currently anticipated, it could have a material adverse effect on Adapteo's business, financial condition and results of operations.

The Demerger may have undesirable effects on the uninterrupted continuity of certain functions central to Adapteo's operations, such as IT systems.

The uninterrupted continuity and operational reliability of functions central to Adapteo's business, such as IT systems, may be at risk due to the Demerger. The operational reliability of IT systems used in controlling business operations, managing Adapteo's rental fleet and risks, creating operating and financial reports and executing treasury operations, among others, is essential to Adapteo's ability to conduct business.

For example, in connection with the Demerger, some of Adapteo's operations will be carved-out from Cramo's existing IT systems and integrated into Adapteo's IT environment, and a new enterprise resource planning ("**ERP**") system will be implemented for Adapteo. Any failure in implementing said carve-out, the new ERP system or other IT systems in Adapteo may result in severe interruptions and operational disturbances in Adapteo's business operations. Problems or disturbances in the implementation of IT infrastructure or IT systems after the Demerger could also have a negative effect on the continuity of the Company's business and its financial reporting. Further information on certain transitional arrangements with Cramo is presented in section "*Summary of the Demerger – Related Arrangements*".

Following the Effective Date, Adapteo may not have fully independent corporate functions in place and, as a result, will be subjected to the risk that its financial reporting is inaccurate or misleading.

Effective internal controls are necessary for Adapteo to provide reliable financial information. If Adapteo fails in maintaining effective internal control of the financial reporting or in adopting or integrating the new ERP system and other necessary new control procedures, this may have a material adverse effect on Adapteo's ability to produce and provide its management with timely, reliable, accurate and up-to-date financial information on the development of the business operations. These factors could thus lead to erroneous and faulty financial information presented to the markets as well as uninformed decisions or actions by its management. Further, if any of the risks mentioned above would be realised, this could cause investors to lose confidence in the financial information included in Adapteo's reports.

Although Adapteo aims to organise independent corporate functions necessary for a listed company by the Effective Date, it may not be able to complete the organisation of all independent functions separate from Cramo or to obtain related services from third parties. For more information regarding certain transition arrangements with Cramo, see "*Summary of the Demerger – Related Arrangements.*" As a result, Adapteo may incur additional costs due to the ongoing work to finalise an integrated governance, control and risk management framework, and until such integrated framework is in place, Adapteo may be affected by risks arising in relation to its internal control and risk management, which could have a material adverse effect on Adapteo's business, financial condition and results of operations.

Adapteo's carve-out financial information and pro forma financial information may not give a true and fair view of Adapteo's business, result of operations and/or financial position.

Adapteo has not in the past formed a separate legal group, and the financial result of its operations has been consolidated with the result of operations, financial position and cash flows of Cramo. The carve-out financial information for Adapteo included in this Demerger Prospectus has been prepared on a "carve-out" basis from Cramo's consolidated financial statements using the historical results of operations, assets, liabilities and cash flows attributable to Adapteo and certain assumptions and estimates were made which affected the recognition and the amount of the assets, liabilities, income and expenses. Additional information is presented in Adapteo's carve-out financial information included in the F-pages to this Demerger Prospectus. See also "*Certain Matters – Presentation of Financial and Certain Other Information*" and "*Operating and Financial Review of Adapteo – Carve-out Financial Information and Factors Influencing Comparability*".

Adapteo's historical carve-out financial information included in this Demerger Prospectus may not accurately reflect what Adapteo's actual operations, financial position and result of operations would have been had Adapteo and its subsidiaries operated as an independent group and had it presented stand-alone financial statements during the periods presented, and they may not be indicative of Adapteo's future operations, financial position and/or result of operations In addition, it should be noted that the corporate function related costs allocated to Adapteo for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if Adapteo had operated as an independent legal entity. Adapteo may, according to management's estimates, incur additional annual costs of approximately EUR 2 million following the Effective Date in order for the Company to operate as an independent listed company, as well as from organising the headquarter functions as compared to the costs allocated to Adapteo in the carve-out financial statements for the year ended 31 December 2018. There can be no assurance that the management's estimate of the additional costs would correspond the actual costs incurred by Adapteo from operating as an independent listed company.

Adapteo's unaudited pro forma financial information included in this Demerger Prospectus (the "**Unaudited Pro Forma Financial Information**") has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation. The Unaudited Pro Forma Financial Information illustrates what the hypothetical impact would have been if the NMG Acquisition (as defined below), the Demerger and related refinancing had been consummated at the dates assumed in the Unaudited Pro Forma Financial Information and, therefore, does not represent the actual results of operations or financial position of Adapteo. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of Adapteo for any future period or as at any future date. The pro forma financial information is based on Adapteo's carve-out financial information and certain NMG Acquisition, Demerger and refinancing related adjustments have been made to it as presented in more detail in "*Unaudited Pro Forma Financial Information*". The pro forma adjustments are based on available information and assumptions, and their factual effects may differ from what has been presented in this Demerger Prospectus, and consequently the result of operations and/or financial position presented in the Unaudited Pro Forma Financial Information may differ from Adapteo's actual result of operations and/or financial position.

Certain agreements entered into by Cramo that relate to Adapteo may be terminated by Cramo's counterparties as a result of the Demerger.

A number of Cramo's agreements entered into with third parties, including public entities, include customary clauses that prevent or impose limitations on transferring the rights and obligations arising from such agreements without the consent of the other party, and may give the other party a right to terminate the agreement in the event of a reorganisation, change of control or if an agreement is transferred. The applicability of these clauses in a demerger context is often subject to interpretation and uncertainty. Notwithstanding Cramo's notifications and consent requests sent to a number of its counterparties in relation to the Demerger process, there can be no assurance that one or more of Cramo's agreements that relate to Adapteo and are to be transferred to Adapteo in the Demerger, will not be prematurely terminated due to the Demerger or due to intra-group reorganisations potentially carried out prior to or following the Demerger. Further, there can be no assurance that the risks related to the premature termination, if realised, would not have a material adverse effect on Adapteo's business, financial condition and results of operations.

The Demerger may negatively affect Adapteo's market position, brand awareness, reliability, and negotiating position.

At present, Adapteo has a solid market position in its relevant markets. Awareness of the company is significant for establishing and maintaining a market position and Adapteo has gained its market position while operating as a part of Cramo group and under Cramo's brand. After the completion of the Demerger, Adapteo is a new independent company who cannot rely on Cramo's brand or Cramo's brand awareness. In addition, due to the acquisition and integration of Nordic Modular Group Holding AB ("**NMG**"), the brands NMG used in its operations will be harmonised with those of Adapteo. Therefore, Adapteo needs to gain and maintain brand awareness for the Adapteo brand in order to be able to maintain its market position. There can be no assurance that Adapteo's brand will become as well-known in the market as that of Cramo's, Cramo Adapteo's or Temporent's.

The Demerger may also adversely affect Adapteo's relationships with its customers and its ability to attract new customers if Adapteo is not able to convince the customers with its ability to fulfil their projects. In addition, if Adapteo's customers feel that the Demerger weakens Adapteo's reputation and reliability, Adapteo might be required to provide a guarantee for fulfilling its obligations.

Further, as an independent new company, Adapteo may not have the same negotiation power regarding the procurement of certain services as it had through Cramo and may not be able to obtain terms or prices similar to those obtained prior to the completion of the Demerger. In addition, Adapteo may not be able to obtain agreements as effectively through public procurement processes as it could through Cramo. Further, Cramo holds certain certifications relevant for the Modular Space business that can be crucial from the perspective of public procurement processes and contracts in certain countries where Adapteo will operate. Although the process for obtaining equivalent certifications for the benefit of Adapteo is on-going, Adapteo may not be in compliance with the terms of certain existing publicly procured contracts nor as successful in winning contracts through public procurements as Cramo, if Adapteo would not be able to obtain the necessary certifications in a timely manner or at all. For further information on the certifications, see "*Business of Adapteo – Sustainability*".

If any of the risks mentioned above would realise, it could have a material adverse effect on Adapteo's business, financial condition and results of operations.

Adapteo may be liable for certain obligations of Cramo following the Effective Date.

Pursuant to the Finnish Companies Act, all companies participating in a demerger are jointly liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. The liability of a participating company for debts that have in the demerger plan been allocated to another participating company is limited to a total amount equal to the value of the net assets received or retained by the first mentioned participating company in the demerger ("**Secondary Demerger Liability**"). A demand for payment based on Secondary Demerger Liability can be made only after it has been established that payment will not be received from the participating company to which such debt was allocated in the demerger plan or out of the proceeds of security posted for the relevant liability.

In the Demerger, all of the assets, debts and liabilities of Cramo relating to the Modular Space business will transfer, without liquidation, from Cramo to Adapteo. All of the assets, debts and liabilities relating to Cramo's Equipment Rental businesses will remain with Cramo. Following the Effective Date, Adapteo may be liable for any debts that arose prior to the Effective Date and that have been allocated to Cramo in the Demerger Plan if it has been established that payment will not be received from Cramo or out of the proceeds of security posted for the relevant liability, if any. Such liability could have a material adverse effect on Adapteo's business, financial condition and results of operations.

Risks Related to Adapteo's Operating Environment

Uncertain global economic and financial market conditions could have a material adverse effect on the Company's business, financial condition and results of operations.

In recent years, the general economic and financial market conditions in Europe and other parts of the world have undergone significant volatility due to, among other factors, the sovereign debt crisis in certain European countries. Although general economic conditions and financial market conditions have improved somewhat recently, this does not guarantee that similar volatility will not continue in the near future or in the longer term. The Company is especially exposed to the macroeconomic conditions affecting Finland and Sweden, which accounted for approximately 18.9 and 62.4 percent, respectively, of the Company's total carve-out net sales for the three months period ended 31 March 2019.

Furthermore, global economic conditions have been, and are likely to continue to be, affected by concerns over increased geopolitical tensions as well as political developments, such as the United Kingdom's possible departure from the EU ("**Brexit**") and the increased threat of escalated trade conflicts on a global level. These or other geopolitical tensions, political developments around the world and global protectionism have impacted the global economic conditions and increased market uncertainty and volatility and may continue to do so in the near future or in the longer term.

It is difficult to predict how market conditions will develop, as they are impacted by macro movements of the financial markets and many other factors, including the stock, bond and derivatives markets as well as measures taken by various governmental and regulatory authorities and central banks, over which the Company has no control. Uncertainty remains in the global markets and it cannot be ruled out that Northern Europe or the global economy could fall back into a recession, or even a depression, which could be deeper and longer lasting than the recessions experienced since 2008.

Uncertainty in the global economy and financial markets could have a material adverse effect on the Company. A slowdown in the economic growth, an economic downturn or any other unfavourable economic development in the Company's business areas could affect the Company's business in several different ways, including weakened demand, increased expenses as well as suppliers, subcontractors or the Company's customers experiencing difficulties in meeting their contractual obligations. The Company may not necessarily be able to exploit all the opportunities offered by economic developments, or the Company could fail to adapt its business to a long-term economic downturn or stagnation. In addition, although Cramo believes that Adapteo's capital structure and credit facilities will provide sufficient liquidity, Adapteo's liquidity and access to financing may be materially affected by changes in the financial markets, or its capital resources may not, at all times, be sufficient to satisfy its liquidity needs. In addition, improvement in the economic conditions typically increases interest rates, which may increase Adapteo's financing costs and expenses. The materialisation of any of the above risks could have a material adverse effect on the Company's asset values, future cost of debt and access to bank and capital market financing in the future, which, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations also in the near future or in the longer term.

Adapteo's business is exposed to economic cycles, and slow or negative economic growth could have a material adverse effect on the demand for Adapteo's services as well as the financial condition and results of operations.

Adapteo's customers are exposed to the development of the general economic situation, and economic fluctuations and slow or negative economic growth may have an unfavourable effect on the demand for Adapteo's services and solutions. The rental business is the largest part of Adapteo's business by net sales, and it is less cyclic in nature, but uncertainty in the economy may affect it through for example customers delaying rental of new Modular Space Solutions (as defined below in "*Market Overview – Market Size and Characteristics"*) due to the economic uncertainties. Moreover, during the past years Adapteo's customers have benefited from the low interest rate environment in the Nordics and the European Union that has supported their abilities to finance their procurements and investment activities. Increases in interest rates may generally cause demand for new modular buildings to decrease and could have an adverse effect on the ability of potential customers to finance the procurement of such solutions. Changes in customer behaviour and fluctuations in demand may be strong even over a short period, and the volume of new rentals and purchases of new modular buildings may decrease suddenly if the general economic situation weakens or if the interest rates increase. Also projects that have already been ordered may be cancelled or postponed or their installation interrupted, which could have a material adverse effect on the Company's business, financial condition and results of operations. Even though Adapteo's business is diversified in terms of geography and number of customers, fluctuations in customer demand, which is dependent on the economic situation, impairs the predictability of business, especially in an uncertain economic situation. Reduced demand could in turn impact Adapteo's negotiation power and pricing of its services, as well as the utilisation rate of its rental fleet, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Demand for Adapteo's modules depends largely on the public sector's increasing need for temporary relocation and varies with the general state of economy, demographics and political decisions.

Changes in political, demographic and technological factors could have an effect on the demand for Adapteo's solutions and services and the prevailing cost level, among others. The social infrastructure related customer segments, such as school, daycare, health and social care as well as special accommodation, which are predominated by the public sector constituted approximately 74 percent of Adapteo's rental income for the year ended 31 December 2018.[6] The public sector is legally obliged to provide several public services relating to the built environment, such as daycare, education and elderly care, among others. Hence, decisions by municipalities and other public sector actors have a significant effect on the demand for new buildings and renovations and thus Modular Space Solutions.

One of the key drivers in the modular space markets is the ageing building stock in the Nordics in need of renovation, which consequently affects the demand for temporary relocation. Temporary spaces are also needed in case of sudden reduction in the available space due to, for example, fires, mould and air quality problems in existing spaces. Government budget decisions, among other factors, have an effect on investments in the public sector, and a significant decrease in investment activity could have an effect on the demand for Adapteo's solutions and services if the municipalities are unable to invest in new spaces or renovation of existing ones.

The economic and financial situation is one of the decisive factors in private sector customers' demand for additional space. Should the global and Nordic economies show marks for potential downturn, this could lead to the private sector customers slowing down their investment activities and growth plans and thus their need for additional space for various applications, such as office space. In economic recession or depression, the private sector customers may be forced to close down or reduce their operations and end their rental contracts either partly or completely. Economic downturn could also have an impact on consumers' demand for privately produced services in, for example, daycare and elderly care, and hence reduce private companies' need for rental spaces for providing such services.

Demographic changes could have an effect on Adapteo's operating environment over the long term. Changes in the age structure of the population and internal migration may change the demand from daycares and schools in growth centres to elderly care facilities in sparsely populated areas with depopulation. In addition, the consolidation of small municipalities in sparsely populated areas to larger municipalities could decrease the demand for modular spaces for temporary relocation if such larger municipalities would have a larger pool of suitable permanent facilities available for its needs.

If Adapteo does not succeed in adapting its offering due to the changes in its operating environment, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Changes in the public sector's perception and acceptance of Modular Space Solutions may have an adverse effect on the demand for Adapteo's services and solutions.

A large part of Adapteo's customer base consists of public sector entities such as municipalities, as the Company provides public sector customers modular spaces for schools, daycares and social and health care premises. The demand for using Modular Space Solutions in the public sector may decrease if the perception concerning their quality or suitability for public sector use is adversely affected due to, for example, claimed or detected issues in construction methods or the materials used in modular spaces provided by private sector operators. Such changes in public sector decision-makers' perception could result in the favouring of permanent buildings instead of renting or purchasing modular spaces, which

[6] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

could decrease public sector demand for Adapteo's services and solutions and thus could have a material adverse effect on Adapteo's business, financial position and results of operations.

Changes in legislation concerning Adapteo's business operations as well as developments in case law may be unfavourable for Adapteo.

Adapteo's business is subject to regulation concerning, for example, building, zoning and safety regulations and the predictability of the legal operating environment is essential for Adapteo. Authorities, such as municipalities, have the jurisdiction to prepare plans for land use that steer also operations of companies providing temporary spaces. Assembling of permanent or temporary spaces may commence only after the necessary permits have been obtained from the authorities. In addition, the actual assembling of modules entails cooperation with various authorities and inspections to be carried out by such authorities at different stages of the assembling before the spaces can be taken into use. Authorities may not grant Adapteo or its clients the permits they need, or permits granted to them can contain unfavourable terms and conditions which would e.g. require module upgrades, and permit decisions can, as a result of potential complaints, be overturned or amended in a way that is unfavourable for Adapteo's business. Unfavourable administrative decisions or decisions made in any administrative court as well as prolonged permit procedures including hearing and complaint processes may make it more difficult to execute projects, delay their timetables or even result in the cancellation of individual projects. These risks could have a material adverse effect on Adapteo's business, financial position and results of operations.

Adapteo is dependent on cooperation with the authorities whose jurisdiction includes duties relating to Adapteo's business. In particular, changes in legislation, official regulations or case law pertaining to land use and assembling of modules or changes in the interpretations of such provisions in an unfavourable manner for Adapteo, or a deterioration of Adapteo's reputation in the eyes of the authorities, or unfavourable official proceedings could have a material adverse effect on Adapteo's business, financial position, results of operations, reputation and future prospects.

Risks Related to Adapteo's Business Operations

Adapteo may be unsuccessful in fulfilling its strategy or the strategy itself may be unsuccessful.

The management has prepared a new strategy for Adapteo for the period spanning until 2023. The Company's strategy is built on three key strategic pillars, being break-out growth, commercial excellence and operational efficiency. Adapteo's strategy is described in more detail under "*Business of Adapteo – Business Strategy*". In the near-term, the Company will place high emphasis on the integration of NMG, which will be an important enabler for delivering the strategy. The management believes that a successful integration of NMG will unlock significant potential to leverage the stronger combined Modular Space platform and capture synergies both on revenue and cost sides.

The successful execution of Adapteo's strategy depends on several factors, some of which are completely or partially outside of Adapteo's control. Adapteo may not necessarily be able to successfully execute its strategy in its main markets and achieve its financial targets due to the market conditions, regulatory changes, operational challenges or a failure in the management of the Company. The execution of the strategy may also cause increased costs as a result of the reorganisation of operations. Adapteo may also decide to amend its strategy or adapt its strategy in response to changes in its operating environment. In addition, even if Adapteo succeeds in the execution of its strategy, there can be no certainty that the chosen strategy is or will be successful. Costs related to pursuing a strategy or an amended strategy or any failure in executing or amending Adapteo's strategy, or a failure of the strategy itself or the amended strategy, could have a material adverse effect on Adapteo's business, financial condition and results of operations.

Adapteo may not necessarily be able to fully realise the anticipated benefits of the NMG Acquisition, and it may not necessarily be successful in integrating NMG into its existing business in the manner or within the timeframe currently estimated.

Cramo announced on 26 June 2018 that it had signed an agreement to acquire the Swedish based NMG (the "**NMG Acquisition**"). The acquisition was completed on 31 October 2018; for further details on the NMG Acquisition, see "*Business of Adapteo – The NMG Acquisition*".

Achieving the anticipated benefits of the NMG Acquisition will depend largely on the timely and efficient integration of the business operations of Adapteo and NMG. The process of integrating NMG into Adapteo's existing business involves certain risks and uncertainties, and there can be no assurance that Adapteo will be able to integrate the two businesses in the manner or within the timeframe currently anticipated. Hence, there can be no assurance that Adapteo will fully achieve the anticipated benefits of the NMG Acquisition, such as the expedited international expansion and the pursued profitable growth.

Risks and challenges related to the integration of NMG into Adapteo's existing business include, but are not limited to, the following:

- difficulties in integrating the operations, business steering technologies, IT systems, products and personnel of NMG;
- the placement of considerable demands on Adapteo's resources to manage the rapid expansion and complex operations of the Company, including requiring significant amounts of management time in addition to the time invested in the Demerger, which may impair management's ability to run the Company's business effectively during the integration process;
- the consolidation of corporate, financial, control and administrative functions, including cash management, internal and other financing, insurance, financial control and reporting, communications, compliance and other administrative functions;
- an inability to timely complete necessary financing and required amendments, if any, to existing agreements;
- undiscovered and unknown problems, defects, financial and other liabilities or other issues related to the acquisition that relate to NMG's business operations, especially to its rental or sales fleet;
- the retention of senior management and/or key employees of the Company; and
- the coordination of research and development, marketing and other support functions.

The anticipated synergies and benefits expected to arise from the NMG Acquisition and the integration of NMG into Adapteo's existing business as well as related costs to implement such measures are derived from the estimates of Adapteo and such estimates are inherently uncertain. The estimates included in this Demerger Prospectus are based on a number of assumptions made in reliance on the information available to Adapteo and management's judgments based on such information, including, without limitation, information relating to the business operations, financial condition and results of operations of NMG. While Adapteo believes these estimated synergies and benefits as well as related costs are reasonable, the underlying assumptions are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive factors, risks and uncertainties that could cause the actual results to differ materially from those contained in the synergy, benefit and related cost estimates.

Accordingly, there can be no assurance that Adapteo does not encounter difficulties in integrating NMG or that Adapteo fully achieves anticipated synergies and other benefits of the integration. Furthermore, adverse developments in general economic conditions could limit, eliminate or delay Adapteo's ability to fully realise the anticipated benefits. Any delays and unexpected costs incurred in the integration process or failure to achieve the goals, in time or at all, could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

The materialisation of risks related to regulation, contractual liabilities and legal proceedings could have a material adverse effect on Adapteo's business.

Adapteo and its employees must comply with a wide variety of laws and regulations enacted on both the EU and national level, including regulations on strength, stability and features of modules, fire safety, public procurement, occupational safety, information security, environmental, labour and competition regulations, as well as corporate and securities market laws, accounting and tax laws. As part of its operations, Adapteo will commence taking measures for preparing for the future legislative changes, and, whenever necessary, adapt its operating methods to comply with new legislation. For example, the recent amendment on EU directive on energy performance of buildings (EU 2018/844) and its national implementation require significant investments in the modifications of Adapteo's existing modules in order for them to fulfil the stringent laws and regulations especially regarding energy consumption levels. However, there are no guarantees that Adapteo will be able to successfully modify its modules or otherwise adapt its operations or strategy to changes in the regulatory framework, or the interpretation thereof, in a timely manner or at all. Such changes and failures in required measures could have a material adverse effect on Adapteo's result due to, among other things, significant modification costs or even scrapping of modules.

Cramo' s business is guided by its Code of Conduct, which is supplemented by various internal policies, principles and guidelines, and it is expected that Adapteo will implement its own internal policies, principles and guidelines. There is a risk that Adapteo's employees could disregard the stipulations contained in legislation, regulations and permits, or Adapteo's internal guidelines. Liabilities could also be transferred to Adapteo for past or ongoing omissions or violations through corporate transactions or restructurings.

Claims made by Adapteo's customers, counterparties, employees or the authorities against Adapteo could lead to legal or administrative proceedings, for instance, related to module quality issues, contractual liabilities due to e.g. delays, defects or faults in modules, violations of environmental legislation or investigations or cleaning measures related to possible contamination of soil or groundwater, employer obligations, employees' terms of employment, liability under securities market law, or anti-trust or anti-bribery matters or criminal issues. Some of the Company's modules aimed for short term rental use have been subject to customer claims ranging from simple repairs to indoor air quality issues. The outcome of such legal proceedings could be that Adapteo is obligated to pay damages or fines, refrain from taking certain actions or that it is adjudged liable for damage based on joint and several liability on behalf of a third party, or to divest certain operations or to refrain from acquiring businesses, or otherwise refrain from increasing its market share in certain markets.

Such legal proceedings could also have a negative effect on Adapteo's reputation from the perspective of its current and potential customers and counterparties, which could result in a loss of customers. Furthermore, these kinds of proceedings could result in Adapteo being excluded from some public procurement procedures. In addition, Adapteo could face material adverse consequences if contractual obligations were not enforceable as anticipated or if they were to be enforced in a manner adverse to Adapteo. Any breaches or violations of internal or external regulations by Adapteo's employees could also have a direct material adverse effect on Adapteo if, for example, this resulted in corporate fines.

Adapteo may have to adjust its operations to changes in the regulatory system, if it is subject to any legal proceedings resulting in liability for Adapteo to pay fines or damages or imposing specific obligations to Adapteo, or excluding Adapteo on a case-by-case basis from public procurement procedures. This could have a material adverse effect on Adapteo's business, financial position, results of operations, reputation and future prospects.

Adapteo may not necessarily be able to maintain the sales volume and the profitability of its business due to unsuccessful public procurements and other tendering processes, project management, project delivery and execution or preparation of project contracts.

The sales and profitability of Adapteo's projects will be affected by several factors, such as competition in public procurements and other tendering processes, appropriate and prudent tendering process management, the size and complexity of projects, the availability of skilled project managers and other key personnel and general cost inflation, customers' potential requests for modifications and potential delays in project timetables.

Adapteo's results of operations will be largely dependent on successful project management, which includes, for example, a reliable determination of overall costs that requires estimation of the Company's management, successful pricing, optimal use of resources, careful project planning and scheduling, strict cost control, appropriate handling of modification requests and the execution of projects as agreed within the agreed timeframe, as well as efficient and timely processing of compensation claims. It is possible that Adapteo fails in the preparation of project contracts, which may cause unexpected costs or other liabilities for the Company, for example, due to errors in timeframe estimates or in the form of additional work.

Historically, a significant part of the net sales of Adapteo's sales business have been generated through internal sales to the rental business. The Company aims to improve the operational efficiency and profitability of the Permanent Space Business Area and increase its external sales. However, there can be no assurance that the Company can increase the external sales and profitability of its Permanent Space Business Area in the future.

Under certain customer agreements Adapteo may be contractually liable to obtain building and other permits before a project is commenced, and any failure in obtaining permits in a timely manner could delay the assembly of the modular space and result in contractual liability for Adapteo, e.g. in the form of liquidated damages.

In certain countries where the Company operates, if a building permit for a temporary solution has a term that is less than two years, the permit can contain lighter requirements for the required module, and the Company can utilise its existing module pool to a wider extent. Permits with a longer term, however, normally set forth more stringent requirements, which all of the Company's modules do not currently fulfil. For example, if a rental contract, due to its duration, requires a building permit that is longer than two years, the Company must use a limited amount of module series, such as the C90 or Nova, for the purposes of the contract, or, alternatively, the Company may need to modify another module to satisfy the more stringent requirements before the commencement of the contract.

In case the Company's modules need to fulfil more stringent requirements in the future to a higher degree, the Company's ability to choose between modules may become more limited or modules may need to be modified more frequently, which could result in additional costs and expenses for the Company.

Limitation of liability provisions contained in certain customer contracts that Adapteo has concluded can be deemed to be inadequate in certain respects, as some of the contracts do not contain provisions that would exclude or set a maximum limit on the Company's liability for indirect damages incurred by the customer due to, for example, delays in delivery or assembly. There can be no assurance that Adapteo could in the future be able to include comprehensive limitation of liability provisions into all of the contracts that the Company concludes, in particular in cases where contracts have been prepared on the basis of the customer's template, and therefore, individual contracts of Adapteo may also in the future include terms and conditions that may not adequately limit the liability of Adapteo. Furthermore, contractual terms limiting Adapteo's liability may be less effective than expected.

On the other hand, Adapteo has also concluded supply and subcontracting agreements in which suppliers and subcontractors have limited their liability to compensate Adapteo for losses caused to the same, for example by limiting their maximum aggregate liability or excluding their liability to compensate for indirect damages. As a result, Adapteo may not be able to claim all losses caused by its contracting parties. In addition, Adapteo's supply and subcontracting agreements may also contain minimum purchase obligations providing that it must purchase a certain amount of products or services from a contracting party during a given period. Possible breaches of such provisions could, for example, result in additional costs for Adapteo or an obligation to liquidated damages to the contracting party.

In addition, Adapteo’s customer agreements related to the Permanent Space Business Area grant modules a warranty period based on local market standards in the construction industry, however, in specific cases, the offered warranty could be longer. Obligations related to such warranties may result in additional costs and liabilities to Adapteo.

Adapteo will be responsible for a substantial number of projects in all of its countries of operation. All projects involve technical and operational risks, and projects require continuous operational planning, steering and supervision, quality control as well as timetable and cost monitoring. Managing several projects requires that Adapteo’s project management processes are effective, so that several overlapping internal teams and subcontractor networks can be managed simultaneously in, for example, technical work, design, installation and assembling.

Failures in project management or the preparation of project contracts in the aforementioned areas, among others, could have a material adverse effect on the profitability of projects and the time the gained revenue will be recorded. This could have a material adverse effect on Adapteo’s business, financial position, results of operations, reputation and future prospects.

Effective management of Adapteo’s fleet is vital to Adapteo’s business, and a failure to properly manage the designing, manufacturing as well as the repair and maintenance of Adapteo’s rental modules could have a material adverse effect on Adapteo’s business, financial condition and results of operations.

Adapteo’s modules have a lifetime of up to 30 years, and managing the fleet is a critical element to Adapteo’s rental business. Rental fleet management includes cost-efficient maintenance and repair of Adapteo’s rental fleet to optimise the economic life of the modules and the proceeds received from the sale of the modules. Detailed planning is also needed if rental modules need to be relocated closer to current or potential future customers or are retrofitted to meet the customer’s demands, which may create additional costs to Adapteo. If the distribution and storage of Adapteo’s fleet is not aligned with the regional demand, the Company may be unable to take advantages of sales and rental opportunities despite excess inventory in other regions at least without incurring excess transport costs. If Adapteo is unable to successfully manage its rental fleet, it could have a material adverse effect on Adapteo’s business, financial position, results of operations, reputation and future prospects.

In addition to the management of its existing rental fleet, Adapteo’s rental business requires designing and building the modules for a long life that anticipates the needs of Adapteo’s customers and changes in legislation, regulations, building codes and local permitting in the markets in which the Company operates. However, there are no guarantees that Adapteo’s modules and services will meet all of the aforementioned expectations and/or requirements in all circumstances or within the agreed timeframe. If Adapteo fails to meet customer expectations or to comply with legal and regulatory requirements, this could, among other things, reduce Adapteo’s sales and impair its brand value or lead to a liability to pay damages, which in turn could have a material adverse effect on Adapteo’s business, financial position, results of operations, reputation and future prospects.

Adapteo may be required to recognise impairment losses for modules that are beyond economic repair or incur significant capital expenditures to acquire new rental modules to serve demand if Adapteo is unable to appropriately manage the designing, manufacturing, repairing and maintaining of its rental fleet or if Adapteo delays or defers such repair or maintenance work or suffers unexpected losses of rental fleet due to destruction, theft or obsolescence, among others. Such failures may also result in personal injury or property damage claims, including claims based on poor indoor air quality and termination of leases or contracts by customers. If any of these risks would materialise, it could have a material adverse effect on Adapteo’s business, financial position, results of operations, reputation and future prospects.

Adapteo may not be able to re-rent its units effectively should a significant number of rented modules be returned during a short period of time, which could adversely affect its financial performance.

Adapteo’s rental contracts usually include an option for prolonging the rental period beyond the initial contract period. Alternatively, the rental period may be automatically prolonged following the initial rental period unless terminated by the customer. Based on the Company’s estimate, the typical effective module rental period is five years including any potential prolonging. Should a significant number of rented modules be returned during a short period of time, a large supply of modules would need to be re-rented. Adapteo’s failure to effectively re-rent a large amount of modules returning from rental, could have a material adverse effect on the Company’s business, financial condition and results of operations.

Adapteo may not be able to employ capital efficiently due to, for example, possible failures in managing utilisation rate, estimating demand for new modules or with regard to pricing.

A major part of Adapteo's employed capital is related to its rental fleet, and approximately 83.8 percent of Adapteo's total external net sales originate from its rental operations[7]. Profitability and return on capital in Adapteo's rental operations is affected by the utilisation rate of the rental modules as well as the level of rental fees, among other things. As a significant portion of the orders for new modules is based on the management's assessment on future demand, overestimating such demand would lead to an overcapacity of new modules and thus decrease the utilisation rate for Adapteo's rental fleet. In addition, the utilisation rate would also be lower if Adapteo is unsuccessful in re-renting modules to new customers. Furthermore, failures in the pricing of the Company's different module series could lead to suboptimal per-module returns if rental pricing levels are lower than optimal, or to a decrease in utilisation levels through decreased demand if rental prices are higher than optimal. If any of the aforementioned risks would materialise, this could negatively affect Adapteo's profitability, return on capital and growth potential and thus have a material adverse effect on Adapteo's business, financial position, results of operations, reputation and future prospects.

Adapteo's business operations are dependent on its logistics chain and any problems in its warehouses or transportation of modules could have a material adverse effect on Adapteo's business, financial condition, results of operations and reputation.

Adapteo's business operations are dependent on its logistics chain including warehouses and transportation of modules. Problems in Adapteo's logistics chain, for example delays in delivery schedules or damage to modules, may result in project delivery delays and increased costs.

Adapteo has in total eight hubs located in Finland, Sweden, Norway, Denmark and Germany. Should any of the hubs be destroyed or closed for any reason, or if the modules in the warehouses were significantly damaged, or if there would be material interruptions in the Company's operations, due to a failure in relocating the modules or due to fires, accidents, water damages, natural disasters or other similar factors beyond the Company's control, the Company may not be able to fulfil its obligations towards its customers. Such circumstances, to the extent that the Company is not able to deliver the modules from other hubs or repair the damaged modules in a timely and cost-efficient manner, may have a material adverse effect on the Company's business operations. While the Company holds property and business interruption insurances in amounts the Company believes to be appropriate, there can be no assurance that the Company will be able to fully cover losses resulting from business interruption or the destruction and/or loss of modules.

One of the key advantages of Adapteo's business model is the fast delivery and assembly of modular spaces. Adapteo relies on third-party transport providers to deliver its modules by special vehicles. If the transport provider terminates its contract with Adapteo, only a limited number of alternative transport providers in Adapteo's operating countries would have the capacity to transport Adapteo's modules. Hence, there can be no assurance that Adapteo would be able to find alternative transport companies with commercially acceptable terms and within the timeframe necessary to prevent project delays. In addition, potential new rules and regulations related to transportation unit measurements could generally hinder module transportation. The impact of the challenges in transportation can thus severely affect the time schedule of Adapteo's projects and expose Adapteo to a liability to pay liquidated damages due to delays in case of any failure of Adapteo's logistics management or logistics chain. In addition, a large number of employees of transport providers are members in trade unions, and third-party transport providers may announce strikes and other collective actions, which can result in disruptions or delays in module deliveries. Should any of the risks above materialise, this could have a material adverse effect on Adapteo's business, financial position, results of operations, reputation and future prospects.

Adapteo may face increasing competition or other business operations related challenges in its business areas, which could drive down prices or lead to a significant reduction in the demand for Adapteo's services or solutions.

Adapteo's market position will be dependent on the continuous development of services, products and production methods and processes, as well as customer relationships. Adapteo's future growth and success will depend on its continued ability to identify and respond to changes in public and private sector behaviour and demand, improve its operational efficiency, reduce operational costs and expenses and introduce new and improved services or solutions to the market in a timely manner in all of its key business operations using its existing or new production methods and processes. The Company's future growth and success depends also on its continuous ability to produce and market services and solutions in changing markets.

Adapteo operates in a competitive business sector, and during the last few years, new actors have emerged in the Northern European market and actors already present in this market have also expanded geographically within the Northern European market, which could provide markets with new operating models and products. If the current competitors or new players in the field succeed in developing their production processes or the services and solutions they offer and thus gain an innovative and competitive advantage to which the Company fails to respond, or if the competitors can utilise,

[7] Based on the pro forma financial information for the year ended 31 December 2018.

for example, the opportunities of new technologies relating to, for example, energy efficiency better than Adapteo, it could have a material adverse effect on the Company's business, financial position and results of operations. Moreover, new competitors, such as construction companies, or alliances among the Company's competitors may emerge and have greater financial, technical, marketing or other resources than the Company in one or more of its market segments, or overall. Such competitors may also seek to increase their market share through aggressive pricing strategies, which may decrease the prices or volume for modules in Adapteo's operating markets. The Company faces substantial competition especially in Central Europe, where the Company's market share is relatively small.

There can be no assurance that Adapteo will be successful in continuing to meet its customers' needs and developing new services or solutions in a manner accepted by its customers. Adapteo's competitors may develop services and solutions that are superior to or that achieve greater market acceptance than the Company's services or solutions, or they may offer service packages that include products that the Company currently does not offer. It is also possible that Adapteo may not be able to recover investments it has made in the development of new services or solutions, and it may not possess the sufficient resources to keep pace with the productivity improvement made possible by, for example, digitalisation. A failure by the Company to exploit developing technology, predict customer behaviour sufficiently and develop its business operations and improve operational efficiency could have a material adverse effect on Adapteo's business, financial position, results of operations, reputation and future prospects.

Increased competition, changes in pricing, changes in customer demand, decrease in the scope of services and solutions purchased from the Company or other changes in the competitive landscape could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

Adapteo's success is dependent on its ability to recruit and retain highly qualified and skilled personnel.

Adapteo's success and the execution of its strategy is dependent on, among other things, the competence and professional skills of its employees and its management, as well as on Adapteo's ability to hire, develop, train, motivate and retain skilled and professional personnel. Competition for highly skilled individuals is intense and there can be no certainty that Adapteo will be able to recruit professionally skilled management and employees and retain these relationships in the future.

The loss of certain key personnel, including members of management may have a material adverse effect on Adapteo's business especially when such individuals possess specialised knowledge that is not easily replaceable. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

Adapteo may not be successful in its tenders for new customer contracts and it might lose its existing customer contracts.

The public sector holds public tenders for modular space related projects and many private companies organise tenders for the services and solutions they need. Public and private entities will require from their contracting partners and the providers of procured services and solutions an increasing level of flexibility, fast delivery and assembly, functionality and energy efficiency and competitive pricing levels. Although the Company aims to meet the requirements set for service and solution providers by the public sector and private companies, and to maintain competitiveness through its services and solutions, there can be no certainty that the Company will continue to be able to win competitive tenders in the future. In particular, intensified competition, including new competitors entering the modular and other temporary space market as well as subjective selection criteria, for example that a module must fit into a given environment, among other things, may adversely affect the Company's ability to submit successful tenders, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Public entities could also organise tenders not being consistent with applicable public procurement laws and regulations. If the Company would not be able to follow the public tender process when obtaining a new customer contract, the Company could be adversely affected if the validity of the process would be later disputed or appealed by a competitor and the Company would e.g. lose an obtained contract.

Although Adapteo has a diversified customer base, the loss of one or several of its largest customers, or a significant reduction in re-rental and utilisation levels of its modules, for any reason, could have a material adverse effect on the Company's business, financial condition and results of operations.

Adapteo's operating capability is dependent on IT systems and Adapteo may fail in identifying, resourcing and managing information and cyber security risks and in complying with regulations.

Adapteo relies significantly on the uninterrupted operation of its IT systems for the efficient running of its business and operations, including, but not limited to, the enterprise resource planning, management of rental sales and operations, fleet management, project management and logistics, financial, human resources and risk management functions. The Company's IT systems may be exposed to operational interruptions or disturbances, information saved in the systems may be lost or the information generated by the systems may prove incorrect or incomplete as a result of, for example, system updates, power cuts, data security breaches, human errors, accidents or natural disasters. Difficulties in maintaining, updating, integrating or outsourcing IT and data processing systems and problems with the quality or information security of services and data could adversely affect the Company's business and administration. A failure in the maintenance of management or reporting and monitoring systems that are essential to the Company or in the IT infrastructure required by its operations could have a material adverse effect on the Company's business, financial position, results of operations, reputation and future prospects.

Information and cyber security risks in Adapteo's operations are related to the detection of abnormalities in information security and adequate resourcing for cyber security and business interruptions caused by IT, data network and cloud computing services. Information and cyber security risks and the costs related to them could be caused by inadequate internal processes and inconsistent procedures within the Company, mistakes or misconducts committed by employees or subcontractors, inability to detect abnormalities in information security and to address them effectively, inadequate technical information security controls (e.g. in cloud computing services), deficits in the Company's internal guidelines, equipment failures or disturbances in information systems or external systems, denial-of-service attacks or cyber-crime. Adapteo may not necessarily be able to ensure that its internal supervision practices and procedures will protect it from misconduct, abuse of confidential information or misuse of positions of trust by its own personnel, subcontractors or the personnel of its customers. There can be no assurance that the Company will not suffer losses from such deficiencies in internal supervision procedures or by possible misconducts.

Cramo adopted revisions in its data protection practices with the aim to be compliant with the General Data Protection Regulation ((EU) 2016/679, the "**GDPR**") which became applicable in May 2018 and Adapteo is expected to apply similar practices to be compliant with the GDPR. However, compliance with the GDPR in the Company's business and operations or potential inadequacy of the revision of the data protection practices may cause problems, difficulties or additional costs to the Company. Any infringement of the GDPR could adversely affect the Company's reputation among its customers and other stakeholders. Furthermore, under the GDPR, a national data protection authority is vested with power to impose corrective actions, such as a temporary or definitive ban on processing, and to impose administrative fines for breaches of the GDPR up to EUR 20 million or four percent of the total worldwide annual turnover of a company.

Failure in the protection of intellectual property rights could have a material adverse effect on Adapteo.

Cramo has taken measures to protect the intellectual property rights related to Adapteo through acquiring trademarks and domain names and supervising them in its main markets, and Adapteo is expected to continue to do so in the future. In addition to its trademarks and domain names, Adapteo aims to protect its intellectual property consisting of business and trade secrets, know-how, designs and drawings of new modules through, for example, non-disclosure agreements. However, there can be no assurance that the measures Adapteo takes will effectively deter competitors from improper use of its intellectual property in all of its operating countries. Competitors may infringe the intellectual property rights owned or licensed by Adapteo, or disputes could arise as to ownership of intellectual property owned, used or licensed by Adapteo, and intellectual property may otherwise become known or the competitors could independently develop similar intellectual property, such as know-how. Moreover, certain technologies and processes used by Adapteo may be subject to the intellectual property rights of third parties. Such third parties may take legal actions in case of infringements of their intellectual property rights, and any such claim could delay or prevent the sale or delivery of Adapteo's products or services. Any failure by Adapteo to protect intellectual property or resulting claims of infringement on third-party intellectual property rights could have a material adverse effect on Adapteo's business, financial position, results of operations, reputation and future prospects.

The materialisation of risks related to occupational health and safety could have a material adverse effect on Adapteo.

Risks related to occupational health and safety may result in accidents inflicted in Adapteo's business operations. Modular assembling sites are inherently dangerous working environments where serious or even fatal accidents involving, for example, falling or crush hazards, may occur. Moreover, assembly and disassembly involves work stages that involve physical strain that could cause lost time injury. Adapteo's business may also involve a risk of exposure to substances harmful to health. Any of the potential accidents could inflict injuries to the employees and disturb assembling and other projects, which could result in a liability for Adapteo to compensate damages as well as delay projects and oblige Adapteo to take preventive or restoring measures. These and other costs and liabilities could have a material adverse effect on the Company's business, financial position and results of operations, reputation and ability to recruit competent personnel.

Occupational safety efforts of Cramo have focused on, and Adapteo is also expected to focus on safety training of the employees, safety communication and prevention of accidents, of which an essential part is the examination of the root causes of the accidents. The number of occupational accidents per one million work hours at Cramo's Modular Space business (excluding NMG) was 7.7 in 2018 and the corresponding figure for 2017 was 26.4.

Cramo has issued, and Adapteo is expected to issue and apply, group-wide guidelines and standard operating procedures for occupational health and safety and provide regular personnel training. Cramo has also monitored, and Adapteo is expected to monitor, the development of occupational safety at the business area, management team and Board of Directors levels. Negligence in occupational safety could increase the number of fatal and serious accidents that cause permanent injury, which could expose Adapteo to the risk of additional costs in the form of, among other, corporate fines for occupational safety violations, damage claims and the costs of early retirement. The accident frequency rate may also become a factor that customers evaluate when considering the Company's eligibility for a tendering process, and it may thus limit Adapteo's ability to participate in public or private tenders.

Adapteo may fail to adequately manage the risks involved in occupational health and safety, thus if any of these were to materialise, it could lead to additional costs, loss of profits, reputational damage or potential compensation liabilities, which, in turn, could have a material adverse effect on the Company's business, financial position, results of operations, reputation and future prospects.

Significant increases in raw material costs could increase Adapteo's operating costs significantly and harm its profitability.

Adapteo purchases raw materials, including steel, lumber, siding and roofing and other products to perform periodic repairs, modifications and refurbishments to maintain physical conditions of Adapteo's modules and in connection with manufacture, delivery and assembly of modular spaces. Generally, increases in raw material costs will increase the acquisition costs of new modules and increase the repair and maintenance costs of Adapteo's rental fleet. During periods of rising prices for raw materials, and in particular, when the prices increase rapidly or to levels significantly higher than normal, Adapteo may incur significant increases in the acquisition costs of new modules and higher modification costs that Adapteo may not be able to pass on to its customers through increases in the rental fees, and thus there may be significant delays before any changes in rental pricings can be put into effect. If costs of any of the raw materials mentioned above increase, it could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

Adapteo's reputation could be damaged, which could have an unfavourable effect on the Company's customer acquisition and retention as well as its ability to recruit and retain personnel.

The references and recommendations given by existing customers and company's good reputation in general play a key role in customer acquisition and retention and the competition for skilled personnel. Even though Adapteo aims to ensure that services and solutions it provides to its customers are of the highest quality and meet the legislative requirements imposed on the Company's business, there can be no assurance that challenges relating to, for example, air quality and mould, would not exist in any of the Company's modules. In addition, reasons that are beyond Adapteo's reasonable control, such as unfavourable publicity towards the Company's operations, the entire operational industry or the Company's competitors, whether factual or not, may have an adverse effect on customers' behaviour and Adapteo's attractiveness as an employer. Thus, negative publicity over aspects relating to, for example, air quality problems, occupational safety, compliance with laws and regulations, implementation of corporate responsibility or fulfilment of other obligations, may materially damage the Company's reputation among its customers and its present and potential future employees, which could have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

Adapteo is dependent on its suppliers' ability to manufacture modules, provide necessary components for Adapteo's modules and to provide transportation, assembly and disassembly services properly and in a timely manner.

Adapteo is dependent on the suppliers of products and services needed for the execution of its projects, especially in the manufacturing of its modules even though Adapteo has its own module in-house production facilities in Sweden. In addition to its own in-house production, Adapteo uses mainly three external module suppliers. According to the management's estimate, the largest external supplier produces more than half of the new rental modules sourced from external suppliers, which represent a substantial part of all new rental modules of the Company. Consequently, a loss of any of these external suppliers, with whom the Company does not have long fixed-term agreements in place, could adversely affect the Company's business operations and there can be no assurance that alternative suppliers can be found without delay and with economically reasonable terms and conditions to replace the potential loss of some of these module suppliers. In such cases, Adapteo may be forced to use a module supplier that it has not engaged before with terms and conditions that are not as favourable as the ones it has in place today, leading to additional costs.

Adapteo uses subcontractors also in the transportation of modules and assembly, maintenance and disassembly of modular spaces, and suppliers of certain raw material. The subcontractors and suppliers of the Company may experience quality problems, capacity constraints or delivery delays, or may raise prices significantly and the Company does not have written agreements in place with all of its subcontractors, which can result in uncertainties as to the applicable terms and conditions. Further, if significant quality problems were to occur or suppliers' deliveries or services were delayed for any reason, the Company might have to delay or postpone its projects, which could adversely affect the Company's operating results.

Adapteo may also experience supply problems as a result of financial or other difficulties of the suppliers or problems related to, for example, the availability of labour, which could hamper the suppliers' ability to deliver the modules and other services. In addition, the cooperation with material suppliers and subcontractors can end due to closing of a supplier's operations or disagreements regarding the interpretation of agreements with the suppliers. Further, the quality, timing and cost-efficiency of the work performed or the quality and delivery times of the modules manufactured and delivered by these suppliers may be inadequate and could lead to defects and faults. Other supply problems can also be caused due to shortages and discontinuations resulting from product obsolescence or other shortages or allocations by suppliers. Unfavourable economic conditions may also adversely affect Adapteo's suppliers or the terms Adapteo purchases its modules. In the future, Adapteo may not be able to negotiate arrangements with the current module manufacturers in favourable terms or at all, which could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

Adapteo is exposed to risks relating to the costs of skilled labour and the results of collective labour negotiations, as well as to potential work stoppages due to labour market disputes or organisational changes.

Adapteo's business is labour-intensive, and the general wage level in the modular space operating industry and the cost of employing competent key personnel in the countries where the Company operates have a significant impact on Adapteo's profitability. In the modular space industry, changes in labour costs have a significant effect, as labour costs represent a material part of operating expenses, either through direct costs of labour or through subcontractors' labour costs. When the Company outsources labour-intensive parts of a project to subcontractors, labour costs are reflected in the contract price paid by Adapteo to the subcontractor.

The materialisation of risks related to the costs of skilled labour could lead to an increase in operating expenses. In Finland and Sweden the wage level of a large number of employees in the Company is determined on the basis of collective bargaining agreements signed by trade unions and employer organisations. Organisations representing Adapteo and other employers may not necessarily be able to renegotiate satisfactory collective bargaining agreements when they expire, which could lead to, among others, increased labour costs. In other operating countries of Adapteo, the Company follows market practice when adjusting salaries. Any price increase due to rising costs could affect the demand for Adapteo's modules and services, which in turn could have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

Adapteo may face strikes or other industrial actions or its business may otherwise become exposed to industrial actions (such as strikes against the Company's subcontractors). Strikes and other industrial actions may lead to significant disruptions in Adapteo's business operations or an interruption of its business. Adapteo's existing collective bargaining agreements may not necessarily prevent strikes and work stoppages at its business locations, and such strikes, work stoppages or other industrial actions could have a material adverse effect on Adapteo's business, results of operations and financial position.

Cramo believes that it currently has, and Adapteo is expected to have, good relations with its employees and the trade unions representing them. However, there can be no assurance that the future development of Adapteo's business will not affect these relations and that no strikes or work stoppages will take place on its assembly or manufacturing sites in the future. Moreover, labour disputes in the transportation industry could prevent the delivery of the modules and raw materials needed by Adapteo, and labour disputes affecting the Company's key module suppliers could have a material adverse effect on the Company's business. A prolonged labour dispute that leads to a material interruption in the overall business of Adapteo, increased labour costs or adverse changes to the present terms of collective bargaining agreements could have a material adverse effect on the Company's business, financial position, reputation and results of operations.

Operational risks in the Company's internal and external operational environment could have a material adverse effect on Adapteo.

Operational risks in Adapteo's business are related to, among other things, the functioning of internal processes or systems, the Company's operational environment and management. Adapteo is exposed to operational risks posed by the internal or external operating environment, such as disturbances to the distribution of electricity or water, breakage of its equipment, fires and water damage and other disturbances. Operational risks and the resulting losses could be due to inadequate internal processes and inconsistent procedures within the Company's management, among other things, errors committed by employees or suppliers, the inability to comply with legislative requirements or the Company's internal guidelines, faults in equipment or disturbances to information systems or external systems, as well as natural catastrophes.

Cramo has undertaken measures to manage operational risks and to mitigate any losses arising from them, and Adapteo is expected to undertake such measures in the future. However, there are no guarantees that such measures will be sufficient to manage all the operational risks to which the Company will be exposed. If any of the aforementioned risks or any other operational risk materialises, it could have, either severally or jointly with other risks, a material adverse effect on the Company's business, financial position, results of operations, reputation and future prospects.

Adapteo may fail to maintain its insurance coverage or the terms and conditions of Adapteo's insurances may not cover all of Adapteo's losses or all claims for damage resulting from potential future accidents.

Adapteo maintains insurance covering, among others, property damage, business interruption and product and general liability under terms and in amounts considered consistent with industry practices. However, Adapteo is not fully insured against all risks, such as vandalism, and insurance against all types of risks and catastrophic events may not be available on reasonable economic terms or at all. In some cases Adapteo has experienced difficulties in obtaining insurance for its module fleet and the costs for such insurance has increased. Notwithstanding the insurance coverage that Adapteo carries, the occurrence of an insurance event that causes losses in excess of limits specified under the relevant policy or is subject to material deductibles or self-insured retentions, or losses arising from events not covered by insurance policies, such as certain natural catastrophic events, could have a material adverse effect on Adapteo's business, financial position and results of operations. Natural catastrophic events to which Adapteo will be exposed include, among others, windstorms, exceptional weather conditions, for example in the winter, and floods, which are inherently unpredictable in terms of both their occurrence and severity. Adapteo may also become exposed to the risk of terrorism, the materialisation of which could have a material adverse effect on Adapteo's industry and business.

Risks related to mergers and acquisitions could have a material adverse effect on Adapteo.

Adapteo aims to grow organically, in addition to which Adapteo may strive to develop its business through corporate acquisitions, divestments of businesses or other corporate transactions. Corporate transactions may involve obligations and risks related to their nature or value. Risks related to the operations, financing, integration problems, market, equity and financial market perception as well as macro-economic reasons and other factors could have a material adverse effect on Adapteo's business and financial position.

Secondly, in a situation where Adapteo could be pursuing acquisitions, there are no guarantees that it will be able to find suitable acquisition targets and execute the planned transactions. In case Adapteo aims to divest a part of its operations, there is a risk that a desirable purchaser cannot be found or that necessary regulatory or competition approvals cannot be obtained on commercially reasonable terms or at all, or that such divestments may have unexpected negative effects on Adapteo's other operations.

Thirdly, there can be no assurance that Adapteo will be able to finalise any such transaction within the required timeframe, at the desired price and commercial conditions, or at all, and there can be no guarantee that the integration of past or future acquisitions, and extraction of synergies, or the payment or other terms of past or future divestments will be materialised according to plan, that the counterparty to the transaction will fulfil its obligations under the transaction to Adapteo, or that the corporate transactions would not lead to materially adverse consequences due to the violations of the warranties and representations either given by or given to Adapteo. Expansion into new geographical regions through, for instance, corporate acquisitions also involves the requirement to manage political, cultural and legal risks.

Fourthly, acquisitions are also subject to a number of risks relating to the assessment of the acquired business, including its value, strengths, weaknesses, potential profitability, assets and liabilities. Accordingly, even a detailed review of an acquired business may fail to identify and discover potential liabilities and deficiencies, including legal claims, claims for breach of contract, employment related claims, tax liabilities, and other liabilities (whether or not contingent), which could result in significant future unexpected additional costs and liabilities. In particular, potential liabilities relating to environmental issues may adversely impact Adapteo's reputation and demand for its services and solutions.

If corporate transactions are not realised as planned or within the anticipated timeframe or at all, or some of the other risks concerning corporate acquisitions presented above should materialise, it could reduce or delay the expected benefits of the transactions or exclude them entirely. This could have a material adverse effect on the Company's business, financial position, results of operations and future prospects.

Risks Related to Adapteo's Financial Position and Financing

Following the Effective Date, Adapteo will have to secure its financing independently, and there can be no assurance that any future financing arrangements will have terms similar to those of financing obtained prior to the Effective Date.

Prior to the Effective Date, the businesses of Cramo, including the Modular Space business, have been financed and their liquidity has been managed centrally by Cramo. Accordingly, historical cash flows of Cramo in respect of its businesses are not indicative of the cash flows to be expected from independent entities or their financing needs. Adapteo's management expects the Company's principal source of liquidity to continue to be cash generated from operations. In addition, management expects Adapteo to finance its operations with debt financing as required to meet its financing and liquidity needs. In connection with the Demerger process, Cramo has agreed on new financing arrangements for Adapteo, consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility that may be used for refinancing of interest-bearing liabilities transferred to Adapteo in the Demerger and financing general corporate purposes. These financing commitments will transfer from Cramo to Adapteo on the Effective Date. For information on the financing arrangements that will transfer to Adapteo on the Effective Date, see "*Operating and Financial Review of Adapteo – Liquidity and Capital Resources – Liquidity of the Company*". However, there can be no assurance that Adapteo's future financing arrangements will have terms similar to those of financing obtained prior to the Effective Date.

Difficulties in accessing additional financing or complying with the financial covenants included in Adapteo's financing arrangements as well as increases in costs of financing could have an adverse effect on Adapteo's financial position.

Adapteo's ability to finance its operations will depend on a number of factors, such as its cash flows from operations and access to additional debt and equity financing, and there can be no assurance that financing will be available at a commercially reasonable cost, or at all. Many factors such as financial market conditions, the general availability of credit and the Company's credit rating may affect the availability of financing. Financial market conditions may be affected by various factors, including adverse macroeconomic development, sovereign debt crises and unstable political environments. Any increased volatility and uncertainty as well as disruptions and adverse developments in the financial markets could constrain the Company's access to capital and result, for example, in a reduction of liquidity that could make it more difficult to obtain funding at reasonable price levels. There can be no assurances that the Company in the future will be able to obtain financing at a reasonable cost or on acceptable terms. Should the Company not be able to obtain such financing, this could have a material adverse effect on the Company's business, financial condition and result of operations.

Adapteo's financing arrangements include financial covenants such as leverage ratio and interest coverage ratio. For more information, see "*Operating and Financial Review of Adapteo – Liquidity and Capital Resources – Liquidity of the Company*". If the Company is unable to comply with the covenants and other undertakings, conditions and warranties included in its financing arrangements in the future or if it would be unable to make the required interest payments on time, the counterparty to the financing arrangements may require premature payment or terminate the agreement. Furthermore, compliance with the abovementioned requirements can result in decisions that limit the realisation of lucrative business opportunities and thus negatively impact the Company's performance. The Company could also be required to renegotiate its financial arrangements, request waivers or replace borrowings under the agreements with other financing in order to prevent a default. There can be no certainty that the Company would be able to take any such action on terms that are acceptable to it, or at all. If the Company is not able to comply with the financial covenants included in its financing arrangements, this or any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects as well as make it difficult for the Company to obtain additional financing on reasonable terms, or at all.

A possible impairment of goodwill, other intangible assets or property, plant and equipment could have adverse effects on Adapteo's financial condition and results of operations.

As at 31 March 2019, Adapteo's carve-out combined balance sheet included, EUR 171.7 million of goodwill, EUR 27.2 million of other intangible assets such as brand, customer relationships and software and EUR 442.1 million of property, plant and equipment such as rental equipment and rental accessories, production and office equipment and buildings.

Goodwill is not amortised but is tested for impairment annually, or more often, if an event or circumstance indicates that an impairment loss may have been incurred. Other intangible assets and property, plant and equipment are amortised and depreciated over their estimated useful life. These assets are tested for impairment if events or changes in circumstances indicate that the carrying value of an asset exceeds its fair value. The key assumptions affecting the present value of cash flows are the development of the net sales (expected growth rate), profitability, the discount rate and the growth rate after the five-year forecast period. In impairment testing, the discounted present value of the recoverable cash flows of the cash-generating unit is compared to the unit's carrying value. If the present value of a cash-generating unit's cash flows is lower than its carrying value, the difference is recorded as an expense in the income statement for the current financial year. Even though based on management's view, the estimates and assumptions used are sufficiently accurate to determine the recoverable amount of goodwill, the estimated recoverable amounts may differ significantly from the actual future amounts. Changes in the development of the net sales (expected growth rate), profitability, the discount rate and the cash flow growth rate after the five-year forecast period or the cash flow forecasts based on Adapteo's strategic plans or a combination of these factors, could lead to impairment losses on goodwill, which could weaken Adapteo's result.

If the value of goodwill, or other intangible assets or property, plant and equipment is impaired, or if the amortisation and depreciation periods of other intangible assets and property, plant and equipment need to be adjusted to reflect shorter useful lives, it could have an adverse effect on Adapteo's business, financial condition and results of operations.

Adapteo's actual results of operations may differ materially from the financial targets included in this Demerger Prospectus and investors should not place undue reliance on the financial targets.

The Board of Directors has set financial targets for Adapteo, see "*Business of Adapteo – Financial Targets*". These financial targets constitute forward-looking statements, and it is possible that Adapteo's actual results of operations or financial condition could, as a result of various factors, alone or in combination, differ materially from those expressed or implied by these financial targets. Adapteo's financial targets are based on a number of assumptions that are inherently subject to significant business, operational, financial and other risks and changes, many of which are outside Adapteo's control. Furthermore, unexpected events may have an adverse effect on Adapteo's actual results and financial position, regardless of whether the assumptions on which the financial targets are based otherwise prove correct. Adapteo's ability to achieve the financial targets is subject to uncertainties and contingencies, some of which are beyond Adapteo's control, and no assurance can be given that Adapteo will achieve these targets. Adapteo's actual results of operations and financial condition may significantly vary from the financial targets, and investors should not place undue reliance on them.

Adapteo is exposed to foreign exchange risks especially with respect to the Swedish krona.

The Company is exposed to foreign exchange rate risks in the form of translation risks and transaction risks arising from fluctuations in currency exchange rates. Translation risk arises from the translation of foreign subsidiaries' income statements and balance sheets to the Company's presentation currency, which is euro. Transaction risk arises from the foreign currency denominated transactions from operations and financing. In addition to the Swedish krona, in which the Company has a large exchange risk exposure at the date of this Demerger Prospectus, Adapteo is also exposed to exchange rate risks in relation to the Norwegian krone and the Danish krone.

Foreign exchange transaction risk exposure arises when Adapteo or its subsidiaries engage in commercial or financial transactions and make payments in currencies other than their own functional currencies, and when related cash inflow and outflow amounts are not equal or concurrent. Adapteo has extensive operations in Sweden and most of Adapteo's sales and expenses in Sweden are also denominated in Swedish krona. To minimise any negative impact caused by exchange rate volatility, Adapteo seeks to finance its business in the operating countries' currency so that changes in operating profit due to currency fluctuations are partly offset by changes in financial expenses.

Foreign exchange translation risk exposure arises when the equity of a subsidiary is denominated in a currency other than the functional currency of its respective parent company. Adapteo will report its results in euro but it will have assets in foreign currencies. Consequently, Adapteo will incur foreign currency translation risk to the extent the assets, liabilities, revenues and expenses are reported in currencies other than the euro. In order to prepare its consolidated financial statement, Adapteo must translate the values of those assets, liabilities, revenues and expenses into euro at the applicable exchange rates in the relevant time period. For more information on currency translation risk, see "*Operating and Financial Review of Adapteo – Key Factors Affecting the Results of Operations*".

Unfavourable fluctuations in exchange rates could have a material adverse effect on Adapteo's business, financial condition and results of operations.

Adapteo is exposed to changes in interest rates in its borrowings.

The Company's interest rate risk arises from its borrowings, which amounted to EUR 418.2 million as at 31 March 2019 on a pro forma basis. Borrowings issued at variable rates expose Adapteo to cash flow interest rate risks. Interest rates can increase in response to numerous factors outside the Company's control, including government and central bank policies. An increase in interest rates would cause Adapteo's financial expenses to increase and could have a material adverse effect on the Company's business, financial condition and results of operations. For additional information on the financial risk management of the Company see "*Operating and Financial Review of Adapteo – Financial Risk Management*".

Adapteo is exposed to credit and counterparty risks through the trade receivables and receivables associated with financial intermediaries.

Credit and counterparty risks materialise when counterparties are unable or unwilling to fulfil their obligations towards Adapteo. Adapteo's credit risk arises from credit exposures to customers, from outstanding receivables, as well as cash in hand and at banks and derivative instruments with banks and financial institutions. Adapteo's ability to manage its risks related to trade receivables exposure, customer financing, risk concentrations and financial counterparties will depend on a number of factors, including its capital structure, market conditions affecting its counterparties, and its ability to mitigate exposure on acceptable terms. However, there can be no assurance that Adapteo will be successful in managing the risks related to its trade receivables exposure, customer financing, risk concentrations or financial counterparties and a failure to do so could have a material adverse effect on Adapteo's business, financial condition and results of operations.

Adapteo's tax burden could increase as a result of changes to tax laws or their application or as a result of a tax audit.

Due to the international nature of its business, Adapteo will be subject to the tax laws and regulations of several jurisdictions, in particular with regard to transfer pricing rules. Related companies and permanent establishments must conduct any inter-company transactions on an arm's length basis and provide sufficient documentation thereof, subject to applicable rules of the relevant jurisdiction. The Organization for Economic Cooperation and Development ("**OECD**") has recently published new guidance on transfer pricing. National tax authorities are increasingly scrutinising and challenging companies' transfer pricing policies. In addition, the estimation of Adapteo's total income taxes requires thorough consideration and numerous filings in various countries and the final amount of taxes related to certain transactions and calculations cannot be estimated with full certainty. The tax burden of Adapteo is, therefore, dependent on specific aspects of tax laws and regulations in several jurisdictions including their application and interpretation, i.a. regarding allocation of taxable income among relevant jurisdictions. Changes in tax laws or regulations or their application or interpretation could significantly increase Adapteo's tax burden, which could have a material adverse effect on Adapteo's business, financial condition and results of operations. Changes to tax laws are expected for example due to the Anti-Tax Avoidance Directive ((EU) 2016/1164) ("**ATAD**"), which requires member states of the European Union to implement, among others, exit tax rules, limitations on the right to deduct interest expense and controlled foreign company rules. Due to the ATAD, Finland has amended, as of 2019, the limitations on the right to deduct interest expense (i.a. to cover even external debt) and controlled foreign company rules (i.a. the minimum ownership threshold was lowered to 25 percent). These, and additional future, amendments due to ATAD could increase Adapteo's tax burden. Furthermore, the introduction of the OECD multilateral instrument and the inclusion of the so-called principal purpose test in the same could increase uncertainty with respect to application of tax treaties.

In addition, Adapteo might be subject to general tax audits by national tax authorities. As a result of future tax audits or other review actions of tax or other authorities, additional taxes (such as income taxes, withholding taxes, real estate taxes, capital gains taxes, transfer taxes and value added taxes) could be imposed, which could lead to an increase in the tax liabilities of Adapteo either as a result of the relevant tax payment being imposed directly against Adapteo or as a result of Adapteo becoming liable for the relevant tax as a secondary obligor. The tax authorities may also contest views presented by Adapteo and, consequently, order additional taxes or contest tax refund claims.

The Demerger is intended to be carried out on a tax neutral basis with respect to Adapteo, which means that the Demerger would not give rise to any material immediate taxation. Cramo received a preliminary taxation decision from the Finnish Tax Administration according to which the Demerger will be treated as tax neutral in Finland. However, there can be no assurances that tax authorities in other jurisdictions would not levy taxes or duties as a consequence of the Demerger.

Cramo has historically grown by acquisitions, most recently by the NMG Acquisition in 2018 and has also in recent years carried out divestments. Tax authorities may question some of the positions that Cramo or its predecessors have taken and, consequently, additional taxes may be assessed or tax assets may be challenged that relate to Adapteo. The realisation of any risks described above could have a material adverse effect on Adapteo's business, financial condition and results of operations.

If Adapteo will be unable to utilise its deferred tax assets, its results of operations could be adversely affected.

As at 31 March 2019, the recorded deferred tax assets of Adapteo, on a carve-out basis, were EUR 3.5 million and the deferred tax liabilities EUR 43.9 million. Adapteo's ability to generate taxable income will be subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If lower taxable income than the amount Adapteo has assumed in determining its deferred tax assets is generated, then the value of its deferred tax assets would be reduced, which could have a material adverse effect on Adapteo's business, financial condition and results of operations. In addition, the amount of Adapteo's deferred taxes would be reduced if tax rates were reduced. Any of these factors could have a material adverse effect on Adapteo's business, financial condition and results of operations.

The adoption of new or revised IFRSs may have material effects on the comparability of Adapteo's future consolidated financial statements.

The International Financial Reporting Standards ("**IFRS**") comprise IFRSs issued by the International Accounting Standards Board ("**IASB**"), the International Accounting Standards ("**IAS**"), Conceptual Framework for Financial Reporting IFRIC interpretations and SIC interpretations developed by the IFRS Interpretations Committee and the former Standing Interpretations Committee. The combined carve-out financial statements included elsewhere in this Demerger Prospectus comply with the IFRS as adopted by the EU as of the date of such financial statements. The IASB has published or may in the future publish new or amended standards and interpretations, which are not yet effective and have not yet been adopted by Adapteo in its financial statements. Adapteo will adopt each standard and interpretation from their effective date, or if the effective date is different from the first date of the reporting period, from the start of the next reporting period following the effective date as endorsed by the EU.

Adapteo has adopted the IFRS 16 Leases standard on 1 January 2019. Adapteo has assessed the impacts of the adoption of this standard, and these are described under section "*Operating and Financial Review of Adapteo – Adoption of New or Amended IFRS Standards and Interpretations Applicable in Current and Future Reporting Periods*" and in the notes to the audited carve-out financial information for the years ended 31 December 2018, 2017 and 2016.

Possible future changes in the IFRS would expose Adapteo to risks related to changes in accounting policies and reporting standards and changes in accounting systems, which may affect, among other things, the reported profitability, dividend payment capability and/or financial position and key ratios of Adapteo.

Risks Related to the Shares in Adapteo

The shares have not been previously subject to public trading, and thus the share price is uncertain and it may be volatile, and an orderly and liquid trading market may not develop.

Adapteo's shares have not been previously subject to public trading, and there can be no assurance that, after the Listing, the shares will be actively traded or that active trading can be maintained. Therefore, the price and liquidity of the shares is uncertain.

The market price of the shares may fluctuate significantly due to a number of factors, such as realised or anticipated changes in the Company's results of operations, the Company's ability to reach its business objectives, developments in the markets the Company serves, changes in the regulatory environment, general market conditions and other factors. In addition, international financial markets have occasionally experienced significant fluctuations in share prices and trading volumes regardless of the business development or future outlook of individual companies. These factors are mainly beyond the Company's control. Moreover, the prices of shares offered publicly for the first time have been subject to considerable price fluctuations for periods of time, which may not have corresponded to the business or financial success of the particular company issuing such shares. Trading in the Company's shares requires that the Company's shares are transferred from the book-entry system maintained by Euroclear Finland to the book-entry system of Euroclear Sweden, which can have an adverse effect on the liquidity of Adapteo's shares. A general decline in the stock market or a decline in the prices of securities comparable to shares could have a material adverse effect on the demand for and liquidity of Adapteo's shares, which may weaken Adapteo's opportunities to obtain equity through share issue.

Adapteo will incur additional costs and new obligations as a consequence of the Listing that could have an adverse effect on Adapteo's business, financial condition and results of operations.

Adapteo intends to apply for admission to trading on Nasdaq Stockholm. In addition to non-recurring costs, the Listing will generate additional administrative costs for Adapteo. As a consequence of the Listing, Adapteo will be required to meet regulatory requirements pertaining to entities with shares admitted to trading on Nasdaq Stockholm, in particular with respect to financial reporting, and will need to allocate staff and resources to such purposes. Such increased costs could have an adverse effect on Adapteo's business, financial condition and results of operations.

Future share issues and sales of significant number of shares may reduce the price of the shares and future share issues may dilute the share of ownership of the shareholders.

The issuance or sale of a significant number of shares in Adapteo, or an understanding that such an issuance or sale may occur in the future, could have an adverse effect on the market price of Adapteo's shares and on Adapteo's ability to raise funds through share issues in the future. In addition, any possible future directed share issue, or a rights issue where any shareholders decide not to exercise their subscription rights, could dilute shareholders' relative share of shares and votes.

At the date of this Demerger Prospectus, several of Cramo's shareholders are entities having specific rules relating to their investment activities, some of which might restrict or even prohibit investments to shares listed outside Finland. If such entities are Cramo's shareholders prior to the Effective Date and receive Adapteo's shares, they may be obligated to divest those shares, which could lead to significant selling of Adapteo's shares after the Listing. In addition, some retail investors may find trading on Nasdaq Stockholm more burdensome and costly, which could lead them to sell their Cramo or Adapteo shares or staying as passive investors.

The amount of any dividends to be potentially paid by Adapteo in any given financial year is uncertain.

Under the provisions of the Finnish Companies Act, the amount distributed by Adapteo as dividends may not exceed the amount of distributable funds shown on its latest unconsolidated parent company audited financial statements adopted by the General Meeting of Shareholders. The possible distribution of dividends over a financial period depends on Adapteo's and its subsidiaries' results of operations, financial condition, cash flow, need for working capital, investments, future outlook, terms of its financing agreements, ability to upstream any income to Adapteo from its subsidiaries and other factors. Under the Finnish Companies Act, the distribution of dividends is not permitted if it would jeopardise Adapteo's solvency. According to Adapteo's dividend policy, Adapteo's target is to distribute a dividend of at least 20 percent of the net result of the group (excluding items affecting comparability). Notwithstanding this policy, Adapteo will evaluate the preconditions for the distribution of dividends in connection with the dividend distribution resolution so that the distribution does not jeopardise the growth objective set out in Adapteo's strategy or Adapteo's development, or jeopardise Adapteo's financial position. The amount of any dividends to be potentially paid by Adapteo in any given financial year is thus uncertain. Further, the shareholders of Adapteo should not consider past dividends paid by Cramo to be an indication of any dividends to be paid by Adapteo in the future. See also "*Dividend and Dividend Policy*".

Fluctuations in the EUR/SEK exchange rate will affect the value of the shares and distributed dividends.

The shares will be priced and traded in Swedish krona on Nasdaq Stockholm and any future payments of dividends on the shares will be denominated in euro. Fluctuations in the euro/Swedish krona exchange rate will therefore affect the value of any dividends paid and other distributions of unrestricted equity for investors whose principal or reference currency is the Swedish krona. Further, fluctuations in the euro/Swedish krona exchange rate will affect the value of the shares for an investor whose principal currency is the euro.

Holders of shares in Adapteo registered in custodial nominee accounts may not be able to exercise their voting rights.

Beneficial owners of shares in Adapteo that are registered in a custodial nominee account will not be able to exercise their voting rights such shares unless their ownership is re-registered in their names with Euroclear Finland Ltd ("**Euroclear Finland**") prior to the General Meeting of Shareholders of Adapteo. There can be no assurance that beneficial owners of shares in Adapteo will receive the notice for a General Meeting of Shareholders in time to instruct their nominees to either effect a re-registration of their shares or otherwise vote their shares in the manner desired by such beneficial owners. See "*Adapteo and the Swedish and Finnish Securities Markets – Securities Registration – Registration procedure in Finland*".

Certain foreign shareholders may not necessarily be able to exercise their subscription rights.

Under Finnish legislation, shareholders have specific subscription rights in proportion to their holdings when Adapteo issues new shares or securities entitling the subscription of new shares. Certain shareholders of Adapteo who live or will live, or whose registered address is located in, certain countries other than Finland, including shareholders in the United States, may not necessarily be able to exercise their subscription rights in possible future share issues, unless the shares have been registered according to the securities legislation of the country in question or in an otherwise similar manner, or unless a derogation from the registration or other equivalent regulations provided in the applicable legislation is available. This may lead to the dilution of such shareholders' ownership in Adapteo. Further, if the number of shareholders who are not able to exercise their subscription rights is high and if the subscription rights of such shareholders are sold on the market, it could have an adverse effect on the price of the subscription rights. A foreign shareholder's right to have access to information concerning share issues and important transactions may also be restricted due to the legislation of the country in question. See "*Description of the Shares and Share Capital — Shareholders' Rights*" for further information.

COMPANY, BOARD OF DIRECTORS, AUDITORS AND ADVISERS

Company

Adapteo Plc
Business identity code: 2982221-9
Domicile: Vantaa
Address: Äyritie 12 B, 01510 Vantaa, Finland

Members proposed to be elected to the Board of Directors of the Company

Name	***Position***
Peter Nilsson	Chairman of the Board of Directors
Carina Edblad	Member of the Board of Directors
Outi Henriksson	Member of the Board of Directors
Andreas Philipson	Member of the Board of Directors
Joakim Rubin	Member of the Board of Directors

The business address of all members of the Board of Directors is expected to initially be Adapteo Plc, Äyritie 12 B, FI-01510 Vantaa, Finland.

Auditor of the Company

KPMG Oy Ab
Töölönlahdenkatu 3 A
00100 Helsinki, Finland

Financial Adviser

Danske Bank A/S, Finland Branch
Televisiokatu 1
00240 Helsinki, Finland

Legal Adviser to the Company

Hannes Snellman Attorneys Ltd
Eteläesplanadi 20
00130 Helsinki, Finland

CERTAIN MATTERS

Statement Regarding Information in this Demerger Prospectus

Cramo Plc is responsible for the information included in this Demerger Prospectus. To the best knowledge of Cramo and its Board of Directors, having taken all reasonable care to ensure that such is the case, the information contained in this Demerger Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Cramo has prepared this Demerger Prospectus on behalf of Adapteo as Adapteo will only be incorporated in connection with the registration of the completion of the Demerger in the Finnish Trade Register, which is expected to occur after the date of this Demerger Prospectus. To the extent that this Demerger Prospectus relates to Adapteo, Adapteo will be responsible for this Demerger Prospectus following its incorporation pursuant to the provisions of the Demerger Plan.

Forward-Looking Statements

Some of the statements in this Demerger Prospectus, particularly all statements regarding the future or profit projections under sections "*Summary*", "*Risk Factors*", "*Business of Adapteo*", "*Operating and Financial Review of Adapteo*" and elsewhere in this Demerger Prospectus include forward-looking statements that reflect management's current views and understanding with respect to the Company's financial condition, business strategy, and plans and objectives of the management for future operations and goals (including development plans relating to the Company's solutions and services). These statements may include forward-looking statements both with respect to the Company and the sector and industry in which it operates. Statements that include the words "aim", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "project", "target", "will", "would" and similar statements identify forward-looking statements.

All forward-looking statements address matters that involve risks, uncertainties and assumptions relating to the Company's business, results of operations, growth strategy and liquidity, as a result of which the Company's actual results or operating results may differ materially from those indicated in the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in section "*Risk Factors*" in this Demerger Prospectus, which should be read together with the other cautionary statements included in this Demerger Prospectus. Any forward-looking statements in this Demerger Prospectus are unaudited and reflect the current views of management with respect to future events. Accordingly, no assurance can be given that any particular expectation will be met and shareholders and prospective investors are cautioned not to place undue reliance on any forward-looking statements.

These forward-looking statements reflect only current views as at the date of this Demerger Prospectus. Subject to any obligations under the applicable laws and regulations (including the Finnish Securities Markets Act), the Company undertakes no obligation to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this section.

Availability of the Demerger Prospectus

The Demerger Prospectus is available as of 4 June 2019 in the Finnish and English language on Cramo's website at www.cramogroup.com, the website of the financial adviser Danske Bank at www.danskebank.fi/adapteo-en and Adapteo's website at www.adapteogroup.com.

The printed Demerger Prospectus is available in the Finnish language and in the English language as of 4 June 2019 from Cramo, Kalliosolantie 2, FI-01740 Vantaa, Finland and at Nasdaq Helsinki Ltd. Fabianinkatu 14, FI-00100 Helsinki, Finland.

Presentation of Financial and Certain Other Information

Historical financial statements

Carve-out financial information of Adapteo

The historical financial information of Adapteo included in this Demerger prospectus has been derived from the audited carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016 and the unaudited carve-out financial information of Adapteo as at and for the three months' period ended 31 March 2019, including unaudited carve-out comparative financial information as at and for the three months' period ended 31 March 2018. The historical carve-out financial information of Adapteo has been included in the F-pages to this Demerger Prospectus.

The carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 have been audited by KPMG Oy Ab, Authorised Public Accountants, with Authorised Public Accountant Toni Aaltonen as the auditor with the principal responsibility.

The carve-out financial statements of Adapteo for the year ended 31 December 2018, 2017 and 2016 and the carve-out financial information as at and for the three months' period ended 31 March 2019 have been prepared on a carve-out basis from Cramo's audited consolidated financial statements and unaudited consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to Adapteo business. The carve-out financial statements also include certain Cramo parent company's and Cramo Services AB's income, expenses, assets, liabilities and cash flows which will either be transferred to Adapteo or which have been allocated to Adapteo for the purpose of preparation of the carve-out financial statements. The carve-out financial statements of Adapteo have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to Adapteo as described under "*Principles applied in preparing the carve-out financial statements*" of the audited carve-out financial statements. The unaudited carve-out financial information of Adapteo as at and for the three months period ended 31 March 2019, including unaudited carve-out comparative financial information as at and for the three months period ended 31 March 2018 have been prepared in accordance with "*IAS 34 - Interim Financial Reporting*" under the same considerations as described above.

Accordingly, the carve-out financial information of Adapteo does not necessarily reflect what Adapteo's results of operations, financial position or cash flows would have been had Adapteo operated as an independent company and had it presented stand-alone financial information during the periods presented. Also, the carve-out financial information of Adapteo does not take into account any transactions that have been made, or will be made in connection with the Demerger or otherwise, to the extent such transactions have been entered into after the periods covered in the carve-out financial information. Moreover, the carve-out financial information of Adapteo may not be indicative of Adapteo's future results of operations, financial position or cash flows. See "*Operating and Financial Review of Adapteo –Carve-out Financial Information and Factors Influencing Comparability*."

Historical financial information of NMG

The historical financial information of Nordic Modular Group Holding AB ("**NMG**") included in this Demerger Prospectus has been derived from the audited consolidated financial statements as at and for the years ended 31 December 2018, 2017 and 2016 of NMG. The audited historical consolidated financial statements of NMG have been included in the F-pages to this Demerger Prospectus. The audited consolidated financial statements of NMG have been prepared in accordance with IFRS.

Certain of the historical financial information as at and for the years ended 31 December 2017 and 2016 presented in this Demerger Prospectus differs from the historical financial information in NMG's audited statutory consolidated financial statements adopted by the annual general meeting of shareholders due to restatements made in 2018. NMG's consolidated financial statements as at and for the years ended 31 December 2017 and 2016 have been restated due to an error related to the accounting of certain long-term lease agreements where NMG acts as a lessor. These lease agreements have been historically classified as operating leases. In 2018, the classification of these agreements was re-assessed and the lease agreements were classified as finance leases. The audited consolidated financial statements for the years ended 31 December 2017 and 2016 included in the F-pages to this Demerger Prospectus have been retrospectively restated according to ''IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors'' in respect of the items described above. The restated audited consolidated financial statements have been prepared for inclusion in this Demerger Prospectus and they have not been considered or adopted at NMG's annual general meeting. For more information on the restatement, see Note 3 to the audited consolidated financial statements of NMG included in this Demerger Prospectus.

The consolidated financial statements of NMG as at and for the years ended 31 December 2018, 2017 and 2016 included in this Demerger Prospectus have been audited by Ernst & Young AB, with Certified Accountant Stefan Andersson Berglund as the auditor with the principal responsibility.

Pro forma financial information of Adapteo

This Demerger Prospectus includes unaudited pro forma financial information illustrating the effects of the NMG Acquisition, the Demerger and related refinancing to Adapteo's historical carve-out financial information.

The unaudited pro forma income statement for the year ended 31 December 2018 gives effect to the NMG Acquisition and the Demerger and related financing and the unaudited pro forma income statement for the three months period ended 31 March 2019 give effect to the Demerger and related refinancing as if they had occurred on 1 January 2018. The unaudited pro forma balance sheet as at 31 March 2019 gives effect to the Demerger and related refinancing as if they had occurred on that date. Pro forma income statement for the three months period ended 31 March 2019 and pro forma balance sheet information for the NMG Acquisition has not been presented, as the acquisition was completed on 31 October 2018 and NMG has been included in Adapteo's carve-out financial statements from the acquisition date.

The Unaudited Pro Forma Financial Information is presented for illustrative purposes only. Because of its nature, the Unaudited Pro Forma Information illustrates what the hypothetical impact would have been if the NMG Acquisition, the Demerger and related refinancing had been consummated at the date assumed in this pro forma financial information, and, therefore, does not represent the actual results of operations or financial position of Adapteo. The Unaudited Pro Forma Information is not intended to project the results of operations or financial position of Adapteo as of any future date and does not represent the results of operations or financial position had Adapteo been an independent listed company for the periods presented.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex II to the Commission Regulation (EC) N:o 809/2004, as amended, and on a basis consistent with the IFRS accounting policies applied by Adapteo. Adapteo adopted "*IFRS 16 – Leases"* standard on 1 January 2019 using the simplified approach, where comparative figures were not restated. Accordingly, Adapteo's unaudited pro forma financial information for the three months ended 31 March 2019 is not comparable with the unaudited pro forma financial information for the year ended 31 December 2018.

The pro forma adjustments made in the Unaudited Pro Forma Financial Information to reflect the effects of the NMG acquisition and the Demerger and related financing are based on Adapteo's unaudited carve-out financial information as at and for the three months period ended 31 March 2019, audited carve-out financial information as at and for the year ended 31 December 2018, NMG's consolidated financial statements and management's estimate of the assets and liabilities to be transferred to Adapteo and to form Adapteo in accordance with the Demerger Plan. The final amounts of assets and liabilities transferred to Adapteo in the Demerger may materially differ from those presented in the pro forma financial information as such balances will be determined on the Effective Date. This could result in a significant variation to the results of operations and financial position of Adapteo presented in the pro forma financial information.

The Unaudited Pro Forma Financial Information does not include all of the information required for financial statements under IFRS, and should be read in conjunction with Adapteo's historical carve-out financial statements and interim carve-out financial information and NMG's consolidated financial statements included in the F-pages to this Demerger Prospectus.

The Unaudited Pro Forma Financial Information should also be read together with the other sections presenting Adapteo's carve-out financial information, NMG's historical financial information and any other information included in this Demerger Prospectus. See also *"Risk factors – Adapteo's carve-out financial information and pro forma financial information may not give a true and fair view of Adapteo's business, result of operations and/or financial position"*.

Alternative performance measures

This Demerger Prospectus includes certain alternative performance measures of Adapteo's and NMG's historical financial performance, financial position and cash flows, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority ("**ESMA**") are not accounting measures defined or specified in IFRS and are therefore considered alternative performance measures. Adapteo and NMG present the following alternative performance measures:

- Organic sales growth
- Net sales growth in constant currency
- Rental sales growth in constant currency
- Operating profit (EBIT)
- Operating profit (EBIT) margin, %
- Comparable EBIT
- Comparable EBIT margin, %
- EBITA
- EBITA margin, %
- Comparable EBITA
- Comparable EBITA margin, %
- EBITDA
- EBITDA margin, %
- Comparable EBITDA
- Comparable EBITDA margin, %
- Capital employed
- Net capex
- Growth capex
- Net fleet capex
- Maintenance capex
- Non-fleet capex
- Operating cash flow before growth capex
- Cash conversion before growth capex, %
- Free cash flow

For the detailed definitions and reasons for the use of these alternative performance measures, see "*Selected Carve-out Financial Information of Adapteo – The Definitions and Reasons for the Use of Financial Key Indicators*" and "*Selected Information of NMG – The Definitions and Reasons for the Use of Financial Key Indicators*". The reconciliation of alternative performance measures is presented in section "*Selected Carve-Out Financial Information of Adapteo – Reconciliation of Alternative Performance Measures*", and "*Operating and Financial Review of Adapteo – Combined*

Balance Sheet Data – Capital expenditure" and "*Selected Financial Information of NMG – Reconciliation of Alternative Performance Measures*".

Adapteo and NMG present the alternative performance measures as additional information to financial measures presented in the combined income statement, combined balance sheet, combined statement of cash flows and in the notes disclosures prepared in accordance with IFRS. In the management's view, alternative performance measures provide meaningful supplemental information for management, investors, analysts and other parties on both Adapteo's and NMG's results of operations, financial position and cash flows.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures and they are not accounting measures defined or specified in IFRS. All companies do not calculate alternative performance measures in a uniform way, and therefore, Adapteo's and NMG's alternative performance measures may not be comparable with similarly named measures presented by other companies.

Alternative performance measures are unaudited except for operating profit (EBIT) for the years ended 31 December 2018, 2017 and 2016, which are audited.

Alternative performance measures – on a pro forma basis

Considering the magnitude of the NMG Acquisition as well as the Demerger and related refinancing and their impact on Adapteo's performance and financial position, stand-alone historical carve-out information for the periods presented does not provide comparable information for Adapteo's operating performance and historical financial position. Accordingly, Adapteo presents certain key figures on its business performance for the year ended 31 December 2018 and for the three months period ended 31 March 2019 and as at 31 March 2019 on a pro forma basis to illustrate the effect to the NMG Acquisition and the Demerger and related financing as if these transactions had taken place at an earlier date. The pro forma key figures have been presented for illustrative purposes only, and address a hypothetical situation. For a detailed basis of presentation and notes disclosures for the additional unaudited pro forma information see section *"Unaudited Pro Forma Financial Information – Unaudited pro forma key figures"*.

These unaudited pro forma key figures are not accounting measures defined or specified under IFRS and therefore are considered as alternative performance measures. Adapteo presents these alternative performance measures as additional information to the financial measures presented in the historical carve-out financial information prepared in accordance with IFRS. Management believes that these pro forma key figures provide meaningful supplemental information for management, investors, analysts and other parties on Adapteo's results of operations and financial position.

The Company presents the following alternative performance measures on a pro forma basis:

- EBIT
- EBIT margin, %
- Comparable EBIT
- Comparable EBIT margin, %
- EBITA
- EBITA margin, %
- Comparable EBITA
- Comparable EBITA margin, %
- EBITDA
- Comparable EBITDA
- Comparable EBITDA margin, %
- Comparable earnings per share
- Net debt
- Net debt / Comparable EBITDA
- Operative ROCE, %

For the detailed definitions and reasons for the use of these alternative performance measures, see "*Unaudited Pro Forma Financial Information – Unaudited pro forma key figures*".

Rounding adjustments

The figures presented in this Demerger Prospectus, including the financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row in tables may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in this Demerger Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Currencies

As used herein, references to (i) "euro", "EUR" or "€" are to the euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community and (ii) "Swedish krona" or "SEK" are to the Swedish krona, the lawful currency of Sweden and (iii) "Norwegian krone" or "NOK" are to the Norwegian krone, the lawful currency of Norway and (iv) "Danish krone" or "DKK" are to the Danish krone, the lawful currency of Denmark. For information regarding recent rates of exchange between the euro and Swedish krona, Norwegian krone and Danish krone, see "*Exchange Rates*".

Market, Economic and Industry Data and Management Reports and Findings

Information provided in this Demerger Prospectus on the market environment, market developments, growth rates, market trends and on the competitive situation in the markets and regions in which the Company operates, is obtained from one or several designated sources or derived from various industry and other independent sources. These sources include, for example Statistics of Finland, Statistics Sweden, Trade Union of Education in Finland ("**OAJ**"), European Construction Market Forecasting Network Euroconstruct ("**Euroconstruct**") and information obtained in other ways, unless otherwise stated. Also certain statistics, data and other information relating to markets, market sizes, market shares and market positions, as well as market estimates and forecasts contained in this Demerger Prospectus are based on services commissioned by the Company during 2018 and 2019 from PricewaterhouseCoopers Oy and the Boston Consulting Group (the "**Management Consultant Analyses**"). The historical market data contained both in the Company's own analysis and in the Management Consultant Analyses is compiled from statistics and information from industry associations, country organisations and other market data providers, internal financial and operational information supplied by, or on behalf of, the Company, and publicly available information from other sources, applying certain supplementary assumptions, where necessary. Certain of the market estimates and forecasts contained in this Demerger Prospectus are based on the analysis by the Company based on its own information and information derived from third-party sources concerning the factors affecting the growth of the markets and their forecasted development.

The Company has ensured that the information has been reproduced appropriately in this Demerger Prospectus. As the Company does not have access to all of the facts, assumptions and postulates underlying the market analyses or statistical information and economic indicators contained in the third party information, including OAJ, Euroconstruct and the Management Consultant Analyses, the Company is unable to verify such information. As far as the Company is aware and is able to ascertain from the information provided by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Moreover, market analyses are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward looking and speculative. Therefore, changes in the postulates and the premises on which market analyses are based, could have a significant influence on the analyses and conclusions made.

The statements in this Demerger Prospectus on the product areas of the Company, its market position, and other companies operating in its market areas are based solely on the experiences, internal investigations and assessments of the Company, as well as other sources, including the Management Consultant Analyses, which the Company deems reliable. However, the Company, PricewaterhouseCoopers Oy and The Boston Consulting Group cannot guarantee that any of these statements (including those contained in the Management Consultant Analyses) are accurate or give an accurate description of the Company's position in its market, and none of the Company's internal investigations or information has been verified using external sources.

Website information

Cramo, Adapteo and the Financial Adviser will publish the Finnish Prospectus and any supplements thereto on their websites. The contents of Cramo's, Adapteo's or the Financial Adviser's websites or any other website do not form part of this Demerger Prospectus, and shareholders and prospective investors should not rely on such information in making their decision to invest in securities.

EXCHANGE RATES

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the Swedish krona ("**SEK**") per EUR as at the dates and for the periods indicated:

	Reference rates of SEK per euro			
	Average	**High**	**Low**	**Period-End**
2016	0.106	0.109	0.099	0.105
2017	0.104	0.106	0.100	0.102
2018	0.098	0.102	0.094	0.098
2019 (through 31 May 2019)	0.095	0.096	0.092	0.094

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the Norwegian krone ("**NOK**") per EUR as at the dates and for the periods indicated:

	Reference rates of NOK per euro			
	Average	**High**	**Low**	**Period-End**
2016	0.108	0.112	0.103	0.110
2017	0.107	0.114	0.100	0.102
2018	0.104	0.106	0.100	0.101
2019 (through 31 May 2019)	0.103	0.104	0.101	0.102

The following table presents the average, high, low, and period-end reference rates as published by the European Central Bank for the Danish krone ("**DKK**") per EUR as at the dates and for the periods indicated:

	Reference rates of DKK per euro			
	Average	**High**	**Low**	**Period-End**
2016	0.134	0.135	0.134	0.135
2017	0.134	0.135	0.134	0.134
2018	0.134	0.134	0.134	0.134
2019 (through 31 May 2019)	0.134	0.134	0.134	0.134

The above rates are provided solely for the convenience of the reader and are not necessarily the rates used in the preparation of the Company's financial statements and financial statement information. No representation is made that the euros could have been converted into Swedish krona or Norwegian krone or Danish krone at the rates shown or any other rate at such dates or during such periods.

DIVIDEND AND DIVIDEND POLICY

According to Adapteo's dividend policy, Adapteo's target is to distribute a dividend of at least 20 percent of the net result of the group (excluding items affecting comparability).[8]

Under the Finnish Companies Act, the General Meeting decides on the distribution of dividends based on a proposal by the Company's Board of Directors. Dividends are generally declared once every financial year and may be paid only after the General Meeting of Shareholders has approved the Company's financial statements. If dividends are distributed, all of the Shares of the Company are entitled to the same dividend. There can be no assurance regarding any financial period as to the amount of dividends to be distributed or as to whether the Company will distribute dividends at all. The dividends paid by the Company for any financial period will not be indicative of the dividends to be paid after the said financial period. The covenants in the Company's financial agreements may restrict the distribution of the Company's profits. For a description of the restrictions applicable to dividend distributions, see "*Description of the Shares and Share Capital – Shareholders' Rights – Dividend and Other Distribution of Funds*".

[8] Group's profit for the year excluding items affecting comparability, net of tax. Items affecting comparability is defined as material items outside ordinary course of business, such as costs related to the contemplated 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.

SUMMARY OF THE DEMERGER

General Description

The Board of Directors of Cramo has on 18 February 2019 approved the Demerger Plan concerning the partial demerger of Cramo. Pursuant to the Demerger Plan, Cramo will demerge so that all the assets, debts and liabilities belonging to Cramo's Modular Space business are transferred without a liquidation procedure to Adapteo.

The purpose of the Demerger is to execute the spin-off of Cramo's Modular Space business, which mainly consists of modular space rental and rental-related service operations, so that it will form a new independent group of companies, while the Equipment Rental business, which mainly consists of construction machinery and equipment rentals and rental-related services, will remain in Cramo. In the view of the Board of Directors of Cramo, the Demerger will, among other things, clarify the business structures, financing and management of the two businesses, increase opportunity to optimise operational efficiency and value creation, clarify the investment options with different risk and growth profiles and increase competitiveness through specialisation and thus strengthen the conditions for shareholder value creation.

The Demerger and the Demerger Plan will be presented for approval to the EGM to be held on 17 June 2019. The Demerger will become effective if the EGM approves the Demerger and the Demerger Plan and if the execution of the Demerger is subsequently registered in the Finnish Trade Register. The execution of the Demerger is expected to be registered on or about 30 June 2019 (i.e., the Effective Date). On the Effective Date, the incorporation of Adapteo will become effective. The original planned date of the registration as mentioned in the Demerger Plan was 1 July 2019. The change is due to accounting technical reasons.

The shareholders of Cramo shall receive as Demerger Consideration one (1) new share of Adapteo for each share owned in Cramo, that is, the Demerger Consideration shall be issued to the shareholders of Cramo in proportion to their existing shareholding with a ratio of 1:1. There shall be only one share class in Adapteo, and the shares of Adapteo shall not have a nominal value. No other consideration shall be issued to the shareholders of Cramo in addition to the above-mentioned Demerger Consideration to be issued in the form of shares of Adapteo. In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued to any treasury shares held by Cramo. The allocation of the Demerger Consideration is based on the shareholding in Cramo on the Effective Date. The final total number of shares in Adapteo issued as Demerger Consideration shall be determined on the basis of the number of shares in Cramo held by shareholders, other than Cramo itself, on the Effective Date. On the date of this Demerger Prospectus, Cramo holds 7,857 treasury shares. According to the situation as at the date of this Demerger Prospectus, the total number of shares in Adapteo to be issued as Demerger Consideration would therefore be 44,682,697 shares. The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of Cramo in relation thereto.

Nasdaq Stockholm has assessed that Adapteo fulfils the listing requirements of Nasdaq Stockholm, subject to the following conditions being fulfilled: (i) the EGM approving the Demerger and the Demerger Plan and the execution of the Demerger being registered with the Finnish Trade Register; (ii) the Demerger being completed in the manner and in the timeframe contemplated in this Demerger Prospectus and the operations of Adapteo being formally organised as anticipated and presented in this Demerger Prospectus; (iii) the EGM electing Peter Nilsson as the Chairman and Carina Edblad, Outi Henriksson, Andreas Philipson and Joakim Rubin as members of the Board of Directors of Adapteo; (iv) Adapteo addressing and responding to certain specific matters relating to the implementation of the new enterprise resource planning (ERP) system and the internal control;; (v) the Board charter, Audit Committee charter, CEO instruction and other policies, including disclosure policy, insider policy and treasury policy, being formally adopted by the Board of Directors of Adapteo; (vi) Adapteo's website being launched in line with the requirements and practices for a listed company; (vii) Adapteo executing an undertaking to comply with Nasdaq Stockholm's Rulebook for Issuers; (viii) Nasdaq Stockholm's requirements on liquidity of Adapteo's shares being fulfilled; and (ix) the facts upon which Nasdaq Stockholm has made its assessment having in all material aspects been correct and complete and nothing occurring in relation to Adapteo that would cause Nasdaq Stockholm to make a different assessment. In accordance with Nasdaq Stockholm's listing process, Adapteo intends to apply for admission to trading on Nasdaq Stockholm at the latest on the business day preceding the first day of trading. Trading in Adapteo shares on Nasdaq Stockholm is expected to begin on the first business day following the Effective Date or as soon as reasonably possible thereafter. Neither the Demerger nor the Listing will affect the listing of Cramo's shares on Nasdaq Helsinki.

If a Cramo shareholder sells its shares prior to the Effective Date but the trade has not been cleared prior to the Effective Date, the purchaser of those Cramo shares has the right to the Demerger Consideration according to the prevailing market practice, and the Demerger Consideration will be recorded in the purchaser's book-entry account when the trade is cleared. Excluding the trades of shares in Cramo that have not been cleared on the Effective Date and the treasury shares held by Cramo, Adapteo's ownership structure will correspond to Cramo's ownership structure on the Effective Date. For a more detailed description concerning trading in the shares and the book-entry system, see "*Adapteo and the Swedish and Finnish Securities Markets*".

Demerger Plan

The Demerger Plan will be presented for approval to the EGM to be held on 17 June 2019. The Demerger Plan is attached to this Demerger Prospectus as Annex A. The Demerger Plan with its appendices is available for inspection on Cramo's website, www.cramogroup.com, and at Cramo's head office located at Kalliosolantie 2, FI-01740 Vantaa, Finland, on weekdays during normal business hours.

Creditor Consents and Waivers

On 6 March 2019, Cramo commenced a consent solicitation process soliciting consents from holders of its outstanding EUR 150,000,000 senior unsecured notes due 2022 (the "**Notes**"), waivers to waive any breaches of any undertakings or obligations under the Notes which may be breached as a result of the Demerger and decisions to amend the terms and conditions of the Notes, as may be required for the Demerger. In connection with the consent solicitation process, the holders of the Notes were also asked to waive their statutory right to object to the Demerger pursuant to Chapter 17, Section 6 of the Finnish Companies Act and any right they may have pursuant to Chapter 17, Section 16 of the Finnish Companies Act to make a claim against Adapteo after the completion of the Demerger on the basis of the Secondary Demerger Liability with respect to the Notes. The noteholders who cast a vote for the proposal (in favour or against) were entitled to an instruction fee of either 0.40 percent or 0.10 percent of the principal amount of the Notes voted for, the higher fee being payable to those noteholders who submitted their voting instructions in favour of the proposal by an earlier deadline set out in the consent solicitation memorandum concerning the consent solicitation process (subject, in each case, to the proposal being duly passed and having become effective and the completion of the Demerger). The noteholders' meeting voting on the proposal was held on 22 March 2019. In the meeting, the noteholders granted the requested consents and waivers and agreed to the requested amendments. In the event the completion of the Demerger does not occur by 31 October 2019 any and all consents, waivers and amendments shall lapse.

In addition, as is customary, a number of financing agreements and other financing arrangements of Cramo contain demerger and change of control clauses that could be breached as a result of the Demerger without an appropriate waiver or consent by the other contract parties. Cramo has obtained all necessary consents and waivers for its significant financing agreements. In addition, some existing financing arrangements are also expected to be refinanced or terminated in connection with the Demerger. For further information on the refinancing and the financing arrangements of Adapteo, see "*Operating and Financial Review of Adapteo – Liquidity and Capital Resources – Liquidity of the Company"*.

Related Arrangements

The Demerger will affect Cramo's administrative, accounting and other functions, as some of the personnel in these functions and the functions of Cramo's subsidiaries will transfer to Adapteo or its subsidiaries on the Effective Date.

The Demerger does not involve any lock-up arrangements concerning shares in Cramo or Adapteo.

Transitional Services Agreement

Cramo and Adapteo have entered into a transitional services agreement covering certain areas such as information technology, human resources, facilities, treasury and finance as well as shared contracts. The key services relate to the ERP systems in Sweden and Germany as well as payroll administration in Sweden, Finland and Norway. Cramo and Adapteo aim to minimise the number of transitional services and aim to have them in force for no longer than six months following the Effective Date, where possible. The Company estimates that reporting based on a new ERP system will be introduced in Sweden in early June 2019. The companies will also agree on long-term agreements relating to certain property and the use of the "Cramo Adapteo" trademark. Management expects that some of the services to be covered by the transitional services agreement will be services provided by third parties.

Intellectual Property Rights

According to the trademark license agreement concluded between Cramo and Adapteo, Adapteo is granted with a limited transitional license to use the "Cramo Adapteo" trademark in connection with existing materials (such as promotional materials, equipment, work wear, stationery and manuals) for a period of six months as of the Effective Date. In addition, pursuant to said agreement, the Cramo Adapteo trademarks will be gradually removed from Adapteo's relocatable modular units within five years as of the Effective Date. Under the trademark license agreement, Cramo and Adapteo have agreed on website linking to the other party's website as well as redirection of website visitors from local cramoadapteo-websites (e.g. www.cramoadapteo.se or www.cramoadapteo.fi) to Adapteo's respective local websites. In order to ensure email re-direction to Adapteo's emails, the cramoadapteo.com domain name will transfer to Adapteo for a transitional period of 12 months, after which it will transfer back to Cramo. Adapteo has agreed not to register any trade name, trademark or other intellectual property right that includes the word "Cramo" or that may otherwise be confused with Cramo's trade name, trademark or other intellectual property rights.

Cramo has agreed that it will refrain from using Adapteo's brand rights, including the trademark "Adapteo".

Fees and Costs Related to the Demerger

Unless separately agreed between Cramo and Adapteo, the costs and remuneration related to the Demerger shall be allocated so that Cramo shall be responsible for the costs and remuneration that relate directly to the demerger process and its completion, and Adapteo shall be responsible for the costs relating to the listing of the Adapteo shares, creation of the shares in the book-entry securities system and costs related to the commencement of Adapteo's operations.

Cramo and Adapteo shall each be responsible for one-half of the costs and fees related to the Demerger that cannot be allocated based on the above or that are not directly related to the operations of either of the companies. In practice, Cramo will pay all of the costs until the Effective Date and will invoice Adapteo after the Effective Date the costs allocated to Adapteo. After the Effective Date, both Cramo and Adapteo will be responsible for their own costs.

The total costs related to the Demerger and the Listing are expected to amount to approximately EUR 13 million, of which Cramo's portion is approximately EUR 4 million and Adapteo's approximately EUR 9 million. In addition, Cramo will, in accordance with the Demerger Plan, invoice Adapteo approximately EUR 2 million for other costs related to the commencement of Adapteo's operations. In accordance with customary practice, Cramo has agreed with the Financial Adviser that part of their remuneration shall be paid only if the Demerger is completed. Fees to the Financial Adviser that are conditional on the completion of the Demerger, amount to approximately EUR 1.3 million in total.

Applicable Law

The Demerger is governed by the laws of Finland.

IMPORTANT DATES RELATED TO THE DEMERGER

Approval of the Demerger Plan by the Board of Directors of Cramo	18 February 2019
Notice to the EGM	2 May 2019
Demerger Prospectus available	4 June 2019
Record date for the EGM	5 June 2019
Last date for the notice of participation in the EGM, last date for the holders of nominee registered shares to be temporarily listed to the shareholders' register held by Euroclear Finland in order to gain the right to participate in the EGM	12 June 2019 at 10.00 a.m. (Finnish time)
EGM	17 June 2019
Effective Date	on or about 30 June 2019
Demerger Consideration registered on the book-entry accounts of the shareholders of Cramo	on or about 1 July 2019
Trading in shares in Adapteo commences on Nasdaq Stockholm, provided that Adapteo's application for the Listing is accepted	on or about 1 July 2019

CAPITALISATION AND INDEBTEDNESS

The following table presents the capitalisation and indebtedness of Adapteo as at 31 March 2019 (i) on a carve-out basis and (ii) on a pro forma basis illustrating the effects of the Demerger and related refinancing as if the Demerger and related refinancing had been completed on 31 March 2019. The following information is based on the unaudited carve-out financial information of Adapteo as at and for the three months period ended 31 March 2019 and the unaudited pro forma balance sheet information of Adapteo as at 31 March 2019.

The table should be read in conjunction with "*Selected Carve-Out Financial Information of Adapteo*", "*Unaudited Pro Forma Financial Information*" and "*Operating and Financial Review of Adapteo*" as well as the carve-out financial information and the pro forma financial information included elsewhere in this Demerger Prospectus.

	As at 31 March 2019	
In EUR million	**Carve-out**	**Pro forma**
	(unaudited)	
CAPITALISATION		
Current borrowings		
Guaranteed/Secured	5.5	5.5
Unguaranteed / Unsecured	14.3	0.3
Total current borrowings	**19.8**	**5.8**
Non-current borrowings		
Guaranteed / Secured	13.9	13.9
Unguaranteed / Unsecured	349.3	398.5
Total non-current borrowings	**363.2**	**412.4**
Total borrowings	**383.0**	**418.2**
Equity attributable to owners of the parent		
Share capital	-	10.0
Reserve for invested unrestricted equity	-	74.5
Translation differences	-2.0	-2.0
Retained earnings	-	108.5
Invested equity and retained earnings	223.2	-
Total equity	**221.3**	**191.1**
Total equity and borrowings	**604.3**	**609.3**
NET INDEBTEDNESS		
Cash and cash equivalents	3.3	5.6
Liquidity (A)	**3.3**	**5.6**
Current borrowings	19.8	5.8
Total current financial debt (B)	**19.8**	**5.8**
Net current financial indebtedness (C = B − A)	**16.5**	**0.3**
Non-current borrowings	363.2	412.4
Total non-current financial debt (D)	**363.2**	**412.4**
Net indebtedness (C + D)	**379.8**	**412.7**

Net debt as defined by Adapteo includes also current and non-current financial lease receivables a total of EUR 10.5 million, and non-current loan receivables of EUR 0,2 million on both carve-out basis and pro forma basis as at 31 March 2019. Accordingly, the total net debt as defined by Adapteo amounts to EUR 369.1 million on a carve-out basis and EUR 402.0 million on a pro forma basis as at 31 March 2019. For more information, see section *"Operating and Financial Review of Adapteo – Liquidity and Capital Resources – Net debt".*

For further information on the pro forma financial information, see "*Unaudited Pro Forma Financial Information*". The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its nature it addresses a hypothetical situation. The Unaudited Pro Forma Financial Information illustrates what the hypothetical impact would have been if the Demerger and related refinancing had been consummated at the dates assumed in the pro forma financial information and, therefore, does not represent the actual results of operations or financial position of Adapteo. The Unaudited Pro Forma Financial Information is not intended to project the results of operations or financial position of Adapteo for any future period or as at any future date.

Further information on the contingent and certain other off balance sheet liabilities has been set forth under "*Operating and Financial Review of Adapteo – Collaterals and Contingent Liabilities*" and in the note 25 to Adapteo's audited carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this

Demerger Prospectus, as well as in the notes to the unaudited carve-out financial information of Adapteo as at and for the three months period ended 31 March 2019 included in the F-pages to this Demerger Prospectus.

Working Capital Statement

The Company believes that the working capital available to the Company is sufficient for at least the 12 months following the date of this Demerger Prospectus.

MARKET OVERVIEW

Market Size and Characteristics

Modular space solutions are pre-fabricated buildings ("**Modular Space Solutions**"). Modular Space Solutions often have the functionality and quality matching on-site buildings and they can be used to serve both temporary short-term and long-term needs and are offered to several customer segments including school, daycare, offices and other premises in the private and public sector. Public sector customers include municipalities, counties, government authorities, public institutions and other public sector entities.

Adapteo's addressable market consists of the sale and rental of Modular Space Solutions. The addressable rental market covers the short- and long-term rental of Modular Space Solutions (the "**Rental Market**") in Sweden, Finland, Denmark, Norway and Germany (the "**Addressable Rental Market**"). The addressable sales market covers the sale of Modular Space Solutions (including element buildings) (the "**Sales Market**") in Sweden, Finland, Denmark, Norway and Germany (the "**Addressable Sales Market**")[9]. A large share of the Addressable Sales Market (approximately 74 percent in 2017) consists of sale of pre-fabricated solutions in the residential customer segment[10], to which Adapteo does not sell its solutions at the date of this Demerger Prospectus but where it sees future potential. The Company defines its core market within the Sales Market on the basis of the customer segments in which it currently operates in. Adapteo's core sales market includes school, daycare, health and social care customer segments, special accommodation, offices and other premises and excludes the residential segment (the "**Core Sales Market**") in Sweden, Finland, Denmark, Norway and Germany (the "**Addressable Core Sales Market**").

The Addressable Rental Market and Addressable Sales Market together form a total addressable market of approximately EUR 5.9 billion in 2017.[11]

The Addressable Rental Market and Addressable Sales Market are not fully comparable with Adapteo's business areas. Adapteo's long-term leasing business is included in the Permanent Space Business Area, whereas the long-term rental (long-term leasing) is included in the Addressable Rental Market. Due to the small size of Adapteo's long-term leasing business, this difference does not have material impact on the analyses presented herein.

Adapteo operates in both the Rental and Sales Market in Northern Europe[12]. The Rental Space Business Area accounted for approximately 84 percent of the Company's total external net sales and the Permanent Space Business Area accounted for the remaining approximately 16 percent in 2018 on a pro forma basis. In Northern Europe, Adapteo is the largest player in the Rental Market and holds an approximately 13 percent market share[13]. In the Sales Market in Sweden Adapteo holds an approximately three percent market share of the total Sales Market and approximately 18 percent market share of the Core Sales Market[14], whereas Adapteo has only recently entered the Sales Market in Finland and Norway and is not a major participant in the market at the date of this Demerger Prospectus. Adapteo is not present in the Sales Market in other geographical areas at the date of this Demerger Prospectus.[15]

Rental Market

In 2017, the Addressable Rental Market amounted to EUR approximately 1.3 billion. The Rental Market amounted to approximately EUR 269 million in Sweden, approximately EUR 129 million in Finland, approximately EUR 112 million in Denmark, approximately EUR 103 million in Norway and approximately EUR 697 million in Germany. A large share of the Addressable Rental Market consists of social infrastructure related customer segments. School is the largest customer segment within the Addressable Rental Market. School accounted for approximately 44 percent of the Addressable Rental Market, daycare for approximately 19 percent, health and social care for approximately five percent and special accommodation for approximately four percent of the market. In total, these customer segments account for approximately 72 percent of the Addressable Rental Market. Offices and other premises accounted for the remaining approximately 24 percent and four percent of the Addressable Rental Market, respectively.[16]

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[9] The German Sales Market includes only the sale of modular space buildings. Element buildings are excluded from the market.
[10] Source: Management Consultant Analyses.
[11] Source: Management Consultant Analyses.
[12] Includes Sweden, Finland, Norway, Denmark and Germany.
[13] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[14] Source: Management Consultant Analyses.
[15] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[16] Source: Management Consultant Analyses.

Sales Market

In 2017, the Addressable Sales Market amounted to approximately EUR 4.6 billion. The Sales Market amounted to approximately EUR 1.8 billion in Sweden, approximately EUR 1.1 billion in Finland, approximately EUR 0.2 billion in Denmark, approximately EUR 0.9 billion in Norway and approximately EUR 0.6 billion in Germany[17]. The residential segment, consisting of the sale of blocks of flats and small and detached houses, is the largest customer segment within the Addressable Sales Market and the segment accounted for approximately 74 percent of the market. School accounted for approximately seven percent, daycare for seven percent, health and social care for four percent, and special accommodation for three percent of the market. In total, these social infrastructure customer segments accounted for approximately 21 percent of the Addressable Sales Market. Offices and other premises accounted for the remaining approximately four percent and one percent of the Addressable Sales Market, respectively.[18]

Market Growth, Drivers and Trends

The market for Modular Space Solutions has historically grown strongly. Both the Addressable Rental Market and Addressable Sales Market grew on average by 12 percent annually between 2013 and 2017. In the coming years, growth of the Addressable Rental and Addressable Sales Markets are supported by structural demand drivers and trends, including urbanisation, demographic trends and the ageing building stock. Modular Space Solutions are well positioned to capture market share in the growing market. The approximately EUR 1.3 billion Addressable Rental Market is expected to grow by nine percent annually between 2017 and 2023, reaching EUR approximately 2.2 billion in 2023. The approximately EUR 4.6 billion Addressable Sales Market is expected to grow by seven percent annually between 2017 and 2023, reaching approximately EUR 7.1 billion in 2023. The approximately EUR 1.2 billion Addressable Core Sales Market is expected to grow by 11 percent annually between 2017 and 2023, reaching approximately EUR 2.2 billion in 2023.[19]

Population growth and urbanisation

Migration to the largest cities and growth centres is driving the need for space in the Nordics[20] and Germany. Over the period from 2002 to 2017 the areas with the largest population growth in Finland have been the Helsinki Capital Region[21] (approximately 19 percent growth with about 183,000 new inhabitants), Oulu (approximately 21 percent growth with about 35,000 new inhabitants) and Tampere (approximately 16 percent growth with about 32,000 new inhabitants). On the other hand, the population of more than half of the municipalities in Finland has decreased over the same period. In the bottom and third quartile municipalities, the population has declined on an aggregate level of about 125,000 and 44,000 inhabitants, corresponding to approximately 11 percent and 11 percent declines respectively.[22] The pattern is similar in Sweden, where the population of growth centres has increased over the years. During 2002 to 2017, in the Stockholm Urban Area[23] the population has increased by approximately 26 percent (about 351,000 new inhabitants), in Gothenburg by approximately 19 percent (about 89,000 new inhabitants) and Malmö by approximately 26 percent (about 68,000 new inhabitants.) Similarly to Finland, in the bottom quartile municipalities the population decreased by approximately 6 percent (decline of about 48,000 inhabitants).[24] During 2002 to 2017 in the Greater Oslo Region[25], the population has increased by 26 percent (approximately 329,000 new inhabitants) and in the Copenhagen Urban Area[26], the population has increased by 13 percent (approximately 161,000 new inhabitants).[27] Over the period from 2002 to 2017, the population in the Nordic countries has increased by approximately 11 percent in total, whereas the population in the Nordic capital regions has increased by approximately 21 percent.[28]

Population growth and urbanisation drive regional needs for space in growth centres and net loss areas alike creating opportunities for both rental and sale of Modular Space Solutions. In growth centres, there is often an urgent need for space. In mid- to long-term, the effects of urbanisation especially concern the providers of daycare and school properties, as those moving to cities are often young people or families. In large cities where space can be difficult to acquire, temporary buildings can be used to handle sudden increases in demand, for example, for daycares and schools.

[17] The German Sales Market only includes the sale of modular space buildings. Element buildings are excluded from the market.
[18] Source: Management Consultant Analyses.
[19] Source: Management Consultant Analyses.
[20] The Nordics refers to Sweden, Finland, Norway and Denmark.
[21] Includes Helsinki, Espoo, Vantaa and Kauniainen.
[22] Source: Calculations based on data from Statistics Finland – Population structure
[23] Includes Stockholm, Huddinge, Järfälla, Solna, Sollentuna, Botkyrka, Haninge, Tyresö, Sundbyberg, Nacka and Danderyd.
[24] Source: Calculations based on data from Statistics Sweden.
[25] Includes, the city of Oslo, municipalities in the Inner Circle of Greater Oslo, municipalities in the Outer Circle of Greater Oslo, municipalities in the Drammen region and municipalities in the Moss region.
[26] Includes Copenhagen, Frederiksberg, Tårnby, Albertslund, Ballerup, Brøndby, Gentofte, Gladsaxe, Glostrup, Herlev, Hvidovre, Ishøj, Lyngby-Taarbæk, Rødovre, Vallensbæk, Furesø, Rudersdal and Greve.
[27] Source: Calculations based on data from Statistics Norway and Statistics Denmark: StatBank.dk/by, StatBank.dk/BEF1A07, StatBank.dk/BEF1A, StatBank.dk/BEF1.
[28] Source: Calculations based on data from Statistics Finland – Population structure, Statistics Sweden, Statistics Norway and Statistics Denmark: StatBank.dk/by, StatBank.dk/BEF1A07, StatBank.dk/BEF1A, StatBank.dk/BEF1. Nordic capital regions include Helsinki Capital Region in Finland, Stockholm Urban Area in Sweden, Greater Oslo Region in Norway and Copenhagen Urban Area in Denmark.

Alternatively, temporary buildings can also be used to buy time in complex decision making processes for permanent long-term solutions.[29] Demand for semi-permanent Modular Space Solutions is also expected to increase in growth centres, where the fast and predictable delivery of longer-term solutions is valued.

On the other hand, flexible solutions are favoured in net loss areas, also creating opportunities for both rental and sale of Modular Space Solutions. As it can be difficult for municipalities to predict future building needs and commit to on-site built solutions with long-term obligations, some municipalities choose temporary rental solutions, as they provide flexibility and limit financial liabilities. Investing in a permanent Modular Space Solution can also be considered a viable option compared to on-site built buildings due to the re-use opportunities for relocatable modules.

Demographic trends creating need for temporary space

Children and elderly people are highly represented in the markets Adapteo operates in, as the school and daycare customer segments account for approximately 63 percent of the Addressable Rental Market and health and social care for approximately five percent of the market.[30] The growing number of children and the rapidly ageing population create significant opportunities for Modular Space Solutions in the school, daycare and health and social care customer segments.

Ageing population

The Nordics have the fastest ageing populations in Europe. The number of people aged 75 and above grew by approximately 17 percent, increasing by almost 305,000 people between 2002 and 2017, and this growth is expected to accelerate. The number of people aged 75 and above in the Nordics is expected to grow by approximately 60 percent between 2017 and 2032, increasing by approximately 1,264,000 people from approximately 2,121,000 people to approximately 3,385,000 people. Among the Nordics, Finland and Norway have the fastest ageing populations. In Finland the number of people aged 75 and over is forecasted to grow by approximately 65 and in Norway by approximately 71 percent between 2017 and 2032. Over the same period, in Denmark, the number of people aged 75 and over are forecasted to grow by approximately 61 percent and in Sweden by approximately 50 percent.[31] Ageing population is a key demographic trend in the Nordics resulting in a permanent and somewhat predictable increase in demand for space, providing opportunities for the health and social care customer segment, which accounted for five percent of the Addressable Rental Market.[32]

Growing number of children creating need for extra daycare and school capacity

The increasing number of children creates a need for space. In Sweden, Norway and Finland, the number of children aged 1–6 years enrolled in daycare has increased by 47 percent growing from approximately 675,000 children to approximately 992,000 children between 2002 and 2017.[33] Generally, the number of children in the Nordics is expected to grow slightly in the future. In the Nordics, between 2002 and 2017 the number of children aged 14 and below increased by three percent growing from approximately 4,447,000 to approximately 4,578,000. Between 2017 and 2032, the number of children is expected to increase by approximately two percent in the Nordics increasing to approximately 4,671,000 children. In Sweden and Denmark the number of children is expected grow by eight percent corresponding to an increase of approximately 232,000 children in total, whereas in Finland and Norway the number of children aged 14 and below is expected to decrease over the same period.[34,35]

Municipalities and other public entities have a legal obligation to deliver space for daycare and school facilities. Thus, especially in large cities, rapid inflow of children creates urgent need for extra capacity, which favours Modular Space Solutions with fast and predictable delivery. The increasing number of children provides opportunities for the school and daycare segments in particular, which together accounted for approximately 63 percent of the Addressable Rental Market.[36]

[29] Source: Management Consultant Analyses.
[30] Source: Management Consultant Analyses.
[31] Source: Calculations based on data from Statistics Finland – Population projection and Population structure, Statistics Sweden, Statistics Norway and Statistics Denmark – StatBank.dk/bef5 and StatBank.dk/FRDK118.
[32] Source: Management Consultant Analyses.
[33] Source: Calculations based on data from The National Institute for Health and Welfare (THL): Statistical Report on Childcare 2017, Statistics Sweden and Statistics Norway, children from one to six years old in Finland, Sweden and Norway. Denmark excluded due to unavailability of long-term data.
[34] Source: Calculations based on data from Statistics Finland – Population projection and Population structure, Statistics Sweden, Statistics Norway and Statistics Denmark: StatBank.dk/bef5 and StatBank.dk/FRDK118.
[35] Source: Calculations based on data from The National Institute for Health and Welfare (THL): Statistical Report on Childcare 2017, Statistics Sweden, Statistics Norway, Statistics Denmark: StatBank.dk/by2 and StatBank.dk/boern2.
[36] Source: Management Consultant Analyses.

Ageing building stock

The building stock is ageing in the Nordics and Germany, which increases the need for both renovation and new building construction, driving the need for temporary and permanent space. The ageing building stock is expected to affect the daycare, healthcare and school property markets in particular. Approximately half of the Nordic educational building stock was built between the 1960s and 1980s. In the forthcoming years, the building stock built between the 1960s and 1980s has reached or is approaching the age of 50, which is typically the age when the need for renovation services increases.[37]

The ageing of buildings is one of the causes for, among other things, indoor air problems that pose a health hazard. In 2012, it was estimated that approximately 12–18 percent of Finland's schools and daycares suffer from significant moisture damage and up to two-thirds of schools have indoor air problems caused by moisture damage.[38] According to a more recent study conducted in 2017, approximately 85 percent of education, training and research sector professionals in Finland reported that their workplace had indoor air quality issues.[39] In other Nordic countries, school buildings also suffer from indoor air quality issues. In Sweden, approximately one fifth of school buildings have indoor air quality issues[40] and in Denmark 36 percent of pupils suffer from indoor quality issues[41]. In the Nordics, the amount of school renovations is expected to grow from approximately 685,000 square meters in 2016 to approximately 730,000 in 2018 reaching approximately 775,000 by 2020.[42]

The ageing building stock is also a driver for new built volumes, as the likelihood of constructing new buildings as opposed to renovating existing ones increases when buildings age. New built volumes drive the demand for high-end semi-permanent Modular Space Solutions[43] which can be offered as an alternative solution to on-site built buildings. In the Nordics, the new built volume, measured in euros (at 2017 prices) for education and healthcare is expected to increase from approximately EUR 5.8 billion in 2016 to approximately EUR 5.9 billion in 2018, reaching approximately EUR 6.6 billion by 2020.[44]

Advantages of Modular Space Solutions

The Addressable Rental Market and Addressable Sales Market have outgrown the new built volume in 2013–2017, and the trend is expected to continue in the upcoming years. Modular Space Solutions have numerous advantages that drive their penetration, including quality, speed of delivery, cost efficiency, attractive customer economics and flexible usage of modular space.[45]

According to the management's view, certain quality and technical features of Modular Space Solutions match those of on-site built solutions, making Modular Space Solutions viable alternative solutions. For instance, Adapteo's Modular Space Solutions meet the requirements for permanent space. Moreover, according to the management's view, Modular Space Solutions are sustainable, due to efficiency of energy systems and production. In addition, the re-utilisation of modules drives both environmental and capital savings, supporting circular economy.

Modular Space Solutions are faster and more predictable to deliver, due to e.g. the ability to work independent of weather conditions, the ability to front-load work as well as due to clearer scheduling and coordination between suppliers. The cost efficiency of modules is also an advantage of Modular Space Solutions, as standard modules are more cost efficient to produce and assemble compared to build on-site buildings. In addition, the controlled indoor production has financial advantages as the production of modules typically proceeds as planned, enabling efficient planning and keeping costs within budgets.[46]

Modular Space Solutions provide attractive customer economics. The shortage of funds, which has been prevalent among municipalities particularly in Finland, favours Modular Space Solutions, as modules allow limited financial commitment and no upfront investment, providing flexibility for the customer. The flexible usage of modules is also an advantage driving modular space penetration, as Modular Space Solutions adapt to changing needs. Due to movability, Modular Space Solutions can meet changes in locations of demand. Moreover, Modular Space Solutions, particularly rental options, provide flexibility when the duration of need is uncertain. Using modules as compared to on-site built buildings also provides increased flexibility through the opportunity to scale building capacity by adding modules if needed. In

[37] Source: Management Consultant Analyses.
[38] Source: Publication of the Parliament's Audit Committee 1/2012 (Moisture and mould damage in buildings).
[39] Source: The Trade Union of Education Finland, OAJ. Indoor air quality survey. 2017.
[40] Source: Svensk Ventilation. 2017.
[41] Source: Danish Health Authority. 2012.
[42] Source: Management Consultant Analyses.
[43] Source: Management Consultant Analyses.
[44] Source: 86th Euroconstruct Summary Report. 11/2018.
[45] Source: Management Consultant Analyses.
[46] Source: Management Consultant Analyses.

addition, Modular Space Solutions have versatile re-use opportunities.47

Resilience of the market

The resilience of the market for Modular Space Solutions is driven by the high share of public sector customers. A large share of the Addressable Rental Market consists of social infrastructure related customer segments, which are predominated by the public sector. School is the largest customer segment within the Addressable Rental Market. School accounted for approximately 44 percent of the Addressable Rental Market, daycare for approximately 19 percent, health and social care for approximately five percent and special accommodation for approximately five percent of the market. In total, these customer segments account for approximately 72 percent of the Addressable Rental Market[48]. Offices and other premises, which represent approximately 24 percent and four percent of the Addressable Rental Market, respectively, consist mainly of private sector customers. Similarly, in the Core Sales Market, where Adapteo primarily operates in, social infrastructure related customer segments accounted for approximately 81 percent of the Core Sales Market.[49]

In most cases, public customers have the legal obligation to deliver space to varying needs, such as daycare, school and elderly care facilities. Therefore, the market is to a large extent impacted by underlying demand drivers, most importantly regional population development and renovation needs, as opposed to the general economic situation.

Private sector growth

In addition to the aforementioned market drivers and trends, according to the management's view, private sector growth and industrial activity support the development of the market and increase the need for Modular Space Solutions, particularly in the office customer segment. According to the management's view, growing order intake increases the need for resources and capacity driving the demand among industrial companies for both temporary and permanent space. In addition, increasing acceptance of modular building techniques and the appreciation of flexibility and fast delivery among the private sector of Modular Space Solutions drives the penetration of the modular space market.[50]

Competitive Landscape

In the Northern European Rental Market, Adapteo is positioned as the strongest player, with a market share of approximately 13 percent. The next four largest players in the Northern European Rental Market hold approximately eight percent, approximately seven percent, approximately six percent and approximately five percent market shares.[51]

In evaluating the competitive landscape, players in the Nordic Rental Market are the most relevant, since 93 percent of Adapteo's revenues is generated in the Nordics.[52] The Rental Market in the Nordics is characterised by a handful of large modular space providers. In the Nordic Rental Market, Adapteo is the largest player, holding a market share of approximately 26 percent.[53] In the Nordic Rental Market Adapteo's main competitors are Expandia in Sweden and Parmaco in Finland. Other large established players in the Nordic Rental Market include Temporary Space Nordics, Indus, GSV and Malthus Uniteam.[54]

In the German Rental Market, Adapteo holds an approximately one percent market share, being the eighth largest player in the market. The largest players in the German Rental Market are Algeco, Kleusberg and FAGSI[55].[56]

The Addressable Sales Market covers the sale of Modular Space Solutions (including element buildings) in Sweden, Finland, Denmark, Norway and Germany. A large share of the Addressable Sales Market (approximately 74 percent in 2017) consists of sale of pre-fabricated solutions in the residential customer segment, to which Adapteo does not sell its solutions at the date of this Demerger Prospectus but where it sees future potential. Adapteo has a well-established position

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47 Source: Management Consultant Analyses.
48 Schools account for approximately 61 percent of the social infrastructure related customer segments, daycare approximately for 26 percent, health and social care for approximately seven percent and special accommodation approximately for six percent. Source: Management Consultant Analyses.
49 Source: Management Consultant Analyses.
50 Source: Management Consultant Analyses.
51 Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
52 2018 pro forma figure.
53 Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
54 Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
55 FAGSI is part of the ALHO-Gruppe group.
56 Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.

within the customer segments to which it offers its solutions. In Sweden, Adapteo holds an approximately three percent market share of the total Sales Market and an approximately 18 percent market share of the Core Sales Market, including the school, daycare and health and social care customer segments as well as special accommodation, offices and other premises. Adapteo has entered the sales market in Finland and Norway only recently and is not a major participant in the market at the date of this Demerger Prospectus. Adapteo is not present in Sales Markets of other geographical areas at the date of this Demerger Prospectus. In the Sales Market, the competitive landscape varies somewhat by geographical area, but a general feature is that the market is fairly consolidated. From Adapteo's main rental competitors GSV and Malthus-Uniteam also sell their modules.[57]

Competitive environment favouring large scale and local presence

According to the management's view, the competitive environment favours large scale and local presence. Adapteo's rental fleet is among the largest in the Nordics, which brings the Company competitive advantage as it enables fast delivery and matching of demand and supply. Customers generally have diverging needs, and a large fleet enables having a broad range of different solutions readily available for delivery to customers without jeopardising a high utilisation rate. Smaller players are less likely to have solutions readily available to match with a customer's unique needs and moreover, the returning of modules from customers due to the expiration of the rental contract will have a larger impact on utilisation in comparison to large players. Having a sizable fleet also enables participation in larger projects, which are often not feasible for smaller players to execute.

Regulatory requirements are stricter and demand higher quality from modules in the Nordics compared to Central Europe. This favours local established players, as the quality of the modules of Central European players may not fulfil the stricter Nordic requirements. In addition, as the regulatory requirements are becoming increasingly stricter, having a modern high quality fleet which is well-positioned for future regulatory environment and the capacity and capabilities to react to regulatory changes is important and not easily obtained. Players with modern fleets that can be upgraded to meet changing regulatory requirements with lower costs enjoy a competitive advantage. At the date of this Demerger Prospectus, Adapteo makes the majority of its investments in its advanced fleet series that are future proof and can be upgraded with lower costs, while it also makes the necessary investments to keep older module series running.

Being competitive and efficiently operating the rental and sale of Modular Space Solutions requires a well-invested operating platform and value chain capabilities, which are difficult and expensive to obtain. Modular space needs are typically dispersed geographically, and to ensure logistical efficiency and a fast delivery time, a broad hub network with optimised locations is important from a competitive perspective. Adapteo has eight hubs and 20 warehouses[58] across the Nordics and Germany, which helps the Company to efficiently serve its customers across Northern Europe. In addition, a well-established supplier network and strong relationships are important to ensure high quality, fast lead times and cost efficiency. Subcontractors are often used in the sourcing of Modular Space Solutions and significant time and investment are needed to build relationships with credible suppliers. Adapteo has both in-house production in two locations in Sweden with an annual production capacity of approximately 50,000 square meters in total and R&D capabilities as well as secured contract manufacturer capacity in the Baltics, Poland and the Czech Republic. Project management and delivery value chain capabilities, including logistics structure and subcontractor network for assembly, disassembly, maintenance and services, can be challenging to obtain, which favours established players in the market. Adapteo manages key value chain operations in-house, which improves the Company's capabilities to develop its offering and to better meet the customers' needs, which according to the management's view enhances its position in the market. Moreover, the in-house manufacturing capabilities provide complementary know-how which further assists the Company in developing and designing its solutions, e.g. through smarter and more cost efficient materials.

Strong customer relationships along with good credibility as a supplier are important factors that bring competitive advantage. Good relationships with key decision makers often enable consulting customers already before requests for proposals are sent out, and large players often have an advantage, as they typically have a broad local sales network and good references that increases their credibility. In addition, broad expertise and good tender capabilities, which large volumes support, are in a crucial role in ensuring good competitiveness. According to the management's view, Adapteo's market-leading position[59] and its recognisability combined with a broad sales network throughout Northern Europe, strengthens its customer relationships, which the Company's long-standing customer relationships and high net promoter score (NPS) of 26 indicate[60]. In addition, Adapteo's management believes that it possesses strong tender expertise. For instance, in Sweden Adapteo has a high tender hit rate, and between the second half of 2015 and the first half of 2018, Adapteo won approximately 40 percent of all of the public tenders that were included in the sample measured by contract

[57] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.

[58] Storages include modular storages and accessories warehouses. Hubs and warehouses can be located in connection with other facilities.

[59] Source: Management Consultant Analyses. Based on Adapteo's leading market position measured by revenue.

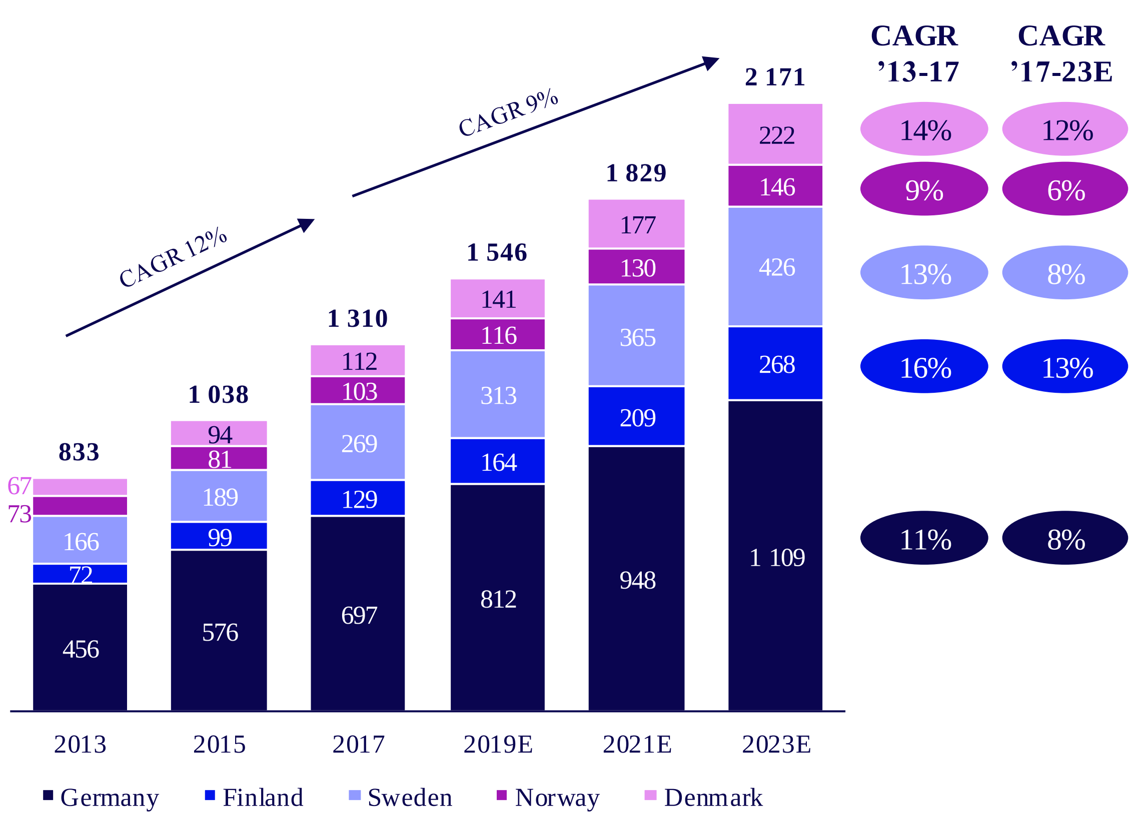
[60] Source: Management Consultant Analyses. The net promoter score is based on a question regarding the readiness to recommend the company subject to the survey to people in need of temporary space and the NPS score ranges from -100 to +100. The NPS is based on Adapteo's customer satisfaction survey, which received responses from 132 people with experience of Adapteo (NMG was not included in the survey).

value. The competitors that won the second most and third most, won approximately 26 percent and approximately 12 percent of the total contract value in public tenders, respectively.[61]

Rental Market in Northern Europe

Adapteo operates in the Rental Market in Sweden, Finland, Denmark, Norway and Germany. The Rental Market is divided into four main customer segments: school, daycare, office and other premises, which also includes health and social care, special accommodation and other smaller customer segments such as exhibitions and fairs. The Addressable Rental Market amounted to approximately EUR 0.8 billion in 2013 and grew at an average growth rate of 12 percent, growing to approximately EUR 1.3 billion in 2017. The Addressable Rental Market is expected to continue on a growth path with an average nine percent CAGR in 2017–2023, reaching approximately EUR 2.2 billion in 2023.[62]

Rental Market size and growth by country (in EUR million)



Source: Management Consultant Analyses.

Rental Market in Sweden

The Rental Market in Sweden grew on average by 13 percent between 2013 and 2017, growing from approximately EUR 166 million in 2013 to approximately EUR 269 million in 2017.[63] In Sweden, schools and daycares are expected to continue to drive the Rental Market. The poor condition of educational buildings drives renovation needs, impacting both short-term and long-term demand for space. The general increase in children is also expected to increase the need for extra capacity for both school and daycare facilities. Previous temporary spikes in daycare aged children are expected to impact the need for school facilities in particular. In addition, the increase in elderly people provides significant opportunity for modular space providers in the health and social care customer segment.[64] Approximately 44 percent of municipalities report an undercapacity in terms of elderly care, however, by 2021, this figure is expected to decrease to approximately 33 percent.[65]

Supported by favourable trends, the school and daycare customer segments are expected to have the highest growth rates in the Swedish Rental Market. The school customer segment is expected to grow at an average annual rate of nine percent,

[61] Source: Management Consultant Analyses. Combined share of won contract value for Adapteo and NMG. Analysed sample consists of 160 Swedish public tenders regarding short-term rental modular space solutions during the second half of 2015 to the first half of 2018. Analysed sample estimated to cover 30 percent of all tenders occurred during the period.
[62] Source: Management Consultant Analyses.
[63] Source: Management Consultant Analyses.
[64] Source: Management Consultant Analyses.
[65] Source: Management Consultant Analyses.

growing from approximately EUR 104 million in 2017 to approximately EUR 174 million in 2023. The daycare customer segment is also expected to grow at an average annual rate of nine percent, growing from approximately EUR 70 million in 2017 to approximately EUR 116 million in 2023. The office customer segment is expected to grow at an average of five percent, growing from approximately EUR 54 million in 2017 to approximately EUR 71 million in 2023. The remaining other premises customer segment is expected to grow at an annual growth rate of approximately eight percent, growing from approximately EUR 41 million in 2017 to approximately EUR 65 million in 2023. The total Rental Market in Sweden is expected to continue on a growth path with an average eight percent CAGR in 2017–2023, reaching approximately EUR 426 million in 2023.[66]

With an approximately 38 percent market share, Adapteo is the leader in the Swedish Rental Market as measured by revenue.[67] Expandia and Indus are the second and third largest players. With its broad offering, Adapteo has a strong position particularly in the school, daycare and office customer segments. Similarly to Adapteo, Expandia has a wide offering serving a broad range of customer needs, while Indus is more focused in the school and daycare customer segment.[68]

Rental Market in Finland

The Rental Market in Finland grew on average by 16 percent in 2013–2017, growing from approximately EUR 72 million in 2013 to approximately EUR 129 million in 2017. In Finland, school and daycare renovation will continue to keep driving the demand for modular space in the coming years due to the ageing building stock and air quality issues. Indoor climate problems are particularly an issue in public sector buildings in Finland. In addition, the increase in elderly people provides significant opportunities in the health and social care customer segment for modular space providers due to increased need for care facilities. However, in Finland the health and care sector only accounts for a small share of the market at the date of this Demerger Prospectus.[69]

The school customer segment is expected to grow at an average annual rate of approximately 13 percent, growing from approximately EUR 90 million in 2017 to approximately EUR 190 million in 2023. The combined customer segment of daycare and elderly care is expected to grow at an average annual rate of 15 percent in 2017–2023, growing from EUR 19 million in 2017 to approximately EUR 45 million in 2023. The office customer segment is expected to grow at an average of four percent in 2017–2023, growing from approximately EUR 13 million in 2017 to approximately EUR 16 million in 2023. The remaining other premises customer segment is expected to grow at an annual growth rate of approximately 18 percent, growing from approximately EUR six million in 2017 to approximately EUR 16 million in 2023. The total Rental Market in Finland is expected to continue on a growth path with an average 13 percent CAGR in 2017–2023, reaching approximately EUR 268 million in 2023.[70]

With an approximately 25 percent market share, Adapteo is the largest player in the Finnish Rental Market.[71] Parmaco and Temporary Nordic Space are the second and third largest players, followed by small construction firms with limited focus on rental of Modular Space Solutions. Adapteo has a strong position in the short-term rental market in Finland across various customer segments, while Parmaco is focused on long-term rental for school and daycare customer segments.[72]

Rental Market in Denmark

The Rental Market in Denmark grew on average by approximately 14 percent, growing from approximately EUR 67 million in 2013 to approximately EUR 112 million in 2017. In Denmark, high growth is expected in the office customer segment driven by increased private sector acceptance of modular building techniques. In addition, the growth in particular in the number of daycare aged children is expected to drive further growth. Moreover, regulations requiring municipalities to offer children daycare and school placements close to their homes increase the need for temporary

[66] Source: Management Consultant Analyses.
[67] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo’s market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo’s Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[68] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[69] Source: Management Consultant Analyses.
[70] Source: Management Consultant Analyses.
[71] Source: Management Consultant Analyses. Adapteo and Parmaco’s revenues are not directly comparable due to different revenue recognition, however market interviews indicate that Adapteo has the highest rental fleet and revenue in Finland. Revenues used in the assessment of Adapteo’s market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo’s Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[72] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.

flexible space. In addition, similarly to other Nordic countries, an ageing population is expected to drive the need for more space.[73]

The school customer segment is expected to grow at an average annual rate of approximately 11 percent, growing from approximately EUR 28 million in 2017 to approximately EUR 52 million in 2023. The daycare customer segment is expected to grow at an average annual rate of 13 percent in 2017–2023, growing from approximately EUR 21 million in 2017 to approximately EUR 44 million in 2023. The office segment is expected to grow at an average annual rate of 14 percent in 2017–2023, growing from approximately EUR 28 million in 2017 to approximately EUR 60 million in 2023. The remaining other premises customer segment is expected to grow at an annual growth rate of 11 percent, growing from approximately EUR 35 million in 2017 to approximately EUR 65 million in 2023. The total Rental Market in Denmark is expected to continue on a growth path with an average 12 percent CAGR in 2017–2023, reaching approximately EUR 222 million in 2023.[74]

In Denmark, Adapteo is the second largest player measured by revenue in the rental market, holding an approximately 13 percent market share.[75] GSV is the largest player in the market, and Jytas is the third largest player.[76]

Rental Market in Norway

The Rental Market in Norway grew on average by nine percent, increasing from approximately EUR 73 million in 2013 to approximately EUR 103 million in 2017. The increase in the renovation need due to ageing building infrastructure is expected to drive the rental market going forward. Particularly the poor condition of existing buildings in the school and daycare customer segments is expected to drive the need for temporary Modular Space Solutions. In the office customer segment, recent improvements in economic conditions are expected to drive recovery in the segment.[77]

The school customer segment is expected to grow at an average annual rate of eight percent, growing from approximately EUR 31 million in 2017 to approximately EUR 48 million in 2023. The daycare customer segment is expected to grow at an average annual rate of eight percent in 2017–2023, growing from approximately EUR 21 million in 2017 to approximately EUR 34 million in 2023. The office segment is expected to grow on average by three percent in 2017–2023, growing from approximately EUR 31 million in 2017 to approximately EUR 38 million in 2023. The remaining other premises customer segment is expected to grow at an annual growth rate of four percent, growing from approximately EUR 21 million in 2017 to approximately EUR 26 million in 2023. The total Rental Market in Norway is expected to continue on a growth path with an average 6 percent CAGR in 2017–2023, reaching approximately EUR 146 million in 2023.[78]

In Norway, Adapteo is the second largest player measured by revenue in the Rental Market holding an approximately ten percent market share.[79] Malthus Uniteam is the largest player in the market and Expandia is the third largest player.[80]

Rental Market in Germany

The Rental Market in Germany grew on average by approximately 11 percent increasing from approximately EUR 456 million in 2013 to approximately EUR 697 million in 2017. School is the largest customer segment in the Rental Market in Germany. Growth in the market is primarily driven by demand for space due to population growth and immigration. In addition, the need for renovation, particularly for schools and daycare facilities, drives the Rental Market in Germany. Advantages of modular space buildings are expected to increasingly convince customers in the office and event segments driving further growth in modular space penetration.[81]

The school customer segment is expected to grow at an average annual rate of nine percent, growing from approximately EUR 330 million in 2017 to approximately EUR 568 million in 2023. The daycare customer segment is expected to grow at an average annual rate of eight percent in 2017–2023, growing from approximately EUR 113 million in 2017 to approximately EUR 175 million in 2023. The office customer segment is expected to grow at an average annual rate of five percent in 2017–2023, growing from approximately EUR 198 million in 2017 to approximately EUR 260 million in

[73] Source: Management Consultant Analyses.
[74] Source: Management Consultant Analyses.
[75] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[76] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[77] Source: Management Consultant Analyses.
[78] Source: Management Consultant Analyses.
[79] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[80] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[81] Source: Management Consultant Analyses.

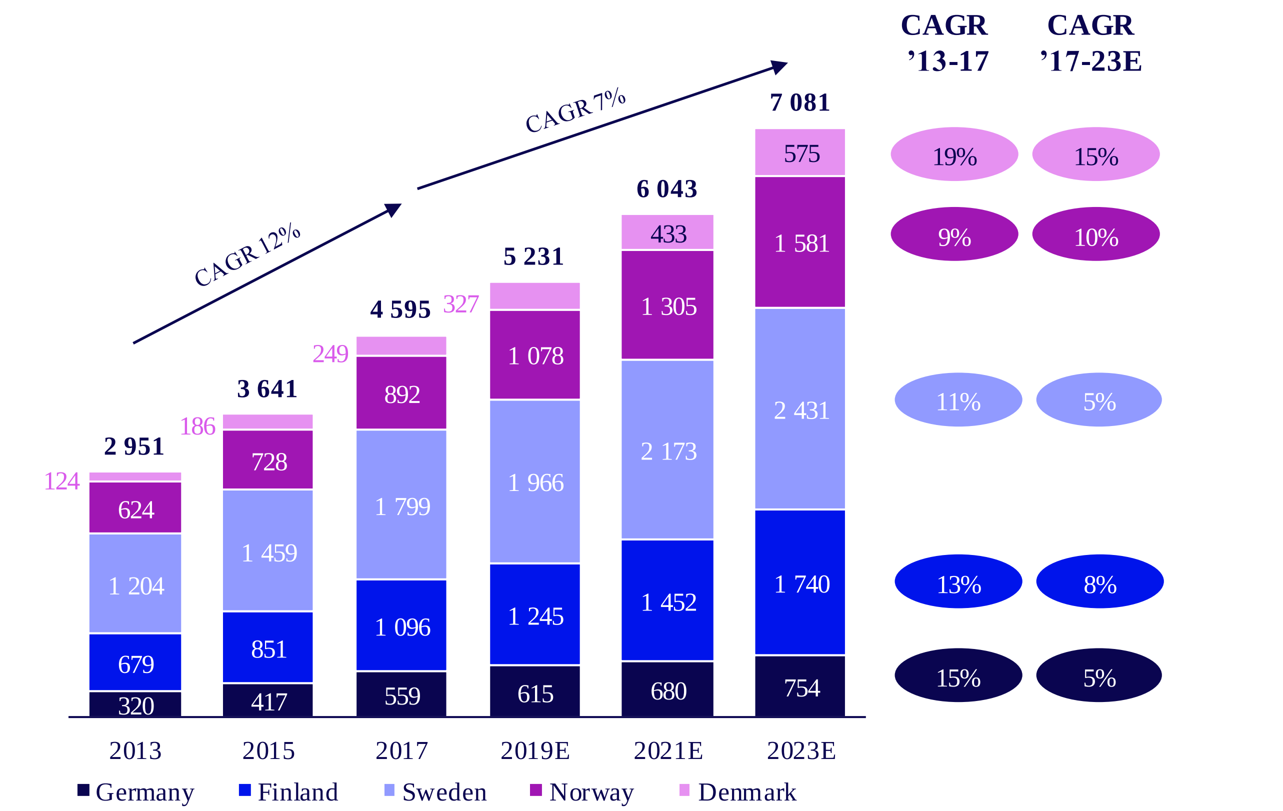
2023. The remaining other premises customer segment is expected to grow at an annual growth rate of 12 percent, growing from approximately EUR 55 million in 2017 to approximately EUR 107 million in 2023. The total Rental Market in Germany is expected to continue on a growth path with an average eight percent CAGR in 2017–2023, reaching approximately EUR 1.1 billion in 2023.[82]

In Germany, Adapteo is the eighth largest player in the Rental Market as measured by revenue, holding an approximately one percent market share.[83] Algeco, Kleusberg and FAGSI[84] are the three largest players in the market.[85]

Sales Market in Northern Europe

In the Sales Market, Adapteo has an established position in Sweden, whereas the Company has only recently entered the Sales Market in Finland and Norway and is therefore not a major participant in the market at the date of this Demerger Prospectus. Adapteo is not present in the Sales Market in other geographical areas at the date of this Demerger Prospectus. A large share of the Addressable Sales Market (approximately 74 percent) consists of sale of pre-fabricated solutions in the residential customer segment, to which Adapteo does not sell its solutions at the date of this Demerger Prospectus but where it sees future potential. The Addressable Core Sales Market, consisting of schools, daycare, health and social care, special accommodation, offices and other premises, accounts for the remaining approximately 26 percent of the Addressable Sales Market. The Addressable Sales Market amounted to approximately EUR 3.0 billion in 2013 and grew at an average annual growth rate of 12 percent, growing to approximately EUR 4.6 billion in 2017. The Addressable Sales Market is expected to continue on a growth path with an average seven percent CAGR in 2017–2023, reaching approximately EUR 7.1 billion in 2023.[86]

Sales Market size and growth by country (in EUR million)



Source: Management Consultant Analyses

[82] Source: Management Consultant Analyses.
[83] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[84] FAGSI is part of the ALHO-Gruppe group.
[85] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[86] Source: Management Consultant Analyses.

Sales Market in Sweden

The Sales Market in Sweden grew on average by 11 percent in 2013–2017, growing from approximately EUR 1.2 billion in 2013 to approximately EUR 1.8 billion in 2017. Looking ahead, the strongest growth can be expected in the Core Sales Market, which is not expected to experience a similar downturn as the residential segment in the forecast period between 2017 and 2023. School, daycare and health and social care are expected to drive the Core Sales Market due to the steady growth of young and elderly population. In addition, the historically insufficient investment levels in public real estate is expected to support further growth in the school, daycare and health and social care customer segments. Moreover, the expected increase in modular space penetration is a strong underlying driver in the Core Sales Market segments driven by both increased awareness of modular space benefits among customers and the benefits of strong supplier coordination versus on-site.[87]

The residential customer segment is expected to grow at an annual growth rate of approximately four percent, growing from approximately EUR 1.5 billion in 2017 to approximately EUR 1.9 billion in 2023. The Core Sales Market is expected to grow at an average growth rate of 12 percent over the same period, growing from approximately EUR 0.3 billion in 2017 to approximately EUR 0.6 billion in 2023. The total Sales Market in Sweden is expected to grow at an average growth rate of five percent in 2017–2023, reaching approximately EUR 2.4 billion in 2023.[88]

In the Sales Market in Sweden, Adapteo has a well-established position within the customer segments in which it operates. Adapteo holds an approximately three percent market share of the total Sales market and an approximately 18 percent market share of the Core Sales Market. The largest player in Sweden is Moelven, a large modular space provider, and the second largest player is Lindbäcks, a residential element building player. Moelven is Adapteo’s main competitor in the Core Sales Market, where Moelven is the largest and Adapteo the second largest player.[89]

Sales Market in other countries

Sales Market in Finland

The Sales Market in Finland grew on average by 13 percent in 2013–2017, growing from approximately EUR 0.7 billion in 2013 to approximately EUR 1.1 billion in 2017. The key growth driver in the Sales Market in Finland is the increasing penetration of modular and element buildings. The strongest growth can be expected in Adapteo’s Core Sales market, which is not expected to experience the downturn in the residential customer segment in the forecast period between 2017 and 2023.[90]

The residential customer segment is expected to grow at an annual growth rate of approximately five percent, growing from approximately EUR 0.9 billion in 2017 to EUR 1.1 billion in 2023. The Core Sales Market is expected to grow at an average growth rate of 18 percent over the same period, growing from approximately EUR 0.2 billion in 2017 to approximately EUR 0.6 billion in 2023. The total Sales Market in Finland is expected to grow at an average growth rate of eight percent in 2017–2023, reaching approximately EUR 1.7 billion in 2023.[91]

Adapteo has only recently entered the Sales Market in Finland and is not a major participant in the market at the date of this Demerger Prospectus. The largest player in the Sales Market in Finland is Lehto, followed by smaller players, such as Kannustalo and Elementit-E.[92]

Sales Market in Denmark

The Sales Market in Denmark grew on average by 19 percent in 2013–2017, growing from approximately EUR 0.1 billion in 2013 to approximately EUR 0.2 billion in 2017. In Denmark, the strongest growth can be expected in the residential customer segment, which is primarily driven by increasing penetration of modular building systems as well as new built volumes.[93]

The residential customer segment is expected to grow at an annual growth rate of approximately 19 percent, growing from approximately EUR 0.1 billion in 2017 to approximately EUR 0.2 billion in 2023. The Core Sales Market is expected to grow at an average growth rate of 13 percent over the same period, growing from approximately EUR 0.2 billion in

[87] Source: Management Consultant Analyses.
[88] Source: Management Consultant Analyses.
[89] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information. Adapteo’s market position among providers of Modular Space Solutions in the Core Sales Market.
[90] Source: Management Consultant Analyses.
[91] Source: Management Consultant Analyses.
[92] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[93] Source: Management Consultant Analyses.

2017 to approximately EUR 0.3 billion in 2023. The total Sales Market in Denmark is expected to grow at an average growth rate of 15 percent in 2017–2023, reaching approximately EUR 0.6 billion in 2023.[94]

Adapteo is not present in the Sales Market in Denmark at the date of this Demerger Prospectus. The largest players in the Sales Market in Denmark are Scandibyg, Jytas and Taasinge Elementer.[95]

Sales Market in Norway

The Sales Market in Norway grew on average by nine percent in 2013–2017, growing from approximately EUR 0.6 billion in 2013 to approximately EUR 0.9 billion in 2017. The Sales Market is forecasted to experience the fastest growth due to a continued increase in penetration of wooden modules and families that are in the need of more space moving to suburbs creating a need for new space. The Core Sales Market is minor and will primarily be driven by underlying growth of new school, daycare and elderly care buildings, in addition to an increase in modular/element penetration.[96]

The residential customer segment is expected to grow at an annual growth rate of approximately 10 percent, growing from approximately EUR 0.8 billion in 2017 to approximately EUR 1.4 billion in 2023. The Core Sales Market is expected to grow at an average growth rate of 10 percent over the same period, growing from approximately EUR 0.1 billion in 2017 to approximately EUR 0.2 billion in 2023. The total Sales Market in Norway is expected to grow at an average growth rate of 10 percent in 2017–2023, reaching approximately EUR 1.6 billion in 2023.[97]

Adapteo has only recently entered the Sales Market in Norway and is not a major participant in the market as at the date of this Demerger Prospectus. The largest players in the Sales Market in Norway are Selvaag Bolig, Block Watne and Boligpartner.[98]

Sales Market in Germany

The Sales Market in Germany[99] grew on average by nine percent in 2013–2017, growing from approximately EUR 0.3 billion in 2013 to approximately EUR 0.6 billion in 2017. Key growth drivers are increasing demand for additional housing space, low interest rates and an increase in public spending as well as modular penetration. The majority of the growth is expected to come from the residential segment.[100]

The residential customer segment is expected to grow at an annual growth rate of approximately 11 percent, growing from approximately EUR 0.1 billion in 2017 to approximately EUR 0.2 billion in 2023. The Core Sales Market is expected to grow at an average growth rate of three percent over the same period, growing from approximately EUR 0.4 billion in 2017 to approximately EUR 0.5 billion in 2023. The total Sales Market in Germany is expected to grow at an average growth rate of five percent in 2017–2023, reaching approximately EUR 0.8 billion in 2023.[101]

Adapteo is not present in the Sales Market in Germany at the date of this Demerger Prospectus. The largest players in the Sales Market in Germany are Kleusberg and ALHO.[102]

[94] Source: Management Consultant Analyses.
[95] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[96] Source: Management Consultant Analyses.
[97] Source: Management Consultant Analyses.
[98] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.
[99] The German Sales Market excludes element buildings.
[100] Source: Management Consultant Analyses.
[101] Source: Management Consultant Analyses.
[102] Source: Management Consultant Analyses. Market positions are indicative, as they may be based on incomprehensive information.

BUSINESS OF ADAPTEO

Since Adapteo will not be incorporated until the Effective Date, the following information is based on the Demerger Plan and information available as at the date of this Demerger Prospectus regarding the Modular Space business, including the businesses, assets and liabilities to be transferred to Adapteo as a result of the Demerger. The following information reflects a number of assumptions and expectations regarding Adapteo's operations based on, among others, the Demerger being completed in the manner and in the timeframe contemplated in this Demerger Prospectus and the operations of Adapteo being organised as anticipated as at the date of this Demerger Prospectus. However, there can be no assurance that the Demerger will be completed in the manner or in the timeframe contemplated in this Demerger Prospectus, or at all, or that Adapteo's operations will be organised as anticipated as at the date of this Demerger Prospectus, any of which may cause any of the statements below to not materialise. The Demerger Plan is attached to this Demerger Prospectus as Annex A.

Overview of the Business

Adapteo is a leading Northern European provider of Modular Space Solutions on the Addressable Rental Market and it possesses a market leader position in the Nordics measured by revenue with a strong position in the Rental Market in Finland, Sweden, Norway and Denmark[103, 104] In addition to the Nordics, Adapteo has rental operations also in Germany. Adapteo's Modular Space Solutions are either rented or sold to public sector customers, such as municipalities and private sector customers, such as industrial companies and private enterprises.

The management has prepared a new strategy for Adapteo for the period spanning until 2023. In the near-term, the Company will place high emphasis on the integration of NMG, which will be an important enabler for delivering the strategy. The management believes that a successful integration of NMG will unlock significant potential to leverage the stronger combined Modular Space platform and capture synergies both on revenue and cost sides. During the period until 2023, the Company's strategy is built on three key strategic pillars, being break-out growth, commercial excellence and operational efficiency.

The Company has a customer base consisting of both public and private sector customers. Municipalities and other public service providers in the social infrastructure sector are the most common customer categories in the Rental Space Business Area. Within the Permanent Space Business Area, the customers consist mainly of municipalities and private companies. The five largest public sector rental customers accounted for approximately 12 percent of the Company's rental income for the year ended 31 December 2018.[105] As at 31 March 2019, the Company had a total of 385 employees in five countries.

The Company's net sales for the three months period ended 31 March 2019 on a carve-out basis were EUR 52.8 million and EUR 152.0 million for the year ended 31 December 2018. Adapteo's carve-out financial statements for the year ended 31 December 2018 include the financial information of NMG (acquired in October 2018) only for two months. In addition, Cramo has historically reported Adapteo's business as a single segment (the Modular Space business) and Adapteo's historical carve-out financial information does therefore not include information on Adapteo's business areas following the Demerger, Rental Space and Permanent Space. As a result, the information presented in section "*Business of Adapteo*" in this Demerger Prospectus is based on unaudited pro forma information illustrating the effects of the NMG Acquisition, the Demerger and related refinancing as well as the division of the business into business areas following the Demerger, as if they had taken place earlier. For further information, see "*Unaudited Pro Forma Financial Information*". On a pro forma basis, the Company's net sales for the three months period ended 31 March 2019 were EUR 52.8 million and EUR 220.6 million for the year ended 31 December 2018.

[103] Northern European is defined as Sweden, Finland, Norway, Denmark and Germany and the Nordics is defined as Sweden, Finland, Norway and Denmark.

[104] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent. See also "*Market Overview – Market Size and Characteristics*" regarding the definitions of Adapteo's Addressable Markets and business areas.

[105] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

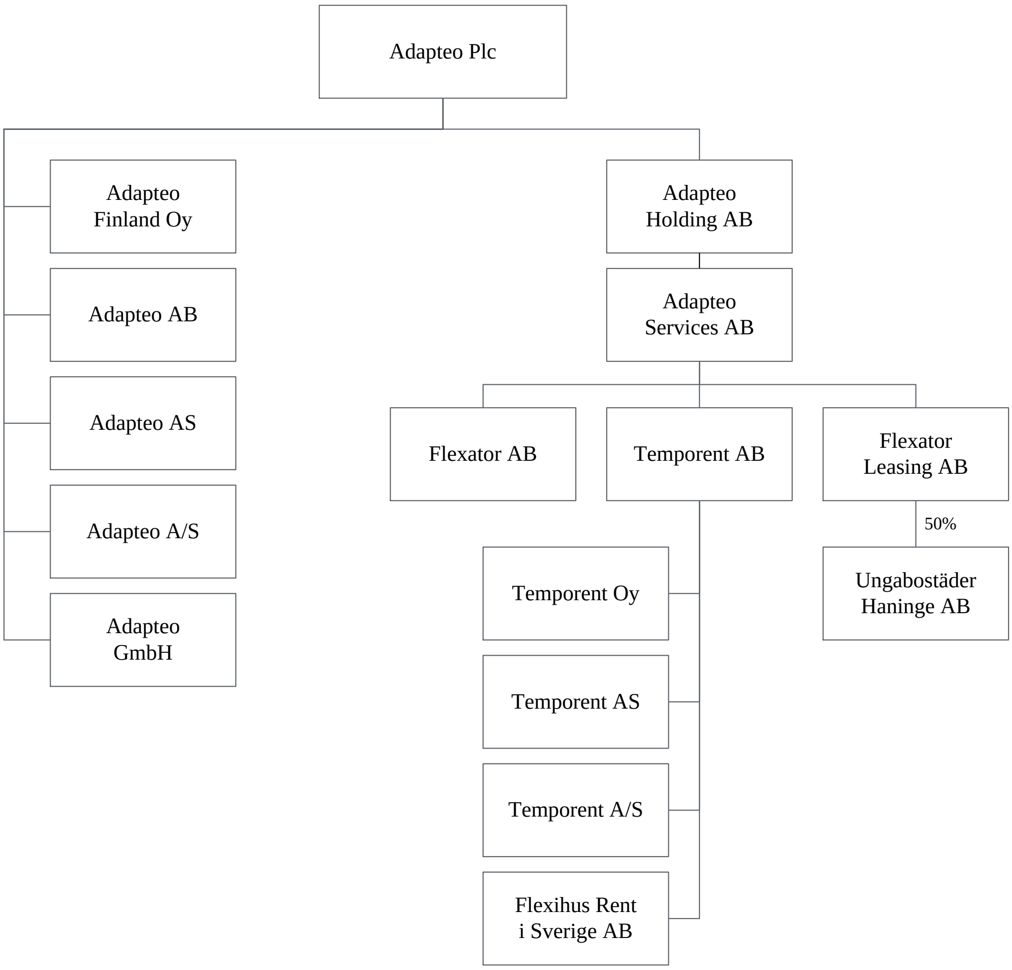
The following table presents Adapteo's key financial indicators for the three months period ended 31 March 2019 and the year ended 31 December 2018 on a pro forma basis:

In EUR million unless otherwise indicated	1 January to 31 March 2019 (pro forma) (unaudited)	1 January to 31 December 2018 (pro forma) (unaudited)
Key financials of Adapteo		
Net sales	52.8	220.6
EBIT	9.9	35.2
EBIT margin, %	18.8%	15.9%
Comparable EBIT	12.1	47.8
Comparable EBIT margin, %	22.8%	21.7%
EBITDA	20.3	71.0
EBITDA margin, %	38.5%	32.2%
Comparable EBITDA	22.4	83.6
Comparable EBITDA margin, %	42.5%	37.9%
Operative ROCE, %	-	12.1%
Average number of FTEs[1]	374	187

[1] On a carve-out basis. The figure for the financial year ended 31 December 2018 is audited.

Effective as of the completion of the Demerger, Adapteo's business will be divided into two business areas, which are also the reporting segments of Adapteo: Rental Space and Permanent Space. For more information on Adapteo's business areas, see "– *Business Areas*".

The following chart presents Adapteo's planned group structure on the Effective Date:



Adapteo's main geographic markets are Sweden, Finland, Norway, Denmark and Germany. The table below presents Adapteo's net sales by operating country for the three months period ended 31 March 2019 on a carve-out basis and for the year ended 31 December 2018 on a pro forma basis.

In EUR million	1 January to 31 March 2019 (carve-out) (unaudited)	1 January to 31 December 2018 (pro forma) (unaudited)
Net sales by country		
Sweden	33.0	131.8
Finland	10.0	44.9
Norway	1.6	9.1
Denmark	4.8	20.4
Germany	3.5	14.5
Total	52.8	220.6

Key Strengths

The Company has identified the following key strengths the management believes to provide Adapteo with a competitive advantage.

Fast growing and resilient market supported by long-term structural tail-winds[106]

Adapteo's Addressable Rental Market is expected to grow in all of Adapteo's operating countries. In 2017–2023 the Rental Market is expected to exhibit double-digit annual growth in Finland and Denmark, and six (6) to eight (8) percent growth in the other Northern European countries that Adapteo operates in.[107]

The Rental Market for Modular Space Solutions is cycle resilient due to the high share of public sector customers who in most cases have a legal obligation to deliver space to varying needs. Social infrastructure related customer segments, including school, daycare, health and social care and special accommodation, which are predominated by the public sector, accounted for approximately 72 percent of the Addressable Rental Market. The Rental Market is less dependent on the general economic conditions as it is to a large extent driven by underlying stable demand drivers, most importantly regional population development and renovation needs.[108]

In Sweden and Finland, the development of public expenditure on education has remained largely unaffected by economic cycles, and its average annual growth rate has been 4 percent in Sweden and 2 percent in Finland between 2008 and 2017. Public expenditure on education in Finland and Sweden has grown from approximately EUR 24 billion to approximately EUR 32 billion in total over the same period.[109]

In the coming years, the growing demand for space is supported by structural demand drivers and trends. Migration and urbanisation in Adapteo's operating countries drive the need for flexible space in growth centres and net migration loss areas alike, creating opportunities for companies such as Adapteo. School, daycare, health and elderly care customer segments account for approximately 68 percent of the Addressable Rental Market. The outlook for these customer segments is further supported by favourable demographic trends including ageing population and growing number of children enrolled in daycare creating opportunities for Modular Space Solutions. Additionally, the current building stock is not adequate to sustain the growing need for space. The building stock in the Nordics is old and ageing with approximately 50 percent of Nordic school buildings having been built between the 1960s and 1980s, which increases demand for both renovation and new building construction driving the need for both permanent and temporary space. In addition, there is a prevalence of quality issues with current buildings such as indoor air quality issues particularly in Finnish educational buildings, further widening the gap between growing demand and supply of space.

Management believes Adapteo is well-positioned to benefit from the above mentioned trends on top of which Modular Space Solutions have numerous advantages that drive market penetration, including the quality, time and cost efficiency, attractive customer economics and flexible usage of modular space.[110]

[106] See also "*Market Overview – Market Size and Characteristics*" regarding the definitions of Adapteo's Addressable Markets and business areas.
[107] Source: Management Consultant Analyses.
[108] Source: Management Consultant Analyses.
[109] Calculations based on data from Statistics Sweden and Statistics Finland – Education.
[110] Source: Management Consultant Analyses.

Northern European leader with a scalable platform poised for growth [111]

Adapteo possesses a market leader position in Northern Europe measured by revenue with an approximately 13 percent market share measured by revenue in the Addressable Rental Market of Modular Space Solutions.[112] Adapteo possesses market leader positions in the Rental Market in Sweden and Finland. Adapteo also possesses top two positions in the Rental Market in Denmark and Norway as well as a strong challenger position in Germany, where the Company commenced its operations in 2014 and has since grown rapidly and, among other things, managed to achieve a leading position in modular spaces used for events.[113]

Adapteo is 1.7 times as large as the second largest Nordic rental competitor, as measured by revenue.[114] Adapteo's fleet of approximately 970,000 sqm is approximately 1.8 times larger than the second largest Nordic rental competitor's fleet, which is approximately 550,000 sqm.[115] Adapteo also possesses Top-3 market positions in all of the four Nordic countries where it operates, whereas the second largest Nordic rental player possesses two Top-3 market positions. Adapteo's management believes that as the leading player in the Rental Market the Company is well-positioned to further improve the Company's position in the Rental Markets for Modular Space Solutions across the relevant geographies. Adapteo has a scalable platform poised for growth. Firstly, Adapteo's rental fleet is the largest in the Nordics[116], which enables fast delivery and readiness to deliver on customers' needs. Secondly, Adapteo has a competitive advantage through its versatile offering consisting of Modular Space Solutions with different quality features for diverse needs as well as an offering that allows several business models. Thirdly, the Company has a well-invested platform to support growth with strong profitability from incremental rented modules. Adapteo can offer basic low cost solutions as well as high end premium solutions with excellent technical features covering both short-term and long-term needs within all key customer segments, including school, daycare and offices.

Rules and regulations are stricter and require higher quality from modules in the Nordics compared to Central Europe. This favours local established players, such as Adapteo, as the quality of the modules of the Central European players may not fulfil the stricter Nordic requirements. Moreover, Adapteo has a well-invested fleet with the ability to comply with upcoming regulatory changes.

Adapteo's cost efficient setup of eight hubs across geographies enables fast delivery of modules. The Company's broad and well-located hub network also enables efficient refurbishment and customisation, which drives high utilisation and rental yields. Adapteo has built long trusted relationships through its local sales and project management capabilities. Through its relationships, Adapteo is well-positioned in tenders and is frequently invited to consult before tender processes begin. Adapteo's hub network coupled with local sales organisations also provides a setup for further growth enabling both geographic expansion as well as expansion in the sales and long-term leasing market.

The large fleet in combination with in-house production and secured supplier capacity enables fast delivery to customers while maintaining close to optimal utilisation rate for the in-house factories, which is an advantage in the Rental Market, where capacity is scarce. Additionally, having in-house production supports the sales and long-term leasing business, which requires customisation capabilities and flexibility. The Company's in-house design and R&D functions enable continuous product innovation and improvement. This supports Adapteo in making successful material decisions and designing standard modules that are suitable for various end uses and customer needs as well as in securing that the current fleet is deemed to comply with building regulations and aiming to secure compliance with expected future building regulations.

Recurring revenues from a diverse base of primarily public customers

A high share of Adapteo's revenue is recurring by nature. Rental sales, accounting for approximately 58 percent of Adapteo's net sales in 2018 on a pro-forma basis, is generated by rental contracts with primarily public sector customers. A typical duration of a new rental contract is three years, and 70 to 80 percent of all new contracts are extended. Historically the total average rental period including prolongations has been approximately five years, which implies that at any given time, approximately 80 percent or 2.5 years' worth of rental sales has been recurring and based on agreements made in previous years. Approximately 25 percent of Adapteo's total net sales for the year ended 31 December 2018 on a pro-forma basis consist of revenue from assembly and other services. Revenue from assembly and other services is primarily a product of customisation and assembly fees following new rental contracts and disassembly fees following

[111] See also "*Market Overview – Market Size and Characteristics*" regarding the definitions of Adapteo's Addressable Markets and business areas.
[112] Source: Management Consultant Analyses. Revenues used in the assessment of Adapteo's market share in the Rental Market are estimates based on information from public sources on the combined 2017 revenue of the operational companies of Cramo's Modular Space business division operating in Sweden, Finland, Norway, Denmark and Germany as well as the Swedish, Finnish, Danish, and Norwegian companies of Temporent.
[113] Source: Management Consultant Analyses.
[114] Adapteo's and NMG's combined revenue from rental sales and assembly and other services for 2017 used as comparison. Competitor's revenue from 2017.
[115] Adapteo's fleet as of 31 December 2018. Competitor's fleet (2018) from competitor's website.
[116] Source: Management Consultant Analyses.

expiring rental contracts. Under conditions of stable utilisation rate and typical rental periods, Adapteo generates a continuous stream of revenue from assembly and other services, which is highly correlated with the rental sales.

Adapteo's high quality customer base and long-term relationships further increase the stability of its revenue streams. Social infrastructure related customer segments, including school, daycare, health and social care and special accommodation, which are predominated by the public sector, accounted for approximately 74 percent of Adapteo's rental income for the year ended in 31 December 2018.[117] In most cases public sector customers have a legal obligation to deliver space to varying needs and therefore the public sector's demand for space is typically non-discretionary. The public sector's demand for space is typically also less dependent on the general economic conditions as it is to a large extent driven by underlying stable demand drivers, most importantly regional population development and renovation needs. Public sector customers also present a low counterparty risk.

Adapteo's customer base is diversified. The five largest rental customers accounted for approximately 12 percent and the ten largest accounted for approximately 20 percent of rental income for the year ended 31 December 2018. Over the same period, the largest rental customer accounted for approximately four percent of the Company's rental income.[118] Adapteo had approximately 1,800 active contracts with on average approximately 15 modules per contract as at 31 December 2018.

Attractive returns on long-lived modules

Adapteo's long-lived assets generate attractive returns. During a rental period, the main income for Adapteo is rental fees, which generate predictable and stable cash flow. Costs during a rental period are low and mainly limited to regular maintenance of the modules, modifications and potential repairs, for which the customer is not responsible. A typical investment is approximately EUR 25,000 per module or approximately EUR 830 per square meter (average module size is approximately 30 sqm).[119] With the total average rental period of approximately five years including prolongations, the investment payback for a new module is often achieved during such first rental period. With a module lifetime of up to 30 years, the continued re-rental of modules drives high fleet utilisation and has a strong contribution to the Company's net sales and accumulated cash flow. Assuming a typical investment scenario of the new C90 module series, which is the key strategic growth platform going forward, the investment is expected to generate a 20-year internal rate of return (IRR) of approximately 20 percent.[120]

Strong cash generation from installed base with discretionary growth capex

The majority of Adapteo's EBITDA and cash flow is generated by the Rental Space Business Area. In 2018, on a pro-forma basis, the Rental Space Business Area generated approximately EUR 89.5 million of comparable EBITDA, whereas Adapteo's total comparable EBITDA on a pro forma basis amounted to EUR 83.6 million. Maintaining the earnings capacity of the rental business requires fairly limited investments, consisting primarily of re-investment capex to maintain the fleet size after disposal of old modules and of non-fleet capex, such as investments to production facilities and hub network in addition to possible upgrade investments to modules. Cash conversion before growth capex was on average 88 percent of comparable EBITDA between 2016 and 2018.[121] The cash flow after these investments is strong and can largely be used for discretionary value creative purposes including fleet expansion, or alternatively to distribute dividends. During the past years, Adapteo has accelerated its growth pace with an increased focus on investing in new fleet. In 2016–2018, 92 percent of comparable EBITDA on average has been used on growth capex.[122] As growth investments are discretionary, Adapteo has the flexibility to very rapidly adjust the amount of growth capex to fit the Company's overall strategy, perceived growth opportunities and dividend policy in order to drive shareholder value creation.

Business Strategy

The management has prepared a new strategy for Adapteo for the period spanning until 2023. The management has identified a number of strategic avenues to continue strengthening the Northern European leadership position as well as

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[117] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.
[118] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.
[119] Module series C90.
[120] Illustrative calculation assuming management estimation of the investment amount, direct rental costs and costs from assembly and other services, approximately EUR 6,000 of annual rental sales, standard pricing parameters, 85 percent utilisation rate during the 20-year period, and not taking inflation into consideration.
[121] Operating cash flow before growth investments = Comparable EBITDA +/– change in net working capital as presented in cash flow statement – maintenance capex – non-fleet capex. Cash conversion = Operating cash flow before growth investments/Comparable EBITDA. Adapteo carve-out figures 2016–2018
[122] Adapteo carve-out figures.

to further improve the strong operational platform and efficiencies to create value for shareholders. In the near-term, the Company will place high emphasis on the integration of NMG, which will be an important enabler for delivering the strategy. The management believes that a successful integration of NMG will unlock significant potential to leverage the stronger combined modular space platform and capture synergies both on revenue and cost sides. During the period until 2023, the Company's strategy is built on the following key pillars.

Break-out growth

Rental market share and geographic expansion

Adapteo's management sees a large opportunity in the growing Addressable Rental Market, which is estimated to grow from EUR 1.3 billion to 2.2 billion in 2017–2023. The Rental Market is expected to grow across all Adapteo's operating countries, with double digit growth rates in Finland and Denmark, and six (6) to eight (8) percent growth rates in Sweden, Norway and Germany.[123] Adapteo has leading positions across the Nordics, with a particularly strong position in Sweden with a market share of approximately 38 percent.[124] Adapteo is well-positioned to capture the market growth and further strengthen its market position especially in Germany, where the Company has a strong growth focus. The German Rental Market presents a significant opportunity as it is larger than the other Nordic Rental Markets put together and Adapteo already has operational presence in the region with two hubs and sales offices. The Company also sees potential in expanding to other new geographies within Central Europe.

The Company aims to capture the geographical market opportunities by leveraging its existing strongholds in the Nordic region and further expanding the operational footprint in Germany. Adapteo aims to hire new regional managers and set up new sales teams to support growth in the underserved and new regions where it currently does not have a presence. In addition, Adapteo sees bolt-on acquisitions as a tool to accelerate the strategy execution in the Nordics, Germany and other Central European countries.

Expansion in the sales and long-term leasing market

Adapteo believes that the Sales market in Northern Europe provides large untapped opportunity for its sales business. At the date of this Demerger Prospectus Adapteo is mainly present in the EUR 0.3 billion Swedish Core Sales Market with an 18 percent market share. The total Northern European Core Sales Market is a large EUR 1.2 billion market estimated to grow on average 11 percent annually during 2017–2023.[125] Adapteo has limited presence in the Sales Market outside Sweden at the date of this Demerger Prospectus, and the management sees leveraging the existing operating platform as a highly attractive opportunity to expand and strengthen its position in other Northern European countries.

Cramo acquired NMG in 2018, which was an important step in establishing the capabilities and resources to expand Adapteo's operations to cover the Sales Market. Combining the Northern European platform of Adapteo's rental operations with the long-term leasing, sales capabilities and resources of NMG forms the backbone of capturing the opportunity. From the rental operations' side, the Company has in place a broad geographical reach with a well-invested hub and sales networks, and customer relationships with a healthy mix of both public and private sector organisations. Furthermore, NMG brings the production capabilities and knowhow, long-term leasing and sales expertise, R&D capabilities, and a highly complementary offering. The successful integration of NMG to Adapteo is key to unlocking the potential in the expansion in the Northern European Sales Market.

Customer segment expansion

At the date of this Demerger Prospectus Adapteo has a strong position in serving particularly the school and daycare customer segments, which together accounted for 68 percent of Adapteo's rental income in 2018. The Company sees growth potential in further developing its strongholds and building on the less penetrated customer segments, including health and social care and offices. The Addressable Rental Market for schools is an approximately EUR 0.6 billion market growing at an estimated ten percent annually, while the Addressable Rental Market for daycares is an approximately EUR 0.2 billion market growing at an estimated nine percent annually. Together these two customer segments form an approximately EUR 0.8 billion market. The Addressable Rental Market for health and social care and special accommodation are each approximately EUR 0.1 billion markets growing at an estimated ten percent annually, while the Addressable Rental Market for offices is approximately a EUR 0.3 billion market growing five percent annually. Similarly, the Addressable Sales Market is estimated to grow across all customer segments, with double-digit growth

[123] Source: Management Consultant Analyses.
[124] Source: Management Consultant Analyses.
[125] Source: Management Consultant Analyses. Market positions are indicative as comprehensive information is not available.

rates estimated in the daycare, health and social care, special accommodation and offices customer segments, and high single digit growth rates in the school customer segment. [126, 127]

In strengthening and expanding the customer segment coverage, the management considers the continuous development of the offering and improvement of sales and marketing capabilities as the key initiatives to capture the opportunity. In the school and daycare customer segments, Adapteo seeks to leverage its strong C90 module platform in the rental business and further develop its customer relationships to capture the market growth and strengthen its position. Adapteo sees particularly attractive potential in the health and social care customer segments, which are estimated to grow driven by the ageing population, and where Adapteo still has a less developed presence. By mapping specific needs and requirements for customers in the segments, Adapteo's management aims to develop an offering that optimally suits the customer needs to expand its presence in the segment. In addition, the office customer segment is predominated by private sector customers, which are less sensitive to pricing compared to public sector customers and place more emphasis on such criteria as design, various quality features, services and support. With a modern high quality fleet, the management believes Adapteo is in a good position to grow within the segment by actively managing its customer relationships and continuously developing its offering to better meet and exceed the customers' needs.

Offering expansion

Adapteo has a well-invested operating platform and a large fleet through which it can offer a broad range of Modular Space Solutions. The management sees an opportunity to further leverage and improve the existing offering to grow the business towards both existing and new customers. Additionally, continuous product development will support the Company in maintaining a stable and attractive price development for its solutions.

According to the management's view, Adapteo has strong value chain capabilities combined with extensive market knowledge, which put the Company in a good position to investigate the possibilities for extending the current offering as well as to determining what modules the Company should offer in the future to best address the customers' developing needs. As part of the strategic initiative, the Company seeks to develop new module systems and solutions to create platforms for continued growth in the future. Moreover, the Company seeks to expand the offering in complementary services such as consulting services and facility management. The strategic initiative includes offering expansions within both the Rental Space Business Area and the Permanent Space Business Area in all Adapteo's markets, and it will support the execution of the other growth initiatives as well. To successfully capture the opportunity, the execution of the initiative will be aligned with the commercial excellence strategic initiative, which is described in more detail below.

Commercial excellence

Adapteo operates a large and highly valuable fleet of Modular Space Solutions which has the capacity to generate strong recurring revenue and attractive returns. The management places substantial effort into continuously developing and improving the commercial model of its business to ensure strong commercial value proposition and optimal price positioning of the individual module series, and to ensure strong returns while supporting its growth initiatives.

Following the NMG Acquisition, the management believes that ensuring that Adapteo offers a fleet of complementary solutions that are optimally positioned in the market and address the customers' needs is important to capture value. Firstly, Adapteo seeks to utilise its knowledge on customer preferences to harmonise its fleet and offering. Adapteo will focus its investing activities to the higher quality and more versatile module series with attractive module economics. Secondly, the Company will seek to align and optimise the pricing of its module series to create consistent price positioning and to eliminate overlaps in the offering.

In addition to fleet harmonisation and aligned pricing strategy, Adapteo will improve its operating model to ensure successful commercial integration. Firstly, the management sees high importance in selecting the correct and most efficient solution to be offered to customers in order to maximise margins and win-rates. The Company will leverage its strong customer relationships and market knowledge together with enhanced tools and analytics to evaluate the optimal solution for any given situation both from the customer and Company viewpoint. Secondly, the Company seeks to align its sales processes particularly with regards to solution design and offer calculation, as well as introduce a unified marketing and brand strategy. An important aspect in aligning and improving sales processes is the redistribution of key accounts with specialisation to different solutions as well as between public and private customers. Reinforcing the bid governance process as well as promoting value based selling skills will be important focus areas to ensure optimal pricing and enable potential up-selling of solutions. Finally, digitalisation and a data driven sales approach will be an important contributor to stronger sales capabilities. Digital tools can improve the sales process and make it more inspiring and efficient, having the potential of making customers more engaged and hence increase sales. Adapteo is looking to continuously develop the Company's digital tools through, for example, 3D visualisation tool of interior and exterior of

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[126] Source: Management Consultant Analyses.

[127] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

modules. Additionally, Adapteo seeks to invest in data and analytics to improve its pricing and tendering capabilities, as well as engage organisational changes to ensure adequate practices and processes.

Operational efficiency

Adapteo continuously aims to improve the efficiency and quality of its operations in order to support its growth, profitability and returns. The recent acquisition of NMG presents potential for unrealised cost synergies, which the management expects to amount to EUR 3 to 4 million annually. Adapteo also sees opportunity in continuously improving its operations to fully capture the earnings growth through operational leverage. The Company has a well-invested platform to support growth with strong profitability from incremental rented modules. Adapteo has identified and developed a strategy to execute future operational excellence initiatives and expects that these future initiatives will yield additional meaningful cost savings. Key upcoming initiatives include, among others, taking advantage of sourcing scale benefits, factory and hub efficiency optimisation, streamlining the organisation and creating a common culture, optimising utilisation rate of its fleet, as well as module lifecycle management.

Following the NMG Acquisition, Adapteo has begun the operational integration of the two businesses to capture the envisaged cost synergies. Adapteo aims to improve its sourcing efficiency by leveraging the larger scale of the combined operations which enhances Adapteo's negotiation position. Adapteo also aims to decrease indirect costs related to e.g. marketing and IT systems by centralising group functions. The Company has also identified operational efficiency opportunities through optimised sourcing of modules. Adapteo aims to improve its factory and hub efficiency and has a goal to produce modules in a faster, more reliable and sustainable way. The Company will focus on optimising its factory and hub network in order to achieve logistic efficiencies and enable seamless delivery of modules. Adapteo will also focus on gaining material cost savings through more efficient production planning, as well as on maximising the delivery and return margin for rental modules, by focusing on assembly and disassembly costs, and subcontractor sourcing.

The management also sees opportunity in unifying processes and introducing a common culture to the organisation. In order to achieve this, Adapteo will create a new, common and aligned operating model with clear functions and roles and expects to make certain organisational changes to eliminate overlapping functions. By optimising the sizes of organisations in different countries based on the significance of the business and other key metrics, Adapteo also aims to improve its organisational efficiency. In addition, introducing best practices across the combined company is an important area of focus for the Company.

An important component of Adapteo's operational efficiency is the utilisation rate of its fleet. Maintaining a close to optimal utilisation rate is important to ensure strong capital efficiency from investments in the fleet and is therefore an important strategic focal point for the Company. The management monitors the utilisation rate on a continuing basis and will focus on continuously developing the capabilities to manage it. An optimal utilisation rate is a result of a seamless co-operation and strong capabilities throughout the value chain and organisation. The management believes the Company already possesses strong know-how and expertise to manage its fleet efficiently but also sees opportunity in further developing these capabilities. Key areas affecting the utilisation rate, which hence are important development areas, include supply chain, sales and operations, product development, solution and product standardisation, production and sourcing as well as data and analytics capabilities.

Finally, in order to maximise the internal rate of return ("**IRR**") for its module investments, Adapteo also aims to improve its module lifecycle management. The Company considers regular maintenance, refurbishment and upgrades related to upcoming regulatory changes as tools to ensure the effective re-use and lifetime maximisation of modules. Moreover, the Company occasionally sells old modules and replaces them with new, more modern ones, to continuously renew its fleet, which is an important aspect in module lifecycle management. As part of the strategic initiative to improve operational efficiency, the Company seeks to improve the practices concerning fleet disposals and procurements by focusing on better monitoring and identifying the optimal time to sell and replace old modules.

Long-term value creation opportunities

In addition to the above described key strategic pillars, the management has identified additional value creation avenues that span beyond the current strategy period of up until 2023. Such promising avenues include the following.

Value-added products and services

The management sees further long-term value-creative opportunities in complementing its modular space offering with value-added products and services. The provision of a more comprehensive range of products and services such as facility management, janitorial, security and insurance services as well as interior and exterior add-on amenities would provide an attractive additional revenue stream for the Company. The provision of such services would complement to stronger returns and IRR for the investments made into the fleet with limited risk due to low additional up-front investment requirement.

Sale of Modular Space Solutions in the residential customer segment

Adapteo offers its solutions primarily outside the residential customer segment at the date of this Demerger Prospectus. However, the sale of Modular Space Solutions in the residential customer segment presents a significant untapped opportunity with a market size of over EUR 3 billion in Northern Europe.[128] The management believes that in the long term, Adapteo can leverage the sales capabilities obtained through the NMG Acquisition together with the strong Northern European operating platform to establish a foothold in the Sales Market for the residential segment. In penetrating the residential customer segment, the Company would need to design a suitable Modular Space offering to address the specific needs of the segment and establish stronger relationships with the key customers therein. The management believes it is well-positioned to pursue this opportunity and will continue to aim to find the optimal strategy to do so.

Financial Targets

The Board of Directors has set the following financial targets for Adapteo. These financial targets constitute forward-looking statements that are not guarantees of future financial performance. The Company's actual results of operations could differ materially from those expressed or implied by these forward-looking statements as result of many factors, including but not limited to those described under "*Certain Matters – Forward Looking Statements*", "*Risk Factors*" and "*Operating and Financial Review of Adapteo – Key Factors Affecting the Results of Operations*". Any financial targets discussed herein are targets only and are not, and should not be viewed as, forecasts, projections, estimates or views on the Company's future performance.

The long-term financial targets of the Company are:

- Double-digit growth of Comparable EBITDA;
- Operative ROCE above 10 percent;
- Net Debt to Comparable EBITDA ratio of 3.5-4.5x.

History

Before the completion of the Demerger, Adapteo is a part of Cramo Group in which the Modular Space business is conducted under the sub-brand Cramo Adapteo.

History of Cramo

The roots of Cramo can be traced back to 1953, when Vakuutusyhtiö Louhi, Rakennusmestarien Säätiö, Suomen Rakennusmestariliitto and Työnantajarakennusmestariyhdistys established Rakentajain Kone Oy in response to the need for construction machinery due to post-war reconstruction. The name was changed to Rakentajain Konevuokraamo Oy ("**RK**") in 1954. In the following decades, the company grew to be one of the top rental companies in Finland and in 1988, B shares in RK were quoted on the then Helsinki Stock Exchange's OTC List. In 1998, the shares were moved to the then Helsinki Stock Exchange's official list, currently the official list of Nasdaq Helsinki.

In January 2006, RK acquired Cramo Holding BV and its subsidiaries, headquartered in Sweden. In November 2006, the parent company's name was changed from Rakentajain Konevuokraamo Oyj to Cramo Plc.

In 2014, Cramo acquired all the shares of the German modular space rental company C/S RaumCenter GmbH, one of the more established modular space rental companies particularly in the Rhein-Main area. The acquisition provided Cramo with a stepping-stone for establishing and further growing its modular space business in the German markets and, in 2015, Cramo further strengthened its position in the German modular space market by acquiring the modular space fleet of MDS Raumsysteme GmbH.

In June 2017, to strengthen its position in the growing Danish modular space market, Cramo acquired the assets of the modular space company Just Pavillon A/S, including its modular space rental fleet, customer contracts and other assets. In 2017, in line with its new strategy to aim towards a leading position in all Cramo markets, Cramo also divested its operations in Latvia and Kaliningrad as well as its Danish Equipment Rental operations in Denmark.

In 2018, the Modular Space business of Cramo was strengthened by the acquisition of Nordic Modular Group Holding AB. For further information, see "*–The NMG Acquisition*".

Division between the Equipment Rental and Modular Space businesses

In 2014, Cramo adopted a new sub-brand, Cramo Adapteo, for its modular space business in order to better capitalise on the increasing modular space business and increase the prominence of its modular space business in real estate and in the

[128] Source: Management Consultant Analyses.

public sector. In 2017, the operations of Cramo were divided into two stand-alone business divisions, Equipment Rental and Modular Space (Cramo Adapteo). The same year, in line with its new strategy, Cramo decided to investigate and assess the potential separation of the Modular Space business division.

In December 2018, Cramo announced that Cramo's Board of Directors had decided to pursue towards separation of the Modular Space business through a partial demerger. On 18 February 2019, the Board of Directors of Cramo approved the Demerger Plan pursuant to which all of the assets, debts and liabilities belonging to the Modular Space business will transfer, without liquidation, from Cramo to Adapteo. In accordance with the Demerger Plan and Nasdaq Stockholm AB's listing process, Adapteo intends to apply for admission to trading on the Main Market of Nasdaq Stockholm AB ("**Nasdaq Stockholm**") at the latest on the business day preceding the first day of trading. The estimated date of registration of the execution of the Demerger is 30 June 2019 and the trading of shares in Adapteo on Nasdaq Stockholm is expected to commence on the first business day following the Effective Date or as soon as reasonably possible thereafter.

The NMG Acquisition

On 25 June 2018, Cramo signed an agreement to acquire Swedish-based Nordic Modular Group Holding AB from Strukturfonden HC11 AB, a subsidiary of Nalka Invest AB, and certain minority shareholders. The transaction was subject to merger control clearance from the Swedish Competition Authority. On 4 October 2018, the Swedish Competition Authority approved the transaction and the NMG Acquisition was consequently completed on 31 October 2018. The enterprise value of the acquisition was approximately SEK 2.725 billion (approximately EUR 262.0 million[129]), which was financed with bank financing and a convertible loan amounting to SEK 550 million (approximately EUR 52.9 million[130]). Cramo has repaid the outstanding loan amount under the convertible agreement in cash.

NMG traces its origins back to 1956, when the Anneberg factory was founded under the name Oresjös Fabriker AB. In 1967, the Gråbo factory was built as a field factory for Skanska's residential department in Gothenburg and in 1980, Oresjö Sektionhus AB and SektionsByggarna Oresjö AB were sold to Skanska (then known as Skånska Cementgjuteriet). The leasing operations, which began on a small scale, were gradually expanded and in 1987, the Flexator name was introduced for the marketing of relocatable buildings. In 1989, SektionsByggarna formed a group of subsidiaries within Skanska in connection with the takeover of the Gråbo factory and during the following decade, SektionsByggarna continued to develop the leasing and rental business under Skanska. The manufacturing activities were separated and placed in a new subsidiary, Flexator AB, while Temporent AB started operations focusing solely on module rental and short-term rentals. In 2000, the parent company, SektionsByggarna, changed its name to Skanska Modul AB. In 2005, 3i formed Nordic Modular Group AB, which acquired the modular business from Skanska and in 2007, Kungsleden AB (publ) acquired Nordic Modular Group from 3i. In 2015, Inter IKEA Investment (later changed to Nalka Invest) acquired Nordic Modular Group.

The target of the NMG Acquisition was to strengthen Adapteo's position on the Nordic modular space market. By providing in-house development, design and manufacturing capabilities, the NMG Acquisition further strengthened Adapteo's business model on the overall Nordic modular space market. In addition, the NMG Acquisition expanded Adapteo's business model, enabling the development of new products and customer solutions, increasing the ability to create a position in the long-term rental business with optimised and differentiated solutions towards targeted customer categories. Through the NMG Acquisition, Adapteo established itself on the semi-permanent/permanent sales market in Modular Space Solutions. The acquisition also aimed at establishing a strong platform with capacity to grow the rental and sales business in Central Europe, both organically and through acquisitions. In addition, the acquisition is, according to the management, also expected to increase the awareness of the modular space concept and the business transparency, which in turn will drive long-term value creation. The NMG Acquisition is estimated to bring annual operational cost synergies of EUR three to four million. The cost synergies are expected to arise mainly from eliminating overlaps in administrative and other support functions, from optimising hub, production and office setup to improve operational efficiency as well as additional scale benefits from increased bargaining power towards suppliers and more attractive financing terms. The Company expects the full synergistic run-rate to be reached by the end of 2020.

Business Areas

Effective as of the completion of the Demerger, the Company will be organised in two business areas: the Rental Space and the Permanent Space Business Area, and it will have operations in five geographical areas: Sweden, Finland, Norway, Denmark and Germany. 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. For the year ended 31 December 2018, the Rental Space Business Area represented

[129] Figures in SEK have been converted into EUR using the SEK/EUR exchange rate 0.09614 as of 31 October 2018.
[130] Figures in SEK have been converted into EUR using the SEK/EUR exchange rate 0.09614 as of 31 October 2018.

approximately 84 percent and the Permanent Space Business Area approximately 16 percent of the Company's total external net sales on a pro forma basis.

The Modular Space Solutions are delivered ready-for-use to the customers. Adapteo's projects in Modular Space Solutions usually include the provision of services such as needs assessment, design, planning, assembly, maintenance and disassembly as well as other services such as the management of building permit processes and the possibility to rent furniture or other equipment through Adapteo. The Company offers its services and solutions predominantly to the customer segments in the social infrastructure sector, including school, daycare, health and social care, and special accommodation as well as office and other customer segments, such as exhibitions and fairs. The abovementioned customer segments accounted for approximately 55 percent, approximately 13 percent, approximately one percent, approximately five percent, approximately 21 percent and approximately five percent of Adapteo's rental income, respectively, for the year ended 31 December 2018.[131] Furthermore, the Company offers facility management services to its rental and sales customers.

Rental Space Business Area

Adapteo is one of the leading rental modular space providers in Northern Europe with an approximately 13 percent market share of the Addressable Rental Market as measured by revenue.[132] The Company's market share in the Nordic Rental Market is approximately 26 percent as measured by revenue.[133] The Company 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 for different temporary purposes, primarily relating to the social infrastructure such as schools, daycares, health and social care and special accommodation, as well as offices and other temporary needs such as exhibitions and fairs. For the Rental Space Business Area, school is the largest customer segment, representing approximately 55 percent of the business area's rental income for the year ended 31 December 2018, which also brings some seasonality to the rental business especially at the beginning of the school year in August.[134] The majority of the Company's customers in the Rental Space Business Area operate in the public sector. Consequently, a large part of the Rental Space Business Area's net sales originates from public procurements. A typical duration of a new rental contract is three years, however 70 to 80 percent of all new contracts are prolonged one or multiple times and, based on the Company's estimate, the total average rental period including prolongations has historically been approximately five years.

Rental value chain and project lifecycle

The rental value chain is built around matching customer needs with the existing rental fleet and customisation of the modules in local hubs. The value chain and lifecycle of a modular space rental project for public and private sectors differ mainly in how the project begins. Almost all new projects for public sector customers begin with a public tender in which providing the winning bid is a prerequisite for receiving a contract. In the private sector, the rental project typically begins with a planning phase in which the customer's needs for a modular space is analysed and the optimal solution is designed based on standard modules to meet the customers' needs, including the dimensioning of premises as well as all required drawings and documents.

Once the rental contract is signed, the project progresses similarly for both public and private sector customers. The second phase of the project is the sourcing, customisation and delivery of the modules to the customer's site. In sourcing suitable modules for the project, Adapteo can typically deploy existing available modules or order or manufacture new ones. Adapteo has in-house production of rental modules at the Gråbo factory and, when extra capacity is needed, also at the Anneberg factory in Sweden but the manufacturing is mainly outsourced to three suppliers located in Estonia, Poland and the Czech Republic. New modules are manufactured based on the management's forecast on the near-term demand or due to a specific customer need. This gives the Company flexibility with regards to its capital expenditures through increasing or decreasing new production if there are changes in demand outlook, which limits the Company's risks and helps maintaining a high utilisation rate in the existing rental fleet.

Prior to the delivery to customer, the modules are often modified in Adapteo's hubs and/or construction sites according to customer specifications. Site preparations and foundation works, such as water, electricity and sewage networks, are

[131] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

[132] Source: Management Consultant Analyses, see also "*Market Overview – Market Size and Characteristics*" regarding the definitions of Adapteo's Addressable Markets and business areas.

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[134] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

carried out before the Modular Space Solution is assembled and handed over to the customer. Adapteo typically purchases transportation, assembly and disassembly services from external parties. The third phase of the project is the actual rental period, during which Adapteo also provides its customers maintenance and other services, as necessary, as well as add-on services such as facility management. The rental contracts usually include an option for prolonging the rental period beyond the initial contract period. Alternatively, the rental period may be automatically prolonged unless terminated by the customer. In the last phase of the rental project, the Modular Space Solution is disassembled and the modules are returned to Adapteo's hubs, module storages or, in some cases, transported directly to other customers. The modules are then refurbished and returned to their standard state at the hubs or at the site of the customer before the new rental project begins.

Rental commercial model

Adapteo's large rental fleet generates predictable and recurring rental sales streams based on existing agreements. Adapteo's rental fleet consists of approximately 32,700 modules or 984,000 square meters of lettable area[135]. The average utilisation rate for the rental fleet in 2018 was 84.7 percent. The total rental sales generated in 2018 were approximately EUR 128.8 million on a pro forma basis. A typical duration of a new rental contract is three years, however 70 to 80 percent of all new contracts are prolonged one or multiple times. Based on the Company's estimate, the total average rental period including prolongations has historically been approximately five years, which implies that at any given time, approximately 80 percent of rental sales have been recurring. In addition to rental sales, the provision of assembly and other services generates an additional stable and predictable stream of revenues consisting mainly of customisation and assembly fees following the establishment of a new rental relationship and disassembly fees following the expiring of a rental contract. Under conditions of stable utilisation rate and typical rental periods, revenue from assembly and other services is correlated with the rental sales. In total, the revenue from assembly and other services generated in 2018 was EUR 55.4 million on a pro forma basis. The revenues generated during the lifetime of a typical rental project consist of approximately 80 percent of rental sales and 20 percent of revenue from assembly and other services.[136]

On module level, the unit economics can be considered attractive with high lifetime returns. At the beginning of a new rental contract, Adapteo typically invoices modification, transport and assembly works from the customer at the beginning of the rental period and the disassembly at the end of the rental period. During the rental period, the main income for Adapteo are the rental fees, which generate predictable and stable cash flow. Costs during the rental period are mainly limited to regular maintenance of the modules and potential repairs for which the customer is not responsible. With the typical total average rental period of five years, including prolongations, the investment payback for a new module is often achieved during such first rental period. The continued re-rental of modules has a strong contribution to the Company's returns and accumulated cash flow, as Adapteo uses the same principles in determining the rent level for both new and refurbished modules. In addition, the expenses related to refurbishing and maintaining the modules are relatively low compared to the original investment. The modules have a lifetime of up to 30 years; however, Adapteo's modules are typically sold before they reach the end of their lifecycle. Assuming a typical investment scenario to the new C90 module series, which the management views as the key strategic growth platform going forward, the investment is expected to generate a 20-year internal rate of return (IRR) of approximately 20 percent.[137]

Key financials

The following table presents a selection of the key performance indicators of the Rental Space Business Area on a pro forma basis for the three months period ended 31 March 2019 and for the year ended 31 December 2018.

	1 January to 31 March	**1 January to 31 December**
In EUR million unless otherwise indicated	**2019 (pro forma) (unaudited)**	**2018 (pro forma) (unaudited)**
Key financials for Rental Space Business Area		
Net sales	44.8	184.8
EBITDA	21.7	89.5
EBITDA margin, %	48.4%	48.4%
Comparable EBITDA	22.7	89.5
Comparable EBITDA margin, %	50.6%	48.4%
Average number of FTEs[1)]	181	152

1) On a carve-out basis

135 As at 31 March 2019.

136 Illustrative based on a typical C90 solution assuming Company's pricing parameters and estimated direct rental and rental related costs and a five-year rental period. No inflation assumed.

137 Illustrative calculation assuming management estimation of the investment amount, direct rental and rental related costs, approximately EUR 6,000 of annual rental sales, standard pricing parameters, 85 percent utilisation rate during the 20-year period, and not taking inflation into consideration.

Permanent Space Business Area

Adapteo entered the Modular Space Solutions sales market through the NMG Acquisition. In the Permanent Space Business Area, Adapteo's sales companies, Flexator AB ("**Flexator**") and Flexator Leasing AB, provide mainly tailor-made pre-fabricated Modular Space Solutions for sale or long-term leasing[138] to public and private sector customers. In this business area, Adapteo provides turn-key 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. According to the management's view, the modular buildings in this business area also resemble permanent buildings in their characteristics and comply with the permanent building requirements.

In addition to long-established sales operations in Sweden through NMG, Adapteo has recently entered the Finnish and Norwegian sales and long-term leasing market and is not present in the Sales Market in Denmark or Germany at the date of this Demerger Prospectus. Approximately half of the customers in the Permanent Space Business Area are public sector customers and the other half private sector customers, the main customer segments being school and daycare. Within the Permanent Space Business Area, school and daycare are the largest customer segments representing more than half of the business area's total net sales for the year ended 31 December 2018.

Sales value chain and project lifecycle

The sales value chain resembles the normal construction value chain with the exception that the sourcing and building is completed before transportation. Approximately half of the net sales in the Permanent Space Business Area originate from public procurement processes in which providing the winning bid is a prerequisite for receiving a contract.

The sales value chain for private sector customers can be divided into two phases: planning and delivery. The sales project begins with planning and design phase in which the design and project plan is customised to meet the customer's needs. Once the sales contract is signed, the exact timing of the project is agreed. The delivery time varies from four to nine months from the order to the delivery to the customer from Flexator's in-house production facilities. Once the project is completed, the customer owns the building, except for in long-term leasing, where the Company owns the building. Adapteo also offers additional maintenance services to its customers in the Permanent Space Business Areas. Adapteo grants its modules a warranty period based on local market standards in the construction industry.

Sales offering

The Modular Space Solutions in the Permanent Space Business Area can be divided into four different product categories: customised modular buildings, catalogue buildings as well as standard modules and contract manufactured solutions, such as site huts. Customised modular buildings are designed and planned based on the specific needs of the customers, which are mainly municipalities and private sector customers. Flexator's catalogue buildings are readily prepared standard modular buildings for various uses in particular for schools, daycares, offices and housing. In addition, Flexator also sells standard modules for e.g. office, daycare and school use and contract manufactured solutions to construction companies, among other things. The modules sold by Flexator are manufactured in its two factories in Sweden.

Long-term leasing[139]

As an alternative to buying, Adapteo's Permanent Space Business Area offers the possibility to lease Modular Space Solutions, which usually includes the opportunity to buy the building once the leasing agreement expires. Most of the customers using this possibility are Swedish municipalities using the leased buildings for schools or daycares.

In long-term leasing, Adapteo's leasing company Flexator Leasing AB first buys the modular buildings from Flexator and then leases them to the customers. The customer pays all assembly and transportation costs in addition to the leasing fee, while disassembly is charged separately. In modular leasing, the leasing fee is typically paid yearly in advance and the contract period is usually four to five years with the possibility to extend. If the customer does not buy the building once the leasing agreement expires, the modules are returned to Adapteo, which can either sell or lease them to other customers.

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[138] The sales of new modules in the Company's carve-out financial information includes both the sale of modular spaces and long-term leasing with an option to buy the modular space after the lease period. Lease agreements that transfer substantially all of the risks and rewards of ownership to the lessee are classified as finance leases in the carve-out financial information. The sale is recognised when the risks and rewards of ownership of the asset have transferred to the customer. For further information, see "*Operating and Financial Review of Adapteo - Explanation of Key Income Statement Ite*ms".

[139] The sales of new modules in the Company's carve-out financial information includes both the sale of modular spaces and long-term leasing with an option to buy the modular space after the lease period. Lease agreements that transfer substantially all of the risks and rewards of ownership to the lessee are classified as finance leases in the carve-out financial information. The sale is recognised when the risks and rewards of ownership of the asset have transferred to the customer. For further information, see "*Operating and Financial Review of Adapteo - Explanation of Key Income Statement Items*".

Key financials

The following table presents a selection of the key performance indicators of the Permanent Space Business Area on a pro forma basis for the three months period ended 31 March 2019 and for the year ended 31 December 2018.

In EUR million unless otherwise indicated	1 January to 31 March 2019 (pro forma) (unaudited)	1 January to 31 December 2018 (pro forma) (unaudited)
Key financials for Permanent Space Business Area		
Net sales[1)]	13.6	60.6
EBITDA	0.5	4.0
EBITDA margin, %	3.8%	6.6%
Comparable EBITDA	1.1	4.0
Comparable EBITDA margin, %	8.2%	6.6%
Average number of FTEs[2)]	189	33

[1)] Net sales include internal sales of EUR 5.6 million for the three months period ended 31 March 2019 and EUR 24.8 million for the year ended 31 December 2018.
[2)] On carve-out basis.

Rental Fleet

According to the Company's estimate, Adapteo has the largest Modular Space Solutions fleet in the Nordic Rental Market based on the number of modules.[140] According to the management, the large fleet provides several advantages, such as the ability to match customers' needs with existing available modules without jeopardising high utilisation rate, deliver modules quickly to the customers and the capacity to deliver large projects. In addition, the large fleet brings cost advantages through more cost efficient procurement and a scalable fixed cost base.

Adapteo's rental fleet of approximately 32,700 individual modules includes over 30 different types of modules, which can be combined together to build spaces. The profiles of the modules differ based on their intended use and the duration of the rental period. Adapteo has rental modules and hubs in all of its operating countries and in-house production facilities in Sweden. Approximately 80 percent of Adapteo's fleet either fulfils requirements for permanent space or can be made to fulfil them with limited modifications relating primarily to energy efficiency.[141]

Adapteo's rental fleet consists of modules that can be used for multiple purposes as well as modules specifically designed for a certain use. The Company's modules are used in a number of customer segments, including school, daycare, special accommodation, health and social care, offices and other premises. In the school customer segment, modules are used mainly as primary and secondary school buildings as well as other educational buildings, such as universities. Special accommodation Modular Space Solutions are used as e.g. worker accommodation, whereas modules used in health and social care are mainly used as housing for elderly and disabled persons. Offices form a major part of the Company's private market and are typically used to cater for temporary needs. Solutions for other premises consist of events and commercial spaces. Social infrastructure related customer segments, including school, daycare, health and social care and special accommodation, which are predominated by the public sector, accounted for approximately 74 percent of Adapteo's rental income during the year ended 31 December 2018.[142]

[140] Source: Management Consultant Analyses.
[141] By square meter. Includes both permanent qualified models (19 percent of total sqm of the fleet) and modules, which can be modified to meet the standards (60 percent of total sqm of the fleet)
[142] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

The following table presents selected module series of Adapteo's rental fleet.

Module series	Customer application	Size of one module	Comment
C10	Offices	27.0 m^2	Basic wooden modules for short term rent
C30	Schools, offices	27.0 m^2 or 29.7 m^2	Basic wooden modules for short term rent
C40	Schools, daycares and offices	27.0 – 44.0 m^2	Wooden module for various applications
C90	Schools, daycares, offices and accommodation	28.0 – 42.0 m^2	Premium wooden module Key module platform for future growth
F50	Schools, daycares, offices and event	18.0 m^2	Steel module for various applications Important for future growth in Central Europe
F60	Accommodation	18.0 m^2	Premium steel module
Kloss	Schools and daycares	44.0–48.0 m^2	Wooden module especially for schools and daycares Key module platform for future growth
Kubik	Schools, daycares and offices	28.0 m^2	Wooden module for various applications
Nova	Offices	56.0 m^2	Premium wooden module Key module platform for future growth

From Adapteo's key modules series, C10, C30 and F50 are basic modules series whereas C40, Kloss and Kubik have higher quality features and are suitable for longer rental needs. C90 and Nova are Adapteo's most important premium modules series. At the date of this Demerger Prospectus, the Company produces module series C90, Nova, Kloss and, for the German market, a steel framed module series F50. The C90, Nova and Kloss are expected to be the Company's key module platforms for pursued growth.

Adapteo's rental fleet consisted of approximately 32,700 modules whose total lettable area amounted to approximately 984,000 square meters as at 31 March 2019. The average age of Adapteo's fleet varies between Adapteo's operating countries and was approximately nine years as at the date of this Demerger Prospectus, with the lifetime of a module being up to 30 years. As at the date of this Demerger Prospectus, approximately 46 percent of Adapteo's fleet is under 5 years old, approximately 14 percent is 6–10 years old, approximately 16 percent is 11–15 years old, approximately 13 percent 16–20 years old and the remaining 11 percent is older than 20 years.[143]

The utilisation rate of Adapteo's modules is calculated as at the time the module is at the customer, i.e. for the duration of the rental period, and was 84.7 percent in average during the year ended 31 December 2018. Approximately two thirds of all module series, covering approximately 80 percent of fleet, have utilisation above 80 percent during the year ended 31 December 2018.[144]

Sales and Customers

Adapteo has a network of sales offices that covers all its operating countries. The Company has sales organisations within its Rental Space Business Area and the Permanent Space Business Area and the sales organisations work with the Company's private and public customers. The Company's sales representatives handle both new client acquisition and existing customer care and are thus actively seeking new business potential. An important part of customer acquisition is the careful analysis of customer's requirements to ensure that Adapteo's offering responds to their needs. The sales organisations prepare in cooperation with project management department the project proposal with regard to the choice of solution, layout and other design options. In addition, the Company maintains active communication and collaboration with existing customers, which contributes to customer satisfaction and thus has an impact on re-rentals by existing customers. Adapteo's sales organisations have a key role in influencing, achieving and maintaining good relationships with public sector entities and the sales organisation actively participates in market prospection where they can present to municipalities, among other things, the solutions offered by Adapteo before the tender process.

The majority of Adapteo's rental customers are municipalities, counties, government authorities, public institutions and other public sector entities. In the public sector, the need for Modular Space Solutions is mainly driven by ageing building stock and demographic changes. For further information, see "*Market Overview – Market Growth, Drivers and Trends*". The building stock in Adapteo's operating countries is ageing, which increases the need for new buildings or renovation, driving the need for Modular Space Solutions to replace ageing buildings and to serve as a temporary solution during the construction or renovation phase. In addition, rental solutions can also be used as intermediate solutions if decisions on permanent solutions are postponed. Demographic changes, such as urbanisation, migration as well as ageing population and fluctuations in the number of daycare and school-age children drive demand for flexible Modular Space Solutions. Public sector customers are generally price-driven, and most public tenders are won on price, although energy efficiency

[143] Age distribution by modules. Includes Adapteo's and NMG's fleet. Fleet with undocumented age (below five percent of the total fleet) excluded from analysis.
[144] Includes Adapteo's and NMG's modules series

is another important decision factor. Additional services for the period after modules have been assembled are also important but can be hard to evaluate in tender processes.[145]

Due to the structure of Adapteo's customer base, public procurement processes are essential in Adapteo's customer acquisition, as practically all public contracts are obtained through a public tender process in accordance with applicable laws and regulations in each operating country of Adapteo. Each operating country of Adapteo has implemented the EU directives on public procurement (2014/23/EU, 2014/24/EU and 2014/25/EU). In Finland, the Finnish Public Procurement Act (1397/2016, as amended) sets out the procedures and obligations for public tender processes, which must be followed by public authorities and other parties falling within the scope of the Act. In Sweden, public procurements are governed by the Swedish Public Procurement Act (2016:1145, as amended). The legislation provides the limits within which public sector entities can design the public procurement processes, including with respect to inclusion of qualitative criteria for modular tenders. The public procurement organisers set the criteria and weighting for each specific criterion based on which the winning service provider is chosen. If several participants meet all other criteria, the price is usually the determining factor.

Adapteo's private sector customers include companies and private institutions. Construction companies and subcontractors often rent some units to accommodate workers for short periods of time, with the price typically being the decisive factor. Private companies and institutions usually rent office space, as renting is often considered less risky than owning and also financially a more viable alternative. Large private companies often rent Modular Space Solutions for temporary relocation purposes whereas smaller companies often use them for more permanent solutions. When renting modules for more permanent solutions, private companies value in particular the quick and efficient delivery and assembly of the buildings. They also value the adaptability of the solution, as it can easily scale up or down depending on the need.

Many private sector customers also organise tenders for their projects. As private tenders are not regulated by law, good customer relationships and references are essential in winning the deal in such tenders.

Project and Fleet Management

Adapteo is responsible for a substantial number of projects in all of its countries of operation, and thus its operations are largely dependent on successful project and fleet management, which require skilled project managers and other key personnel. The aim of project and fleet management is to improve Adapteo's operational performance through improving the utilisation rate of its modules, among other things.

Project management

Adapteo's project management includes, among other things, the determination of overall costs, the pricing guidance in the offering process for public procurements and other tender processes, the use of resources, project planning and scheduling as well as assembly process management, cost control, handling of modification requests and the execution of projects as agreed within the agreed timeframe. Project management also continuously aims to improve the efficiency of and reduce the time required for assembling the modules in order to meet the customers' requirements and needs. In the end of the rental period, project management is responsible for building disassembly in the agreed timeframe and budget.

Fleet management

Fleet management is an important element of Adapteo's rental business as it adds value for customers through prompt delivery of Adapteo's relocatable and reusable Modular Space Solutions for temporary and other rental use and thus contributes to circular economy and efficient reuse of resources. Rental fleet management includes cost-efficient maintenance and repair of Adapteo's rental fleet to optimise the economical life of the modules and the proceeds received from the sale of the modules. Adapteo strives to maintain the working condition of its modules by regular maintenance throughout the rental period, which also contributes to being able to address potential issues early on. Upon receiving a customer claim, the Company commences a claim process, i.e. inspects the claim, identifies its root causes and executes necessary corrective actions. Adapteo's maintenance services enable Adapteo to react efficiently to presented claims and other issues in its modules by, for example, replacing some parts or even the whole module when necessary. Detailed planning is also needed if rental modules need to be relocated closer to current or potential future customers or are retrofitted to meet the customer's demands.

In addition to the management of its existing fleet, Adapteo continuously designs, builds and develops its modules to anticipate the future needs of Adapteo's customers and changes in legislation, regulations, building permits and local permitting in the markets in which the Company operates. Deciding based on detailed analysis, which modules will be invested in and developed further and which modules will be divested is also an essential part of Adapteo's operations.

[145] Source: Management Consultant Analyses.

Optimising utilisation rate through sales, project and fleet management

One of the key targets of Adapteo's project and fleet management is to optimise module utilisation rate by improving the efficiency of the Company's operations such as sales and the management of different phases of the modules' lifetime. Efficient sales operations are based on the ability to find both optimal solutions for customers' needs amongst the available modules and suitable customers for the available modules, in order to further shorten re-rental lead times of the modules. Adapteo's rental contracts typically contain a provision requiring customers to inform Adapteo three to six months prior to the end of the rental period about its possible prolonging, which improves the predictability of the business. Adapteo is therefore typically aware of the exact timing, number and location of modules becoming available for re-rental and is able to offer them to new customers before the existing rental period ends, thus improving fleet utilisation.

Improving the utilisation rate through efficient transportation and other components of the delivery phase, such as assembly, may be further developed by optimising route planning for transportation and ensuring that customisation hubs are closer to the customers. A typical assembly phase is one month for standardised buildings and two months for more customised buildings. Cutting the time needed for repair, for example, by having necessary materials and components timely available and by improving the maintenance of the modules during the rental period improves and shortens the module's return phase. The return phase usually takes two to three months, including disassembly, repair, maintenance and transportation to new customer or for storage. Some of Adapteo's rental contracts also allow Adapteo to store the modules on the customer's premises for up to six months, which allows Adapteo to optimise the disassembly and return phase, including transportation timing and route planning. Utilisation rate is also improved through customers prolonging their rental period.

Sustainability

The Company's ambition is to become a leader in sustainability and to integrate sustainability considerations into the day-to-day business and all its functions to ensure responsible, ethical and ongoing success of Adapteo's business. Adapteo also strives to lead the way in advancing sustainability in its industry and to continuously mitigate its environmental impact across the value chain. According to the management's view, the Company's rental solutions provide resource-efficient options and a good quality indoor experience, enabling its customers to excel in meeting their stakeholders' requirements and expectations. In addition, Adapteo aims to continuously improve its sustainability work by setting the right key performance indicators and targets as well as enhancing management systems to support achieving those targets, and to maintain an open and honest dialogue with its various stakeholders, both inside and outside the Company, contributing positively to the community. Adapteo's sustainability policy and code of conduct (the "**Code of Conduct**") is applicable to all Adapteo's group companies and business units and to its management, employees and suppliers. Adapteo's sustainability principles are divided into three main categories: environmental, social and governance principles.

Environmental principles

The Company's target is to be the most climate- and resource-efficient modular space company. The Company will work continuously to mitigate its climate impact and to reduce emissions by systematic and careful evaluation of resources used in the Company's production, logistics as well as in assembling and disassembling of modules. In addition, Adapteo aims to increase material efficiency, to reduce waste and to increase the share of waste for recycling. The Company complies with applicable legal requirements on handling of hazardous waste. Adapteo also takes a precautionary approach to environmental considerations in procurement decisions and the selection of suppliers as well as in its customer dialogues aiming to ensure the most energy efficient solutions. The Company's rental services include the transportation of modular space units to its customers and between sites. With route optimisation and improved driving patterns, the Company strives to reduce the number and length of transports, thus also reducing emissions. Another important aspect is reducing business travel and the Company promotes and facilitates web and phone meetings whenever possible, and video conferences are increasingly used throughout the Company. ISO Quality Management Standard 9001 and ISO Environmental Management Standard 14001 have been implemented in Finland, Sweden and Germany. The Company's aim is to implement certification in all markets in which the Company operates.

Social principles

The Company aims to be a responsible corporate citizen, contributing to a sustainable future and generating value for all its stakeholders and for society. Adapteo aims to actively support the development of industry standards and other means to ensure the strong industry development.

The Company also aspires to provide a stimulating environment for professional and personal development and a systematic and preventive approach to health and safety should always be the highest priority. The Company has successfully implemented the OHSAS 18001 Occupational Health Management System or the like for Adapteo in Finland and Germany. The Company's aim is to implement certification in all markets in which the Company operates. The

Company's goal is being a zero-accident workplace. The Company also requires its suppliers to undertake its business code for suppliers, which, among other things, strives to create safe and healthy working environments.

Governance principles

Customer care and satisfaction as well as conducting business in an ethical, transparent and lawful manner is vital to Adapteo's business success and long-term relationship with customers, investors, employees, suppliers and other stakeholders. Day-to-day decisions are based on doing business properly, and customer relationships are based on integrity and trust.

The Code of Conduct guides the Company's employees in their daily work, helping them make the right decisions. The code covers areas such as compliance with laws and policies, creation of safe, healthy workplace, and the responsibilities as a corporate citizen. Adapteo has strict policies regarding any unlawful activities, such as conflicts of interests and bribes. The Company has also established a specific Code of Conduct for suppliers.

The Code of Conduct is systemically communicated and anchored throughout the organisation. All employees are trained in the Company's values and corporate culture. A whistleblowing channel has been implemented, providing a way for all employees and external parties to report suspicions of misconduct.

Group legal structure and significant subsidiaries

Following the Effective Date, Adapteo Plc will be the parent company of the group. There will be 15 subsidiaries in the group, which will be part of Adapteo. Adapteo Plc is a holding company and operating activities are primarily carried out in the group's subsidiaries. In addition to Finland, the Company will operate mainly in Sweden, Norway, Denmark and Germany.

The following table presents the significant subsidiaries of the Group along with respective ownership shares of the Company as at the Effective Date:

Subsidiaries of the Company	**Consolidated shareholding and voting right (percent)**	**Country of incorporation**
Group companies		
Adapteo Finland Oy	100	Finland
Adapteo AB	100	Sweden
Adapteo AS	100	Norway
Adapteo A/S	100	Denmark
Adapteo GmbH	100	Germany
Adapteo Holding AB	100	Sweden
Adapteo Services AB	100	Sweden
Flexator AB	100	Sweden
Flexator Leasing AB	100	Sweden
Temporent AB	100	Sweden
Temporent Oy	100	Finland
Temporent A/S	100	Denmark
Temporent AS	100	Norway
Flexihus Rent i Sverige AB	100	Sweden
Joint venture		
Ungabostäder Haninge AB	50	Sweden

Employees

For the three months period ended March 31, 2019 the Company had on a carve-out basis a total of 385 employees of which 270 were located in Sweden, 42 in Finland, ten in Norway, 25 in Denmark and 38 in Germany. For the year ended 31 December 2018, the Company had a total of 406 employees on a carve-out basis.

The following table presents the Company's number of employees as at the dates indicated.

Adapteo	As at 31 March 2019	As at 31 December 2018	2017	2016
Number of employees (31 March / 31 December)	385[1)]	406[1)]	163	145
Number of employees (average for the three months period / year)	-	173[3)]	158	140
Nordic Modular Group				
Number of employees (31 December)	188[2)]	233[2)]	237	224
Number of employees (average for the year)	-	234	238	219

[1)] The figures include also the employees of NMG.
[2)] The figures are included in Adapteo's number of employees.
[3)] The figure does not include NMG employees.

The following table presents the Company's employees per country as at the dates indicated.

	As at 31 December		
Number of employees per country	**2018[1)]**	**2017**	**2016**
Sweden	291	59	55
Finland	30	22	- [2)]
Denmark	25	20	- [2)]
Norway	9	9	- [2)]
Germany	38	42	31
Modular Space Group Functions[3)]	13	11	-
Total	**406**	**163**	**145**

[1)] The figures include also the employees of NMG.
[2)] Figures not available due to Adapteo being an integrated part of Cramo´s legal entity in the country at the time being.
[3)] Adapteo group personnel employed in Cramo companies and not in Adapteo operating companies.

The following table presents the Company's employees per business area on a carve-out basis as at 31 March 2019.

Number of employees per business area	As at 31 March 2019
Rental Space	205
Permanent Space	180[1)]
Total	**385**

[1)] The Permanent Space Business Area (Flexator AB) consisting 140 blue-collar workers and 40 white-collar workers.

Property, Plant and Equipment

The material tangible assets of the Company mainly consist of its rental equipment and rental accessories, land, office and production buildings and leasehold improvements as well as other machinery and equipment, including mainly office equipment, production machinery and leased assets, and assets under construction. For information on the Company's rental fleet, see "– *Rental Fleet*".

The following table presents the production facilities, office premises and other sites of the Company as at 31 March 2019:

Location	Description[1)]	Owned / leased
Finland		
Järvenpää	Hub	Leased
Jyväskylä	Office	Leased
Kerava	Module storage	Leased
Kokkola	Office	Leased
Porvoo	Office	Leased
Vantaa	Office	Leased
Varkaus	Module storage	Leased
Ylöjärvi	Hub, office, accessories warehouse, sales operations	Leased
Sweden		
Anneberg	Module manufacturing, sales operations	Owned
Bålsta	Module storage	Leased
Enköping	Module storage, hub	Leased
Eslöv	Module component manufacturing, hub, accessories warehouse, module storage, sales operations	Owned
Gråbo	Module manufacturing, module storage	Owned
Hässleholm	Module storage	Leased
Jönköping	Module storage, accessories warehouse	Leased
Karlstad	Office	Leased
Lund	Office	Leased
Mölndal	Office	Leased
Solna	Office	Leased
Stockholm	Office	Leased
Umeå	Office, module storage	Leased
Upplands Väsby	Office	Owned
Västerås	Office	Leased (the land is leased while the office premises are owned modular buildings)
Vårgårda	Module storage	Leased
Norway		
Bergen	Module storage	Leased
Dal	Module storage	Leased
Drammen	Module storage, hub, accessories warehouse, office	Leased
Trondheim	Module storage	Leased
Denmark		
Copenhagen	Sites for module establishment relating to a customer project	Leased
Greve	Office, module storage, hub, accessories warehouse	Leased
Hilleroed	Site for module establishment relating to a customer project	Leased
Randers	Office, module storage	Leased
Germany		
Aichach	Hub, module storage	Leased
Frankfurt	Office, hub, module storage	Leased
Leipzig	Office	Leased
Villingen	Accessories warehouse	Leased

1) Module storage: Location where modules are stored between projects.
Hub: Location for refurbishment or customisation of modules.
Accessories warehouse: Warehouse for accessories used in refurbishment or customisation of modules.
Office: Includes also sales opperations (except for Karlstad).

Intellectual Property

The Company's intellectual property rights include trademarks and domain names. The Company protects its intellectual property with, for example, registrations and confidentiality agreements.

Trademarks and other intellectual property rights (including domain names) held by Cramo that contain the words "ADAPTEO" or derivative forms thereof, as well as any other intellectual property rights held by Cramo that belong to the Modular Space business, regardless of whether such rights can be or have been registered, will transfer to Adapteo on the Effective Date.

IT

Adapteo supports its business targets, fleet and project management and customer relationships with information technology solutions. The most important information technology solutions for the Company's business operations are enterprise resource planning ("**ERP**"), customer relationship management ("**CRM**") and financial reporting systems. The Company's IT function is responsible for the company's IT infrastructure, services and centralised IT solutions.

In the first year of operations, Adapteo's goal is to invest in IT-infrastructure to replace IT-systems previously provided by Cramo that were tailored specifically for Cramo's Equipment Rental business. The Company intends to harmonise its IT infrastructure and solutions group-wide, including in the NMG companies. The investments in the IT-infrastructure are expected to result in lower running costs as compared to the costs previously allocated to Adapteo. The aim of the harmonisation is to increase functionality of the IT-systems by tailoring them for the Company's operations and at the same time aim to increase efficiency of the Company's business, seek economies of scale and IT cost synergies and support for the continuity of business operations and execution of the strategy. In addition, according to management's estimates, more efficient project and working capital management can be achieved through the investments. Through a digital transformation, IT will give support for an interconnected sales, project and fleet organisation working closely throughout the life cycle management.

The Company has adopted an IT policy as well as an information security and privacy policy. The compliance with the principles is monitored as a part of risk management procedures.

Material Agreements

On 25 June 2018, Cramo signed an agreement to acquire NMG. The acquisition was completed on 31 October 2018. For further information, see "*– The NMG Acquisition*".

Cramo has, on behalf of Adapteo, on 29 March 2019 signed financing arrangements to secure Adapteo's financing after the Demerger, consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility. For further information, see "*Operating and Financial Review of Adapteo – Liquidity and Capital Resources – Liquidity of the Company*".

Except as set forth above, the Company has not entered into (i) material agreements outside of its ordinary course of business during the two financial years immediately preceding the date of this Demerger Prospectus or (ii) other agreements outside its ordinary course of business based on which a company belonging to the group would have material obligations or rights as at the date of this Demerger Prospectus that are material from the group's perspective.

Insurance

The Company maintains insurance coverage that includes various voluntary and compulsory insurance policies that fulfil the national insurance requirements. The Company's insurance coverage includes, among other things, property damage, business interruption, product and general liability, directors' and officers' liability and damage caused by a criminal act on the part of the Company's officers, employees or someone outside the Company.

The Company believes that its existing insurance policies are adequate, in terms of both the amounts covered and the conditions of coverage, in order to be able to cover the major risks of its business, taking into account the cost of the insurance coverage and the potential risks to business operations. However, there can be no assurance that no losses will be incurred or that this coverage will be sufficient to cover the damages in the event of a significant claim. See "*Risk Factors – Risks Related to Adapteo's Business Operations – Adapteo may fail to maintain its insurance coverage or the terms and conditions of Adapteo's insurances may not cover all of Adapteo's losses or all claims for damage resulting from potential future accidents*".

Legal Proceedings

The Company becomes involved from time to time in various claims and legal proceedings arising in the ordinary course of business, such as employee claims, disputes with suppliers and clients, and proceedings initiated by public authorities. The Company is not as of the date of this Demerger Prospectus and, has not been within the past twelve months, party to any material administrative, legal or arbitration proceeding that may have or have had a significant effect on the financial position or profitability of the Company, and the Company is not aware of any such proceedings pending or threatened.

SELECTED CARVE-OUT FINANCIAL INFORMATION OF ADAPTEO

The following tables present selected carve-out financial information of Adapteo as at and for the years ended 31 December 2018, 2017, 2016 and as at and for the three months periods ended 31 March 2019 and 2018. The selected carve-out financial information presented below has been derived from the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017, 2016 and the unaudited carve-out financial information of Adapteo as at and for the three months period ended 31 March 2019, including unaudited comparative carve-out financial information as at and for the three months period ended 31 March 2018. The carve-out financial information of Adapteo has been prepared in accordance with the IFRS standards, under consideration of the principles for determining which assets and liabilities, income and expenses and cash flows are to be assigned to Adapteo as described in note 1 to the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

The NMG Acquisition was completed on 31 October 2018, from which date NMG has been included into Adapteo's carve-out financial statements. Thus, Adapteo's historical financial information for the periods preceding the completion of the NMG Acquisition does not include the results, balance sheet items or cash flows of NMG's operations and are not comparable. Adapteo has adopted new IFRS 15 Revenue from contracts with customers, IFRS 9 Financial instruments and IFRS 2 Share-based payments standards on 1 January 2018 and the historical financial information for the periods prior to 1 January 2018 has not been restated with the impacts of the new standards. In addition, Adapteo has adopted new IFRS 16 *Leases* on 1 January 2019 and the historical financial information for the periods prior to 1 January 2019 has not been restated with the impacts of IFRS 16 standard. Accordingly, the carve-out financial information presented below are not fully comparable between the financial years and interim periods.

See also "*Operating and Financial Review of Adapteo – Adoption of New or Amended IFRS Standards and Interpretations Applicable in Current and Future Reporting Periods*" and "*Operating and Financial Review of Adapteo – Carve-out Financial Information and Factors Influencing Comparability*."

The independent auditor's report on the audit for the carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 includes an emphasis of matter paragraph. In this paragraph, the independent auditor, without qualifying its opinion, draws attention to note 1 to the carve-out financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them, and that the carve-out financial statements may not necessarily reflect what the combined result of operations and financial position would have been had Adapteo had existed as a separate independent legal group, nor may they be indicative of Adapteo's future performance, financial position or cash flows. The carve-out financial statements have been prepared for the inclusion in this Demerger Prospectus prepared by Cramo in connection with the Extraordinary General Meeting deciding on the Demerger and the listing of Adapteo on Nasdaq Stockholm.

The selected carve-out financial information provided herein should be read in conjunction with "*Certain Matters – Presentation of Financial and Certain Other Information*" and Adapteo's historical carve-out financial information included in the F-pages to this Demerger Prospectus.

Combined Income Statement

	1 January to 31 March		1 January to 31 December		
	2019	**2018**	**2018**	**2017**	**2016**
In EUR million	**(unaudited)**			**(audited)**	
Net sales	52.8	32.3	152.0	126.6	118.3
Other operating income	1.0	0.1	1.6	2.2	2.3
Materials and services	-17.2	-11.3	-57.0	-50.4	-46.9
Employee benefit expenses	-9.1	-3.6	-19.8	-15.6	-13.6
Other operating expenses	-10.2	-3.9	-19.5	-14.2	-11.6
Depreciation, amortisation and impairments	-10.4	-5.9	-27.9	-21.8	-18.3
Share of profit of joint ventures	0.0	-	-0.0	-	-
Operating profit (EBIT)	**7.0**	**7.7**	**29.3**	**26.9**	**30.2**
Finance income	0.0	0.1	1.7	0.2	0.1
Finance costs	-1.9	-1.1	-5.1	-2.9	-2.2
Finance costs, net	**-1.9**	**-1.0**	**-3.4**	**-2.7**	**-2.2**
Profit before taxes	**5.0**	**6.8**	**25.9**	**24.2**	**28.0**
Income taxes	-1.0	-1.6	-5.0	-5.3	-6.1
Profit for the period	**4.0**	**5.1**	**20.9**	**18.9**	**22.0**
Attributable to owners of Adapteo	4.0	5.1	20.9	18.9	22.0

Combined Statement of Comprehensive Income

Profit for the year	**4.0**	**5.1**	**20.9**	**18.9**	**22.0**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	-2.1	-0.5	2.0	-0.7	-0.6
Other comprehensive income for the year, net of tax	-2.1	-0.5	2.0	-0.7	-0.6
Total comprehensive income for the period	**1.9**	**4.6**	**22.9**	**18.2**	**21.3**
Attributable to owners of Adapteo	1.9	4.6	22.9	18.2	21.3

Combined Balance Sheet

	As at 31 March		As at 31 December		
	2019	2018	2018	2017	2016
In EUR million	(unaudited)		(audited)		
ASSETS					
Non-current assets					
Property, plant and equipment	442.1	300.1	423.3	298.1	264.7
Goodwill	171.7	32.0	173.9	32.7	31.9
Other intangible assets	27.2	2.3	28.0	2.5	0.7
Investments in joint ventures	1.2	-	1.2	-	-
Deferred tax assets	3.5	3.3	3.1	2.5	1.6
Finance lease receivables	5.3	-	5.5	-	-
Loan receivables	0.2	-	0.2	-	-
Other receivables	0.4	0.6	0.3	0.4	0.1
Total non-current assets	**651.7**	**338.3**	**635.6**	**336.1**	**298.9**
Current assets					
Inventories	7.1	1.9	6.8	2.0	1.3
Finance lease receivables	5.2	-	5.2	-	-
Trade and other receivables	53.7	33.8	55.6	36.2	33.2
Income tax receivables	3.1	0.4	3.0	0.2	0.1
Cash and cash equivalents	3.3	0.1	2.4	0.2	0.4
Total current assets	**72.4**	**36.2**	**73.1**	**38.5**	**35.1**
TOTAL ASSETS	**724.0**	**374.5**	**708.7**	**374.7**	**334.0**
INVESTED EQUITY AND LIABILITIES					
Total invested equity	**221.3**	**203.8**	**214.6**	**210.4**	**200.7**
Non-current liabilities					
Borrowings	363.2	85.9	350.1	76.5	40.2
Deferred tax liabilities	43.9	22.7	43.1	23.6	23.0
Provisions	0.0	0.4	0.1	-	-
Pension liabilities	0.1	0.3	0.4	-	-
Other liabilities	-	-	-	0.7	0.5
Total non-current liabilities	**407.2**	**109.3**	**393.7**	**100.8**	**63.7**
Current liabilities					
Borrowings	19.8	22.9	30.5	24.8	35.5
Trade and other payables	73.4	37.1	68.3	37.8	34.0
Income tax liabilities	2.0	0.9	1.3	0.3	0.1
Provisions	0.3	0.5	0.3	0.5	-
Total current liabilities	**95.5**	**61.5**	**100.5**	**63.5**	**69.7**
Total liabilities	**502.8**	**170.8**	**494.1**	**164.3**	**133.4**
TOTAL INVESTED EQUITY AND LIABILITIES	**724.0**	**374.5**	**708.7**	**374.7**	**334.0**

Combined Cash Flow Statement

In EUR million	1 January to 31 March 2019 (unaudited)	1 January to 31 March 2018 (unaudited)	1 January to 31 December 2018 (audited)	1 January to 31 December 2017 (audited)	1 January to 31 December 2016 (audited)
Cash flow from operating activities					
Profit before taxes	5.0	6.8	25.9	24.2	28.0
Adjustments:					
Depreciation, amortisation and impairments	10.4	5.9	27.9	21.8	18.3
Share of profit of joint ventures	-0.0	-	0.0	-	-
Other non-cash adjustments	-0.3	-0.5	-1.9	-2.1	-2.1
Net gain on sale of property, plant and equipment	-0.1	-0.1	-0.8	-0.8	-1.7
Share-based payments	0.1	0.1	0.4	0.3	0.2
Finance costs, net	1.9	1.0	3.4	2.7	2.2
Cash generated from operations before changes in working capital	17.0	13.1	54.8	46.1	44.9
Change in working capital					
Change in inventories	-0.3	0.1	2.5	-0.7	-0.3
Change in trade and other receivables	1.5	1.6	-1.3	-3.9	-5.8
Change in trade and other payables	6.9	-0.8	6.2	3.3	3.6
Change in working capital	8.1	0.9	7.5	-1.3	-2.5
Change in finance lease receivables	0.1	-	0.9	-	-
Cash generated from operations before financial items and tax	25.1	13.9	63.2	44.8	42.4
Interest paid	-0.8	-0.4	-2.3	-1.8	-1.2
Interest received	0.0	0.0	0.0	0.1	0.1
Other financial items, net	1.8	-0.1	-1.0	-0.3	-0.8
Income taxes paid	-1.4	-1.0	-2.0	-3.1	-3.6
Net cash inflow from operating activities	**24.8**	**12.4**	**58.0**	**39.6**	**36.8**
Cash flow from investing activities					
Payments for property, plant and equipment	-18.6	-12.8	-68.1	-55.0	-55.6
Payments for intangible assets	-0.3	-0.1	-0.3	-0.2	-0.1
Proceeds from sale of property, plant and equipment and intangible assets	1.8	0.3	11.6	3.6	5.9
Acquisition of subsidiaries and business operations, net of cash acquired	-0.8	-	-139.0	-7.7	-
Net cash (outflow) from investing activities	**-17.9**	**-12.6**	**-195.8**	**-59.3**	**-49.8**
Cash flow from financing activities					
Proceeds from bank loans	-	-	209.6	-	-
Repayment of bank loans	-	-	-63.7	-	-
Change in other current borrowings	-5.1	-	1.9	-	-
Net proceeds from / repayment of (-) in loans from Cramo Group	-6.0	7.9	15.2	27.6	-16.5
Finance lease payments	-1.3	-0.1	-0.6	-0.3	-1.8
Equity financing with Cramo Group, net	6.5	-7.7	-22.5	-8.0	31.5
Net cash inflow from financing activities	**-5.9**	**0.2**	**140.0**	**19.4**	**13.2**
Change in cash and cash equivalents	**0.9**	**-0.0**	**2.2**	**-0.3**	**0.2**
Cash and cash equivalents at beginning of the year	2.4	0.2	0.2	0.4	0.2
Exchange differences	-0.0	0.0	0.0	-0.0	0.0
Cash and cash equivalents at year end	**3.3**	**0.1**	**2.4**	**0.2**	**0.4**

Financial Key Figures

	1 January to 31 March or as at 31 March		1 January to 31 December or as at 31 December		
	2019	2018	2018	2017	2016
In EUR million, unless otherwise indicated	(unaudited)		(unaudited, unless otherwise indicated)		
Net sales	52.8	32.3	152.0[1)]	126.6[1)]	118.3[1)]
Rental sales	33.2	22.8	100.0[1)]	84.6[1)]	77.5[1)]
Organic sales growth, %	7.1%	-	10.3 %	5.0 %	-
Net sales growth in constant currency, %	67.2%	-	23.8%	7.9%	-
Rental sales growth in constant currency, %	48.7%	-	22.0%	10.2%	-
Operating profit (EBIT)	7.0	7.7	29.3[1)]	26.9[1)]	30.2[1)]
Operating profit (EBIT) margin, %	13.2%	23.9%	19.3%	21.2%	25.5%
Comparable EBIT	12.1	7.7	33.9	26.9	30.2
Comparable EBIT margin, %	22.8%	23.9%	22.3%	21.2%	25.5 %
EBITA	7.6	7.8	30.0	27.1	30.2
EBITA margin, %	14.4%	24.1%	19.8%	21.4%	25.6%
Comparable EBITA	12.7	7.8	34.6	27.1	30.2
Comparable EBITA margin, %	24.1%	24.1%	22.8%	21.4%	25.6%
EBITDA	17.3	13.6	57.2	48.7	48.5
EBITDA margin, %	32.8%	42.1%	37.6 %	38.4 %	41.0%
Comparable EBITDA	22.4	13.6	61.8	48.7	48.5
Comparable EBITDA margin, %	42.5%	42.1%	40.6%	38.4%	41.0%
Capital employed	629.7	332.7	620.5	332.8	297.4
Net capex	16.5	13.7	58.2	55.1	53.8
Net fleet capex	12.1	11.7	53.5	53.6	53.3
Growth capex	10.5	10.9	46.7	47.2	50.8
Maintenance capex	1.8	0.8	6.9	6.4	2.5
Non-fleet capex	4.4	2.0	4.7	1.5	0.5
M&A capex	-	-	262.0	8.7	-
Operating cash flow before growth capex	24.3	11.6	57.6	39.5	43.0
Cash conversion before growth capex, %	108.5%	85.2%	93.3%	81.1%	88.6%
Free cash flow	13.8	0.7	11.0	-7.8	-7.8
Utilisation rate, %	85.5%	84.0%	84.7%	81.8%	83.5%
Average rent per sqm (€/year)	159	160	163	162	162
Number of modules	32,695	24,776	32,410	23,947	21,738
Total sqm of modules	983,569.9	687,468.6	970,447.0	669,283.7	605,342.5
Average number of FTEs	374	143	187	158	140

1) Audited.

The Definitions and Reasons for the Use of Financial Key Indicators

Key figure	Definition	Reason for the use
Organic sales growth	Sales growth of assets owned by the company for the whole current and previous reporting period (i.e. excluding acquisitions, divestments and exchange rate impact)	Organic sales growth presents the development of Adapteo's net sales excluding the effect from acquisitions, providing better comparability between periods and growth of the underlying business.
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 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 combined income statement	Operating profit (EBIT) shows result generated by the operating activities.
EBITA[1)]	Operating profit (EBIT) + amortisation and impairment on intangible assets resulting from acquisitions	EBITA is a result metric adjusted for amortisations and impairments resulting from acquisitions and better reflects the underlying business performance.
EBITDA[1)]	Operating profit (EBIT) + depreciation, amortisation 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. Adapteo 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 contemplated 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. Capex break-downs provide further transparency and enable better evaluation of company's cash flows and earnings.
Reinvestment capex	Disposed square meters of modules multiplied by average investments in modules per square meter for the period	
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.
Utilisation rate......................................	Average rented fleet during the period divided by average 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 sales (interim periods annualised, 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.
Average number of FTEs	-	Average number of FTEs indicates the human resources required in the operations.

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

Reconciliation of Alternative Performance Measures

	1 January to 31 March or as at 31 March		1 January to 31 December or as at 31 December		
	2019	2018	2018	2017	2016
In EUR million, unless otherwise indicated	**(unaudited)**		**(unaudited, unless otherwise indicated)**		
Specification of items affecting comparability					
Costs related to the contemplated listing	3.0	-	1.4	-	-
Acquisition and integration related expenses	0.5	-	3.2	-	-
Restructuring costs	1.7	-	-	-	-
Total items affecting comparability in EBIT	**5.1**	-	**4.6**	-	-
Acquisition related expenses in net finance costs	-	-	0.4	-	-
Total items affecting comparability	**5.1**	-	**4.9**	-	-
Operating profit (EBIT)	7.0	7.7	29.3[1)]	26.9[1)]	30.2[1)]
Total items affecting comparability in EBIT	5.1	-	4.6	-	-
Comparable EBIT	**12.1**	**7.7**	**33.9**	**26.9**	**30.2**
Operating profit (EBIT)	7.0	7.7	29.3[1)]	26.9[1)]	30.2[1)]
Amortisation of intangible assets resulting from acquisitions	0.7	0.1	0.7	0.2	0
EBITA	**7.6**	**7.8**	**30.0**	**27.1**	**30.2**
Total items affecting comparability in EBIT	5.1	-	4.6	-	-
Comparable EBITA	**12.7**	**7.8**	**34.6**	**27.1**	**30.2**
Operating profit (EBIT)	7.0	7.7	29.3[1)]	26.9[1)]	30.2[1)]
Depreciation, amortisation and impairments	10.4	5.9	27.9[1)]	21.8[1)]	18.3[1)]
EBITDA	**17.3**	**13.6**	57.2	48.7	48.5
Total items affecting comparability in EBIT	5.1	-	4.6	-	-
Comparable EBITDA	**22.4**	**13.6**	**61.8**	**48.7**	**48.5**
Comparable EBITDA	22.4	13.6	61.8	48.7	48.5
Change in net working capital	8.1	0.9	7.5	-1.3	-2.5
Maintenance capex	-1.8	-0.8	-6.9	-6.4	-2.5
Non-fleet capex	-4.4	-2.0	-4.7	-1.5	-0.5
Operating cash flow before growth capex	**24.3**	**11.6**	**57.6**	**39.5**	**43.0**
Growth capex	-10.5	-10.9	-46.7	-47.2	-50.8
Free cash flow	**13.8**	**0.7**	**11.0**	**-7.8**	**-7.8**
Operating cash flow before growth capex	24.3	11.6	57.6	39.5	43.0
Comparable EBITDA	22.4	13.6	61.8	48.7	48.5
Cash conversion before growth capex	108.5%	85.2%	93.3%	81.1%	88.6%

1) Audited.

For further information on alternative performance measures, see "*Certain Matters – Presentation of Financial and Certain Other Information – Alternative performance measures*".

SELECTED FINANCIAL INFORMATION OF NMG

The following tables present selected financial information of NMG as at and for the years ended 31 December 2018, 2017 and 2016. The selected financial information presented below has been derived from the audited consolidated financial statements of NMG as at and for the years ended 31 December 2018, 2017 and 2016. The financial information of NMG has been prepared in accordance with the IFRS standards and re-stated for the years ended 31 December 2017 and 2016. The reasons for the restatement and the impact has been described in more detail under "*Certain Matters – Presentation of Financial and Certain Other Information – Historical financial statements – Historical financial information of NMG*".

The selected financial information provided herein should be read in conjunction with "*Certain Matters – Presentation of Financial and Certain Other Information*" *– Historical financial statemets – Historical financial information of NMG"* and NMG's historical audited consolidated financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

Consolidated Statement of Comprehensive Income

	1 January – 31 December		
	2018	**2017**	**2016**
In SEK million	**(audited)**	**(audited and restated)**	
Net sales	871.1	794.9	782.3
Costs of goods sold	-626.8	-572.4	-558.9
Gross profit	**244.3**	**222.4**	**223.4**
Selling expenses	-34.0	-36.5	-33.7
Administrative expenses	-65.4	-49.1	-45.2
Other operating income	14.5	16.3	8.4
Operating profit	**159.4**	**153.2**	**153.0**
Profit from financial items			
Financial income and similar profit items	0.3	0.4	0.3
Financial costs and similar profit items	-31.4	-39.8	-50.9
Share of joint ventures' profit	0.2	0.5	0.2
Profit before taxes	**128.4**	**114.3**	**102.5**
Tax on profit for the year	-26.3	-24.9	-22.3
Profit/loss for the year	**102.1**	**89.4**	**80.2**
Other comprehensive income			
Items that have been allocated or may be allocated to the profit/loss for the year			
Foreign currency translation differences	0.9	0.1	1.3
Other comprehensive income for the year	**0.9**	**0.1**	**1.3**
Total comprehensive income for the year	**103.0**	**89.4**	**81.5**

Consolidated Statement of Financial Position

In SEK million	2018 (audited)	2017 (audited and restated)	2016 (audited and restated)
	As at 31 December		
ASSETS			
Non-current assets			
Intangible non-current assets			
Goodwill	979.0	979.0	979.0
	979.0	**979.0**	**979.0**
Tangible non-current assets			
Land and buildings	49.1	45.4	39.5
Plant and machinery	6.3	2.5	2.3
Equipment, tools, fixtures and fittings	588.4	517.4	405.4
Construction in progress and advance payments for property, plant and equipment	14.3	4.9	0.2
	658.0	**570.2**	**447.3**
Other non-current assets			
Holdings in joint venture	1.7	1.2	0.4
Receivables from joint venture	2.3	2.3	2.8
Non-current receivables, financial leasing agreements	56.2	72.7	63.6
Other non-current receivables (commissioning)	14.4	-	-
Deferred tax assets	20.7	22.0	19.2
	95.2	**98.2**	**86.1**
Total non-current assets	**1 732.3**	**1 647.4**	**1 512.4**
Current assets			
Inventory etc.			
Raw materials and consumables	29.1	23.6	16.8
Finished goods and goods for resale	3.9	4.1	4.0
Ongoing contract work	17.2	10.6	3.9
	50.2	**38.4**	**24.7**
Current receivables			
Accounts receivables	92.2	134.2	76.5
Receivables from Group companies	0.0	-	-
Tax assets	2.8	6.5	4.6
Accrued but non-invoiced revenues	11.1	11.8	16.9
Current receivables, financial leasing agreements	53.8	52.4	39.2
Other current receivables	3.0	9.0	15.6
Prepaid expenses and accrued income	40.2	33.6	29.5
	203.1	**247.4**	**182.2**
Cash and cash equivalents	24.3	0.7	82.9
Total current assets	**277.5**	**286.5**	**289.9**
TOTAL ASSETS	**2 009.8**	**1 933.9**	**1 802.3**
EQUITY AND LIABILITIES			
Equity			
Share capital	0.1	0.1	0.1
Other capital contributions	76.2	57.1	18.1
Reserves	1.1	0.3	0.2
Accumulated deficit / Profit brought forward	494.5	402.9	361.7
Profit/loss for the year	102.1	89.4	80.2
	674.0	**549.7**	**460.3**
Non-current liabilities			
Liabilities to credit institutions	-	637.2	409.5
Liabilities to Parent Company	1 001.0	260.3	539.8
Liabilities to other related natural and legal persons	-	2.5	2.5
Provisions	1.3	11.2	7.9
Deferred tax liabilities	66.0	57.1	48.8
	1 068.2	**968.3**	**1 008.5**
Current liabilities			
Liabilities to credit institutions	-	92.5	77.5
Overdraft facility	36.7	37.1	-
Invoiced but non-recognised income	14.1	8.8	22.3
Accounts payable	56.3	56.1	62.0

Liabilities to Parent Company	0.8	69.7	46.5
Tax liabilities	3.9	-	-
Other liabilities	20.5	20.8	21.3
Accrued expenses and prepaid income	133.0	128.6	101.5
Provisions	2.3	2.3	2.4
	267.5	**415.9**	**333.5**
TOTAL EQUITY AND LIABILITIES	**2 009.8**	**1 933.9**	**1 802.3**

Consolidated Statement of Cash Flow

	1 January – 31 December		
	2018	**2017**	**2016**
In SEK million		**(audited)**	
Operating activities			
Profit after financial items	128.4	114.3	102.5
Adjustments for items not included in the cash flow etc.	12.8	18.2	14.8
Taxes paid	-8.4	-9.7	-16.6
Cash flow from operating activities before changes in working capital	**132.8**	**122.8**	**100.7**
Cash flow from changes in working capital			
Increase(-) / Decrease(+) in inventory	-11.8	-13.6	3.4
Increase(-) / Decrease(+) in operating receivables	70.3	-50.0	18.5
Increase(-) / Decrease(+) in operating liabilities	-9.3	-52.6	20.3
Change in finance lease receivables	72.8	46.9	46.2
Cash flow from operating activities	**254.8**	**53.5**	**189.3**
Investing activities			
Acquisition of tangible non-current assets	-218.3	-215.6	-183.9
Disposal of tangible non-current assets	9.7	7.8	21.6
Cash flow from investing activities	**-208.6**	**-207.8**	**-162.4**
Financing activities			
New share issue	19.9	-	-
Shareholder contributions received	-	39.0	13.3
Borrowings	1 001.0	400.0	114.8
Utilised overdraft facility	-0.4	37.1	-13.0
Change in other non-current financial assets	-0.5	-0.3	-3.2
Amortization of loans	-992.5	-386.7	-71.6
Group contributions paid	-50.0	-17.0	-
Cash flow from financing activities	**-22.6**	**72.1**	**40.2**
Cash flow for the year	23.6	-82.3	67.2
Cash and cash equivalents at the beginning of the year	0.7	82.9	15.7
Cash and cash equivalents at the end of the year	**24.3**	**0.7**	**82.9**

Financial Key Figures

In SEK million, unless otherwise indicated	1 January to 31 December or as at 31 December 2018	2017	2016
	(unaudited, unless otherwise indicated)		
Net sales	871.1[1]	794.9[1]	782.3[1]
Rental sales	337.6[1]	306.9[1]	266.3[1]
Organic sales growth, %	10.1%	0.8%	-
Net sales growth in constant currency, %	10.1%	0.8%	-
Rental sales growth in constant currency, %	9.1%	15.1%	-
Operating profit	159.4[1]	153.2[1]	153.0[1]
Operating profit margin, %	18.3%	19.3%	19.6%
Comparable EBIT	171.4	153.2	153.0
Comparable EBIT margin, %	19.7%	19.3 %	19.6%
EBITA	159.4	153.2	153.0
EBITA margin, %	18.3%	19.3%	19.6%
Comparable EBITA	171.4	153.2	153.0
Comparable EBITA margin, %	19.7%	19.3%	19.6%
EBITDA	247.1	242.2	223.7
EBITDA margin, %	28.4%	30.5%	28.6%
Comparable EBITDA	259.2	242.2	223.7
Comparable EBITDA margin, %	29.8%	30.5%	28.6%
Capital employed	1 622.3	1 549.5	1 372.5
Net capex	216.8	212.0	183.4
Net fleet capex	191.3	192.7	177.8
Growth capex	181.4	174.8	135.8
Maintenance capex	9.9	18.0	42.1
Non-fleet capex	25.4	19.3	5.6
Operating cash flow before growth capex	273.0	88.6	218.4
Cash conversion before growth capex, %	105.3%	36.6%	97.6%
Free cash flow	91.6	-86.1	82.6
Utilisation rate, %	87.7%	85.7%	83.1%
Average rent per sqm (SEK/year)	1,587	1,604	1,549
Number of modules	6,479	6,003	5,666
Total sqm of modules	253,977	231,320	215,105
Average number of FTEs	238	230	219

[1] Audited.

The Definitions and Reasons for the Use of Financial Key Indicators

Key figure	Definition	Reason for the use
Organic sales growth	Sales growth of assets owned by the company for the whole current and previous reporting period (i.e. excluding acquisitions, divestments and exchange rate impact)	Organic sales growth presents the development of NMG's net sales excluding the effect from acquisitions, providing better comparability between periods and growth of the underlying business.
Net sales growth in constant currency	Net sales growth between financial years in reporting period's foreign exchange rate	Net sales growth in constant currency presents the development of the NMG'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 rate	Rental sales in constant currency presents the development of the NMG's rental sales excluding the effect of foreign exchange rate fluctuations.
Operating profit [1]	Operating profit as presented in the statement of comprehensive income	Operating profit shows result generated by the operating activities.
EBITA[1]	Operating profit + amortisation and impairment on intangible assets resulting from acquisitions	EBITA is a result metric adjusted for amortisations and impairments resulting from acquisitions and better reflects the underlying business performance.
EBITDA[1]	Operating profit + depreciation	EBITDA is the indicator to measure the performance of NMG. EBITDA also provides a proxy for cash flow generated by operations.

Comparable EBIT[1)]	Operating profit + 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.
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 contemplated 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	Land and buildings + buildings for rental + plant and machinery + equipment, tools, fixtures and fittings + construction in progress and advance payments for property, plant and equipment + net working capital	Capital employed presents the capital requirements of NMG's business.
Net capex	Additions to land and buildings + additions to plant and machinery + additions to equipment, tools, fixtures and fittings + additions to constructions in progress and advance payments for property, plant and equipment - disposals of equipment, tools, fixtures and fittings at net book value	Net capex presents the net amount of investments made.
Net fleet capex	Additions to fleet – disposals of equipment, tools, fixtures and fittings at net book value	Net fleet capex presents investments into new modules net of disposals.
Growth capex	Additions to rental equipment and 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 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 and Buildings + additions to plant and machinery + additions to equipment, tools, fixtures and fittings + additions to constructions in progress and advance payments for property, plant and equipment – Growth capex – Maintenance capex	Non-fleet capex distinguishes investments into the operating platform. Capex break-downs provide further transparency and enable better evaluation of company's cash flows and earnings.
Reinvestment capex	Disposed square meters of modules multiplied by average investments in modules per square meter for the period	
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.
Utilisation rate..	Average rented fleet during the period divided by average 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 sales / 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.
Average number of FTEs	-	Average number of FTEs indicates the human resources required in the operations.

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

Reconciliation of Alternative Performance Measures

	1 January to 31 December or as at 31 December		
	2018	**2017**	**2016**
In SEK million, unless otherwise indicated	**(unaudited, unless otherwise indicated)**		
Operating profit	159.4[1]	153.2[1]	153.0[1]
Items affecting comparability			
Acquisition and integration related expenses	12.1[2]	-	-
Total items affecting comparability	12.1	-	-
Comparable EBIT	**171.4**	**153.2**	**153.0**
Operating profit	159.4[1]	153.2[1]	153.0[1]
Amortisation of intangible assets resulting from acquisitions	-	-	-
EBITA	159.4	153.2	153.0
Total items affecting comparability	12.1	-	-
Comparable EBITA	**171.4**	**153.2**	**153.0**
Operating profit	159.4[1]	153.2[1]	153.0[1]
Depreciation, amortisation and impairments	87.8[1]	89.0[1]	70.8[1]
EBITDA	247.1	242.2	223.7
Total items affecting comparability	12.1	-	-
Comparable EBITDA	**259.2**	**242.2**	**223.7**
Comparable EBITDA	259.2	242.2	223.7
Change in net working capital	49.2	-116.3	42.3
Maintenance capex	-9.9	-18.0	-42.1
Non-fleet capex	-25.4	-19.3	-5.6
Operating cash flow before growth capex	**273.0**	**88.6**	**218.4**
Growth capex	-181.4	-174.8	-135.8
Free cash flow	**91.6**	**-86.1**	**82.6**
Operating cash flow before growth capex	273.0	88.6	218.4
Comparable EBITDA	**259.2**	**242.2**	**223.7**
Cash conversion before growth capex	105.3%	36.6%	97.6%

[1] Audited.
[2] Consist of costs incurred by NMG in connection with Cramo's acquisition of NMG.

For further information on alternative performance measures, see "*Certain Matters – Presentation of Financial and Certain Other Information – Alternative performance measures*".

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Basis of compilation of Unaudited Pro Forma Financial Information

The following unaudited pro forma combined financial information (the "**Unaudited Pro Forma Financial Information**") is presented to illustrate the effect of the NMG Acquisition and the Demerger and related refinancing to Adapteo's historical carve-out financial information had the NMG Acquisition and the Demerger and related refinancing been consummated at an earlier point in time.

The unaudited pro forma income statement for the year ended 31 December 2018 gives effect to the NMG Acquisition as if it had occurred on 1 January 2018. Pro forma balance sheet information for the NMG Acquisition has not been presented, as the acquisition was completed on 31 October 2018 and NMG has been included in Adapteo's carve-out financial statements from the acquisition date.

The unaudited pro forma income statements for the three months ended 31 March 2019 and for the year ended 31 December 2018 give effect to the Demerger and related refinancing as if they had occurred on 1 January 2018. The unaudited pro forma balance sheet as at 31 March 2019 gives effect to the Demerger and related refinancing as if they had occurred on that date.

This Unaudited Pro Forma Financial Information is presented for illustrative purposes only. Because of its nature, the Unaudited Pro Forma Financial Information illustrates what the hypothetical impact would have been if the NMG Acquisition, the Demerger and related refinancing had been consummated at the date assumed in this pro forma financial information, and, therefore, does not represent the actual results of operations or financial position of Adapteo. The unaudited pro forma information is not intended to project the results of operations or financial position of Adapteo as of any future date and does not represent the results of operations or financial position had Adapteo been an independent publicly traded company for the periods presented.

The pro forma adjustments are based upon available information and certain assumptions, which are described in the accompanying notes to this Unaudited Pro Forma Financial Information. There can be no assurance that the assumptions used in the preparation of the Unaudited Pro Forma Financial Information will prove to be correct.

The NMG Acquisition

On 31 October 2018 Cramo completed the acquisition of Nordic Modular Group Holding AB ("**NMG**") for approximately SEK 2.725 billion (EUR 262 million[146]) of enterprise value, which was financed with bank financing and a convertible note amounting to SEK 550 million (EUR 52.9 million[147]).

The NMG Acquisition has been accounted for as a business combination at consolidation using the acquisition method of accounting under the provisions of IFRS with Adapteo as the acquirer. The acquisition method of accounting in accordance with IFRS applies the fair value concepts and requires, among other things, that the identifiable assets acquired and liabilities assumed in a business combination are recognised at their fair values as of the acquisition date, with any excess of the purchase consideration over the fair value of identifiable net assets acquired recognised as goodwill.

The NMG Acquisition related adjustments presented in the Unaudited Pro Forma Financial Information are based on the historical consolidated financial statements of NMG, as described below, and has been presented to reflect the NMG Acquisition's effect on Adapteo's results of operations had the NMG Acquisition been consummated at an earlier point in time.

The accompanying unaudited pro forma income statement does not reflect any expected cost savings, synergy benefits, future integration costs that are expected to be generated or may be incurred as a result of the NMG Acquisition.

The Demerger and related refinancing

Pursuant to the Demerger Plan, all of the assets, debts and liabilities belonging to the Adapteo business will transfer, without liquidation, from Cramo to Adapteo. The equity structure of Adapteo will be formed on the basis of the Demerger Plan. In connection with the Demerger, the interest-bearing loans from Cramo included in the historical carve-out financial information are eliminated on the Effective Date as Cramo Plc's corresponding intercompany loan receivable will be transferred to Adapteo Plc. In accordance with the Demerger Plan, the borrowings transferred from Cramo to Adapteo include the outstanding amount of the bridge loan used to finance the NMG Acquisition, the bank loan used to refinance the convertible loan relating to the NMG Acquisition and a portion of Cramo's external general debt, as required by Finnish tax laws for the tax neutral partial demerger. The borrowings transferring to Adapteo will be refinanced in connection with the Demerger.

[146] Figures in SEK have been converted into EUR using the SEK/EUR exchange rate 0.09614 as of 31 October 2018.
[147] Figures in SEK have been converted into EUR using the SEK/EUR exchange rate 0.09614 as of 31 October 2018.

As Adapteo's business operations will be separated to an independent separate group only at the date of the Demerger, with a planned execution date of 30 June 2019, the historical financial information of Adapteo has been presented in this Demerger Prospectus as carve-out financial information extracted from Cramo's consolidated financial statements. This pro forma financial information includes Demerger related adjustments to illustrate those impacts of the Demerger, which are not included in the historical carve-out financial information. Demerger related pro forma adjustments include also adjustments related to equity to illustrate the contemplated equity structure of Adapteo Plc as described in the Demerger Plan, adjustments related to refinancing in connection with the Demerger and estimated direct costs related to the Listing.

The pro forma adjustments made herein are based on Adapteo's unaudited interim carve-out financial information as at and for the three months ended 31 March 2019, audited carve-out financial statements as at and for the year ended 31 December 2018 and management's estimate of the assets and liabilities to be transferred to Adapteo and costs related to the Listing, for which Adapteo is responsible in accordance with the Demerger Plan.

The final amounts of assets and liabilities transferred to Adapteo in the Demerger, including the final amount of the transferring portion of Cramo's external general debt increasing the amount of borrowings in Adapteo's balance sheet, may materially differ from those presented in the pro forma financial information as such balances will be determined based on the carrying values of the transferring assets and liabilities on the Effective Date. This could result in a significant variation to the results of operations and financial position of Adapteo presented in the Unaudited Pro Forma Financial Information.

Historical financial information

The Unaudited Pro Forma Financial Information has been prepared in accordance with the Annex II to the Commission Regulation (EC) N:o 809/2004, as amended, and on a basis consistent with the IFRS accounting policies applied by Adapteo. Adapteo adopted "*IFRS 16 – Leases"* standard on 1 January 2019 using the simplified approach, where comparative figures were not restated. Accordingly, Adapteo's unaudited pro forma financial information for the three months ended 31 March 2019 is not comparable with the unaudited pro forma financial information for the year ended 31 December 2018. More information on the adoption of the new *"IFRS 16 – Leases"* standard is presented in the notes to the carve out financial information for the three months ended 31 March 2019, which is included in the F-pages to this Demerger Prospectus.

The Unaudited Pro Forma Financial Information has been derived from Adapteo's audited carve-out financial statements as at and for the year ended 31 December 2018 and unaudited condensed carve-out interim financial information as at and for the three months ended 31 March 2019 and NMG's audited consolidated financial statements as at and for the year ended 31 December 2018, which are included in the F-pages to this Demerger Prospectus.

As Adapteo has not formed a separate legal group of entities during the periods presented, the historical carve-out financial statements of Adapteo are therefore not necessarily indicative of the financial performance, financial position and cash flows of Adapteo that would have occurred if it had operated as a separate stand-alone group of entities during the years presented or of Adapteo's future performance. In addition, it should be noted that the corporate headquarter costs allocated to Adapteo for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if Adapteo had operated as an independent legal entity. Accordingly, additional costs may be incurred by Adapteo following the Effective Date in order for it to operate as an independent listed company, as well as from organising the headquarter functions.

Other considerations

All amounts are presented in millions of Euro 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.

Independent auditor's report concerning the Unaudited Pro Forma Financial Information is included as Annex B to this Demerger Prospectus.

Unaudited Pro Forma Combined Income Statement for the Three Months Period Ended 31 March 2019

In EUR million	Adapteo Historical	Demerger and related refinancing (Note 2)	Adapteo Pro forma
Net sales	52.8	-	52.8
Other operating income	1.0	-	1.0
Materials and services	-17.2	-	-17.2
Employee benefit expenses	-9.1	-	-9.1
Other operating expenses	-10.2	3.0	-7.2
Depreciation, amortisation and impairments	-10.4	-	-10.4
Share of profit of joint ventures	0.0	-	0.0
Operating profit (EBIT)	**7.0**	**3.0**	**9.9**
Finance income	0.0	-	0.0
Finance costs	-1.9	0.1	-1.9
Finance costs, net	**-1.9**	**0.1**	**-1.8**
Profit before taxes	**5.0**	**3.1**	**8.1**
Income taxes	-1.0	-0.6	-1.6
Profit for the period	**4.0**	**2.5**	**6.5**

Unaudited Pro Forma Combined Income Statement for the Year Ended 31 December 2018

In EUR million	Adapteo Historical (audited)	NMG Pro forma (Note 1)	Demerger and related refinancing (Note 2)	Adapteo Pro forma
Net sales	152.0	68.6	-	220.6
Other operating income	1.6	2.0	-	3.6
Materials and services	-57.0	-26.6	-	-83.6
Employee benefit expenses	-19.8	-13.8	-	-33.6
Other operating expenses	-19.5	-9.1	-7.4	-36.0
Depreciation, amortisations and impairments	-27.9	-7.9	-	-35.8
Share of profit of joint ventures	-0.0	0.0	-	0.0
Operating profit (EBIT)	**29.3**	**13.3**	**-7.4**	**35.2**
Finance income	1.7	0.0	-	1.7
Finance costs	-5.1	-1.1	-3.0	-9.1
Finance costs, net	**-3.4**	**-1.0**	**-3.0**	**-7.4**
Profit before taxes	**25.9**	**12.2**	**-10.3**	**27.8**
lncome taxes	-5.0	-2.4	2.1	-5.4
Profit for the period	**20.9**	**9.8**	**-8.3**	**22.4**

Unaudited Pro Forma Combined Balance Sheet as at 31 March 2019

In EUR million	Adapteo Historical	Demerger and related refinancing (Note 3)	Adapteo Pro forma
ASSETS			
Non-current assets			
Property, plant and equipment	442.1	-	442.1
Goodwill	171.7	-	171.7
Other intangible assets	27.2	-	27.2
Investments in joint ventures	1.2	-	1.2
Deferred tax assets	3.5	-	3.5
Finance lease receivables	5.3	-	5.3
Loan receivables	0.2	-	0.2
Other receivables	0.4	0.4	0.7
Total non-current assets	**651.7**	**0.4**	**652.0**
Current assets			
Inventories	7.1	-	7.1
Finance lease receivables	5.2	-	5.2
Trade and other receivables	53.7	-0.5	53.2
Income tax receivables	3.1	1.8	4.8
Cash and cash equivalents	3.3	2.3	5.6
Total current assets	**72.4**	**3.5**	**75.9**
TOTAL ASSETS	**724.0**	**3.9**	**727.9**
Equity attributable to owners of the parent company			
Share capital	-	10.0	10.0
Reserve for invested unrestricted equity	-	74.5	74.5
Translation differences	-2.0	-	-2.0
Retained earnings	-	108.5	108.5
Invested equity and retained earnings	223.2	-223.2	-
Total equity	**221.3**	**-30.2**	**191.1**
Non-current liabilities			
Borrowings	363.2	49.2	412.4
Deferred tax liabilities	43.9	-	43.9
Provisions	0.0	-	0.0
Pension liabilities	0.1	-	0.1
Total non-current liabilities	**407.2**	**49.2**	**456.4**
Current liabilities			
Borrowings	19.8	-14.0	5.8
Trade and other payables	73.4	-1.1	72.2
Income tax liabilities	2.0	-	2.0
Provisions	0.3	-	0.3
Total current liabilities	**95.5**	**-15.1**	**80.4**
Total liabilities	**502.8**	**34.1**	**536.8**
TOTAL EQUITY AND LIABILITIES	**724.0**	**3.9**	**727.9**

See accompanying notes to Unaudited Pro Forma Financial Information.

Notes to the Unaudited Pro Forma Financial Information

Note 1 – NMG Pro forma

The following table sets forth NMG's unaudited pro forma income statement for the ten month period ended 31 October 2018. The NMG Acquisition related pro forma adjustments will have a continuing impact on Adapteo's results of operations.

In EUR million	NMG Reclassified 1 Jan – 31 Oct (Note 1a)	Accounting policy alignments (Note 1b)	Fair valuation of assets (Note 1c)	Excluded items (Note 1d)	NMG Pro forma
Net sales	71.3	-2.7	-	-	68.6
Other operating income	1.2	0.8	-	-	2.0
Materials and services	-28.5	1.9	-	-	-26.6
Employee benefit expenses	-13.8	-	-	-	-13.8
Other operating expenses	-9.2	0.1	-	-	-9.1
Depreciation, amortisation and impairments	-7.0	-0.6	-0.3	-	-7.9
Share of profit of joint ventures	0.0	-	-	-	0.0
Operating profit (EBIT)	**14.0**	**-0.4**	**-0.3**	**-**	**13.3**
Finance income	0.0	-	-	-	0.0
Finance costs	-2.8	-0.0	-	1.7	-1.1
Finance costs, net	**-2.7**	**-0.0**	**-**	**1.7**	**-1.0**
Profit before taxes	**11.2**	**-0.4**	**-0.3**	**1.7**	**12.2**
Income taxes	-2.2	0.1	0.1	-0.4	-2.4
Profit for the year	**9.0**	**-0.3**	**-0.3**	**1.3**	**9.8**

Note 1a – NMG Reclassified 1 Jan - 31 Oct 2018

In SEK million, unless otherwise indicated	NMG Historical 1 Jan– 31 Dec 2018 (audited) (i)	NMG 1 Nov–31 Dec 2018 (ii)	NMG 1 Jan – 31 Oct 2018 (i)+(ii)	Reclassifi-cations (iii)	NMG reclassified 1 Jan – 31 Oct 2018 (iv)	NMG reclassified 1 Jan – 31 Oct 2018 (iv)
	SEK	SEK	SEK	SEK	SEK	EUR
Net sales	871.1	-139.7	731.4	-	731.4	71.3
Costs of goods sold	-626.8	103.8	-523.0	523.0	-	-
Selling expenses	-34.0	5.9	-28.1	28.1	-	-
Administrative expenses	-65.4	15.3	-50.1	50.1	-	-
Other operating income	14.5	-1.7	12.7	-	12.7	1.2
Materials and services	-	-	-	-292.9	-292.9	-28.5
Employee benefit expenses	-	-	-	-141.3	-141.3	-13.8
Other operating expenses	-	-	-	-94.8	-94.8	-9.2
Depreciation, amortisation and impairments	-	-	-	-72.1	-72.1	-7.0
Share of profit of joint ventures	-	-	-	0.3	0.3	0.0
Operating profit (EBIT)	**159.4**	**-16.3**	**143.0**	**0.3**	**143.4**	**14.0**
Financial income and similar profit items	0.3	-0.0	0.2	-0.2	-	-
Financial costs and similar loss items	-31.4	3.0	-28.4	28.4	-	-
Share of joint ventures' profit	0.2	0.1	0.3	-0.3	-	-
Finance income	-	-	-	0.2	0.2	0.0
Finance costs	-	-	-	-28.4	-28.4	-2.8
Finance costs, net	**-31.0**	**3.1**	**-27.8**	**-0.3**	**-28.2**	**-2.7**
Profit before taxes	**128.4**	**-13.2**	**115.2**	**-**	**115.2**	**11.2**
Income taxes	-26.3	3.4	-22.9	-	-22.9	-2.2
Profit for the year	**102.1**	**-9.8**	**92.3**	**-**	**92.3**	**9.0**

(i) The historical income statement information of NMG for the year ended 31 December 2018 has been derived from the audited consolidated financial statements of Nordic Modular Group Holding AB included in the F-pages to this Demerger Prospectus. NMG's historical consolidated financial statements have been prepared in accordance with IFRS as adopted by EU and presented in SEK.

(ii) As NMG has been included in Adapteo's carve-out financial statements for the year ended 31 December 2018 from the acquisition date 31 October 2018, NMG's consolidated income statement information for the two months period from 1 November to 31 December 2018, derived from NMG's accounting records, has been subtracted from NMG's audited consolidated income statement information for the full year 2018.

(iii) NMG has historically presented expenses in its consolidated income statement using the classification based on the function of the expenses, whereas Adapteo aggregates expenses in its consolidated income statement according to their nature. Certain reclassifications were made to align NMG's historical income statement information with Adapteo's financial statement presentation.

(iv) NMG's reclassified income statement information presented in SEK for the period from 1 January to 31 October 2018, has been translated to EUR using the average SEK to EUR foreign exchange rate of 10.258.

Note 1b – Accounting policy alignments

Adapteo has performed an analysis of accounting policies applied by NMG in order to determine whether any adjustments are necessary to ensure comparability with the accounting policies applied by Adapteo. As a result, the following adjustments to amounts in NMG's unaudited reclassified consolidated income statement information for the ten month period from 1 January to 31 October 2018 have been made:

- NMG has historically accounted for certain car leases as operating leases, whereas under Adapteo accounting policies, these car leases should have been classified as finance leases. As a result, an adjustment of EUR 0.1 million has been recorded to reduce other operating expenses and an adjustment of EUR 0.1 million to increase depreciation, amortisation and impairments.

- As a result of the fair value measurements of the acquired NMG's property, plant and equipment, an adjustment of EUR 0.4 million has been recorded to increase the depreciation, amortisation and impairments to remove the internal margin elimination previously recorded by NMG in its historical financial information. The tax impact of EUR 0.1 million relating to this adjustment has been calculated based on the estimated applicable Swedish tax rate of 22 %.

- NMG has historically presented the proceeds arising from the sale of used modules as gross, showing the proceeds in net sales and relating cost in materials and services, whereas Adapteo shows such gains or losses as net in other operating income or other operating expenses. Accordingly, net sales has been reduced by EUR 2.7 million and materials and services by EUR 1.9 million to eliminate the presentation of proceeds as gross and other operating income has been increased by EUR 0.8 million to present the gain on sale of used modules as net.

Note 1c – Fair valuation of assets

The following depreciation and amortisation adjustments have been made based on the fair value allocation of the assets acquired and liabilities assumed by Adapteo for the NMG Acquisition:

In EUR million, unless otherwise indicated	**Preliminary fair values**	**Estimated remaining useful life (years)**	**Pro forma depreciation and amortisation expense for 1 Jan - 31 Oct 2018**
Property, plant and equipment	98.6	20	1.7
Trademarks	2.7	15	-0.2
Customer relationship	23.3	8-15	-1.9
Total	**124.6**		**-0.3**

A pro forma adjustment of EUR 1.7 million to decrease the depreciation expense was recognised to the property, plant and equipment as a result of fair valuation and accounting policy change relating to estimated remaining useful lives of the acquired assets.

The tax impact relating to the fair value adjustments have been calculated based on the estimated applicable Swedish tax rate of 22 %.

For more information on the assets acquired and liabilities assumed of Adapteo, see note 11 Acquisitions in Adapteo's audited carve-out financial statements as at and for the year ended 31 December 2018 included in the F-pages to this Demerger Prospectus.

Note 1d - Excluded items

Pursuant to the sale and purchase agreement, NMG's outstanding shareholder loans were settled at closing. These liabilities were not assumed in the acquisition. Financial expenses were adjusted by EUR 1.7 million to eliminate the impact on earnings of the settled shareholder loans and the related tax impact of EUR 0.4 million has been calculated based on the estimated applicable Swedish tax rate of 22 %.

Note 2 – Demerger and related refinancing (pro forma income statement)

The following tables set forth the pro forma income statement impacts of the Demerger and related refinancing measures for the three months ended 31 March 2019 and for the year ended 31 December 2018. The Demerger and related refinancing pro forma adjustments will have a continuing impact on Adapteo's results of operations unless otherwise stated.

	For the three months ended 31 March 2019				
In EUR million	**Elimination of Adapteo's historical finance costs (Note 2a)**	**Cost related to term loan facility (Note 2b)**	**Cost related to revolving credit facility (Note 2b)**	**Listing costs (Note 2c)**	**Demerger and related refinancing (Note 2)**
Other operating expenses	-	-	-	3.0	3.0
Operating profit (EBIT)	**-**	**-**	**-**	**3.0**	**3.0**
Finance income	-	-	-	-	-
Finance costs	1.7	-1.5	-0.1	-	0.1
Finance costs, net	**1.7**	**-1.5**	**-0.1**	**-**	**0.1**
Profit before taxes	**1.7**	**-1.5**	**-0.1**	**3.0**	**3.1**
Income taxes	-0.3	0.3	0.0	-0.6	-0.6
Profit for the period	**1.4**	**-1.2**	**-0.1**	**2.4**	**2.5**

	For the year ended 31 December 2018					
In EUR million	**Elimination of Adapteo's historical finance costs (Note 2a)**	**Elimination of NMG's historical finance costs (Note 2a)**	**Cost related to term loan facility (Note 2b)**	**Cost related to revolving credit facility (Note 2b)**	**Listing costs (Note 2c)**	**Demerger and related refinancing (Note 2)**
Other operating expenses	-	-	-	-	-7.4	-7.4
Operating profit (EBIT)	**-**	**-**	**-**	**-**	**-7.4**	**-7.4**
Finance income	-	-	-	-	-	-
Finance costs	2.7	0.8	-5.9	-0.6	-	-3.0
Finance costs, net	**2.7**	**0.8**	**-5.9**	**-0.6**	**-**	**-3.0**
Profit before taxes	**2.7**	**0.8**	**-5.9**	**-0.6**	**-7.4**	**-10.3**
Income taxes	-0.5	-0.2	1.2	0.1	1.5	2.1
Profit for the year	**2.1**	**0.6**	**-4.7**	**-0.5**	**-5.9**	**-8.3**

Note 2a – Elimination of historical finance costs of Adapteo and NMG

Adapteo's historical finance costs related to loans that will be either refinanced or eliminated against corresponding receivables transferring from Cramo in connection with the Demerger have been eliminated from the pro forma income statement for both periods presented. The eliminated interest costs relate to the NMG Acquisition related bridge loan and convertible loan as well as loans from Cramo and amount to EUR 1.7 million for the three months period ended 31 March 2019 and EUR 2.7 million for the year ended 31 December 2018.

NMG's historical financial information for the ten months period ended 31 October 2018 includes finance costs of EUR 0.8 million relating to loans that were refinanced in connection with the NMG Acquisition with the bridge loan. As the bridge loan will be refinanced in connection with the Demerger, these NMG's historical finance costs are eliminated from the pro forma income statement for the year ended 31 December 2018.

Note 2b – Finance costs related to term loan facility and revolving credit facility

Cramo has agreed on new financing arrangements for Adapteo, consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility that may be used for refinancing of interest-bearing debt transferred to Adapteo in the Demerger and financing general corporate purposes. For the pro forma purposes, it has been assumed that the EUR 400 million term loan facility is fully drawn-down and used for refinancing the estimated amount of borrowings of EUR 388.9 million to be transferred to Adapteo in the Demerger and that the EUR 100 million revolving credit facility is not drawn down in connection with the Demerger.

The pro forma income statement adjustment reflects the interest expenses calculated with effective interest rate method for the term loan facility amounting to EUR 1.5 million for the three months period ended 31 March 2019 and EUR 5.9 million for the year ended 31 December 2018. For the pro forma purposes an effective interest rate of 1.48% is used. This adjustment will have a continuing impact on Adapteo's finance costs.

For pro forma purposes, the estimated fees related to the revolving credit facility of EUR 0.1 million for the three months period ended 31 March 2019 and EUR 0.6 million for the year ended 31 December 2018 have been recognised as finance costs. These fees relate to amortisation of capitalised fees for liquidity services and a commitment fee to be paid for the undrawn loan amount. For pro forma purposes, it has been assumed that the revolving credit facility is undrawn for both of the pro forma income statement periods.

Note 2c –Listing costs

The estimated direct costs to be incurred by Adapteo in connection with the Listing amounts to EUR 8.8 million. As the unaudited pro forma income statements for the three months period ended 31 March 2019 and for the year ended 31 December 2018 illustrates the Demerger and related refinancing as if they had occurred on 1 January 2018, the total amount of estimated Listing costs has been presented in this Unaudited pro forma financial information as if they had been incurred in the beginning of the year 2018.

Of these estimated direct costs related to the Listing EUR 1.4 million has been recognised as an expense in the combined income statement for the year ended 31 December 2018 and EUR 7.4 million have been recorded as an increase in other operative expenses and EUR 1.5 million as the related income tax impact in the pro forma statement of income for the year ended 31 December 2018. The direct costs related to the Listing of EUR 3.0 million already recognised in Adapteo's combined income statement for the three months ended 31 March 2019 are eliminated in the pro forma income statement for that period.

The direct costs related to the Listing do not have a continuing impact on Adapteo's results of operations.

Note 2d - Taxes

To reflect the impact of the pro forma financing adjustments 2a, 2b and 2c on income taxes for the three months period ended 31 March 2019 and for the year ended 31 December 2018, the pro forma tax adjustments have been calculated by using a Finnish tax rate of 20% for all pro forma adjustments other than adjustment relating to NMG's finance costs for the year ended 31 December 2018, for which a Swedish tax rate of 22% has been used.

Note 3 – Demerger and related refinancing (pro forma balance sheet)

The following table sets forth the pro forma balance sheet impacts of the Demerger and related refinancing measures as at 31 March 2019. The final amounts of assets and liabilities transferred to and the composition of equity items of Adapteo in the Demerger may materially differ from those presented in this pro forma financial information as such asset and liability balances and the equity structure will be determined as at the Effective Date. The Demerger and related refinancing pro forma adjustments will have a continuing impact on Adapteo's financial position unless otherwise stated.

In EUR million	Repayment of convertible loan (Note 3a)	Net assets transferred in the Demerger (Note 3b)	Elimination of loans from Cramo (Note 3b)	Refinancing (Note 3c)	Equity formation (Note 3d)	Listing costs (Note 3e)	Demerger and related refinancing
ASSETS							
Non-current assets							
Loan receivables	-	100.6	-100.6	-	-	-	-
Other receivables	-	-	-	0.4	-	-	0.4
Total non-current assets	**-**	**100.6**	**-100.6**	**0.4**	**-**	**-**	**0.4**
Current assets							
Trade and other receivables	-	-	-	-0.5	-	-	-0.5
Income tax receivables	-	-	-	-	-	1.8	1.8
Cash and cash equivalents	-	1.0	-	10.1	-	-8.8	2.3
Total current assets	**-**	**1.0**	**-**	**9.6**	**-**	**-7.0**	**3.5**
TOTAL ASSETS	**-**	**101.6**	**-100.6**	**9.9**	**-**	**-7.0**	**3.9**
Equity attributable to owners of the parent company							
Share capital	-	-	-	-	10.0	-	10.0
Reserve for invested unrestricted equity	-	-	-	-	74.5	-	74.5
Retained earnings	-	-	-	-	115.6	-7.0	108.5
Invested equity and retained earnings	0.9	-24.4	-	0.4	-200.1	-	-223.2
Total equity	**0.9**	**-24.4**	**-**	**0.4**	**-**	**-7.0**	**-30.2**
Non-current liabilities							
Borrowings	0.2	-262.9	-86.6	398.5	-	-	49.2
Total debt transferred in the Demerger	-	388.9	-	-388.9	-	-	-
Total non-current liabilities	**0.2**	**126.0**	**-86.6**	**9.6**	**-**	**-**	**49.2**
Current liabilities							
Borrowings	-	-	-14.0	-	-	-	-14.0
Trade and other payables	-1.1	-	-	-	-	-	-1.1
Total current liabilities	**-1.1**	**-**	**-14.0**	**-**	**-**	**-**	**-15.1**
Total liabilities	**-0.9**	**126.0**	**-100.6**	**9.6**	**-**	**-**	**34.1**
TOTAL EQUITY AND LIABILITIES	**-0.0**	**101.6**	**-100.6**	**9.9**	**-**	**-7.0**	**3.9**

Note 3a – Repayment of convertible loan

In April 2019 Cramo has repaid the outstanding loan amount of SEK 550 million under the convertible agreement and the related accrued interests. The convertible loan amounted to EUR 52.9 million in Adapteo's historical combined balance sheet as at 31 March 2018. For the payment of the convertible loan Cramo draw down a new bank loan of EUR 53.1 million. The new bank loan will transfer to Adapteo in connection with Demerger. As a result of the repayment, the amount of borrowings increased by EUR 0.2 million. Any difference in the loan amount between 31 March 2019 and the repayment date as well as the accrued interests incurred after the 31 March 2019 until the repayment date have been presented as an adjustment to the invested equity in the unaudited pro forma balance sheet as at 31 March 2019.

Note 3b – Net assets transferred in the Demerger and elimination of loans from Cramo

This pro forma adjustment illustrates those balance sheet impacts of the Demerger, which are not included in the historical carve-out financial information. In the Demerger, all assets and liabilities attributable to Adapteo shall be transferred from Cramo to Adapteo

In the Demerger, in accordance with the Demerger Plan, the borrowings transferred from Cramo to Adapteo include the outstanding amount of bridge loan used to finance the NMG Acquisition, the outstanding amount of bank loan used to refinance the convertible note relating to the NMG Acquisition as well as a portion of Cramo's external debt. The estimated amount of transferring borrowings of EUR 388.9 million has been presented as an adjustment through line "Total debt transferred in Demerger" in the pro forma balance sheet. The amount of borrowings already included in Adapteo's historical combined balance sheet consisting of the NMG Acquisition related financing taking into account the repayment of convertible loan as described in note 3a of EUR 262.9 million has been eliminated in the pro forma balance sheet.

Adapteo's historical carve-out financial information includes Adapteo entities' intercompany loans from Cramo reflecting the historical debt financing of Adapteo as part of Cramo. Cramo Plc's corresponding intercompany loan receivable from Adapteo entities, which has not been included in the carve-out financial information, shall be transferred to Adapteo Plc in the Demerger and these items will be eliminated in the consolidation after the Demerger. Accordingly, the intercompany loans from Cramo, a total of EUR 100.6 million included in the carve-out financial information as at 31 March 2019 have been eliminated in the pro forma balance sheet against the corresponding amount of transferring intercompany loan receivable balance.

In accordance with the Demerger Plan, Adapteo shall receive a portion of the cash and cash equivalents of Cramo. In the pro forma balance sheet it has been assumed, consistent with the Demerger Plan, that the cash and cash equivalents of EUR 1.0 million will be transferred to Adapteo in the Demerger.

Note 3c – Refinancing

Cramo has agreed on new financing arrangements for Adapteo, consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility that will be used for refinancing of interest-bearing debt transferred to Adapteo in the Demerger and financing general corporate purposes. These financing arrangements will transfer from Cramo to Adapteo on the Effective Date. For the pro forma purposes, it has been assumed that a drawdown of EUR 400 million has been done under the term loan facility and used for refinancing the estimated amount of interest-bearing debt of EUR 388.9 million to be transferred to Adapteo in the Demerger and that the EUR 100 million revolving credit facility is not used in connection with the Demerger.

In the unaudited pro forma balance sheet the drawdown of EUR 400 million under the term loan facility has been recorded net of transaction costs of EUR 1.5 million and the fees related to revolving credit facility amounting to EUR 0.4 million has been capitalised and presented as non-current other receivable. Of the total estimated term loan facility related transaction costs EUR 1.5 million, EUR 0.5 million has already been paid and recognised as trade and other receivables in the carve-out financial information as at 31 March 2019 and has been eliminated from the pro forma balance sheet.

The pro forma adjustment of EUR 10.1 million has been recognised to increase the cash and cash equivalents and it relates to the difference between the assumed drawdown of EUR 400 million term loan facility and its use to refinance the estimated amount of interest-bearing debt of EUR 388.9 million to be transferred in the Demerger and the assumed payment of the transaction costs related to the term loan facility of EUR 1.0 million.

Note 3d – Equity formation

The formation of Adapteo's equity structure in accordance with the Demerger Plan requires adjustments to the equity presented in the carve-out balance sheet in the pro forma balance sheet as at 31 March 2019. The presentation of equity in the carve-out balance sheet as at 31 March 2019 has been adjusted by splitting the line item "Invested equity and retained earnings" into the line items "Share capital," "Reserve for invested unrestricted equity" and "Retained earnings" in the pro forma presentation of equity.

Note 3e –Listing costs

In the pro forma balance sheet, the direct costs related to the Listing to be invoiced by Cramo from Adapteo, EUR 7.0 million net of tax, have been deducted from the retained earnings. Cash and cash equivalents have been reduced by the amount of EUR 8.8 million, reflecting the unpaid portion of the estimated direct costs related to the Listing.

The direct costs related to the Listing do not have a continuing impact on Adapteo's results of operations or financial position.

Note 4 - Unaudited Additional Pro forma information

Pro forma business area information

Pro forma business area information presented herein has been prepared to reflect Adapteo's business area structure following to 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 will report its business area results using EBITDA and comparable EBITDA as the main operating measure.

Unaudited pro forma business area information for the three months period ended 31 March 2019

	For the three months ended 31 March 2019				
In EUR million	**Rental Space**	**Permanent Space**	**Group functions**	**Eliminations**	**Pro forma group total**
Net sales by business area					
Rental sales	33.2	0.0	0.0	-	33.2
Assembly and other services	10.7	0.0	-	-	10.7
Sales, new modules	0.9	8.0	-	-	8.9
Total external net sales	**44.8**	**8.1**	**0.0**	**-**	**52.8**
Inter-segment sales	-	5.6	1.0	-6.5	-
Net sales	**44.8**	**13.6**	**1.0**	**-6.5**	**52.8**
Comparable EBITDA	**22.7**	**1.1**	**-1.3**	**-**	**22.4**
Comparable EBITDA margin, %	*50.6%*	*8.2%*	-	-	*42.5%*
Total items affecting comparability	-1.0	-0.6	-0.5	-	-2.1
EBITDA	**21.7**	**0.5**	**-1.8**	**-**	**20.3**
EBITDA margin, %	*48.4%*	*3.8%*	-	-	*38.5%*
Depreciation, amortisation and impairments	-	-	-	-	-10.4
Operating profit (EBIT)	-	-	-	-	**9.9**

Unaudited pro forma business area information for the year ended 31 December 2018

	For the year ended 31 December 2018				
In EUR million	**Rental Space**	**Permanent Space**	**Group functions**	**Eliminations**	**Pro forma group total**
Net sales by business area					
Rental sales	128.8	-	-	-	128.8
Assembly and other services	55.4	-	-	-	55.4
Sales, new modules	0.6	35.8	-	-	36.4
Total external net sales	**184.8**	**35.8**	**-**	**-**	**220.6**
Inter-segment sales	-	24.8	-	-24.8	-
Net sales	**184.8**	**60.6**	**-**	**-24.8**	**220.6**
Comparable EBITDA	**89.5**	**4.0**	**-8.8**	**-1.0**	**83.6**
Comparable EBITDA margin, %	*48.4%*	*6.6%*	-	-	*37.9%*
Total items affecting comparability	-	-	-12.6	-	-12.6
EBITDA	**89.5**	**4.0**	**-21.4**	**-1.0**	**71.0**
EBITDA margin, %	*48.4%*	*6.6%*	-	-	*32.2%*
Depreciation, amortisation and impairments	-	-	-	-	-35.8
Operating profit (EBIT)	-	-	-	-	**35.2**

Unaudited pro forma net sales by geography for the year ended 31 December 2018

The following table sets forth the net sales by geography for the year ended 31 December 2018 on a pro forma basis. Net sales are presented based on the location of clients.

	For the year ended 31 Dec 2018		
In EUR million	**Adapteo 2018**	**NMG 1 Jan - 31 Oct 2018**	**Pro forma 2018**
Finland	37.0	7.9	44.9
Sweden	74.5	57.4	131.8
Norway	7.3	1.7	9.1
Denmark	18.7	1.6	20.4
Germany	14.5	-	14.5
Total net sales	**152.0**	**68.6**	**220.6**

Unaudited pro forma key figures

The following tables set forth the key figures presented on a pro forma basis for the periods indicated.

EUR millions or as indicated	As at 31 March or for the three months ended 31 March 2019, Pro forma	As at 31 December or for the year ended 31 December 2018, Pro forma
EBIT	9.9	35.2
EBIT margin, %	18.8%	15.9%
EBITA	10.6	38.0
EBITA margin, %	20.1%	17.2%
EBITDA	20.3	71.0
EBITDA margin, %	38.5%	32.2%
Comparable EBIT	12.1	47.8
Comparable EBIT margin, %	22.8%	21.7%
Comparable EBITA	12.7	50.6
Comparable EBITA margin, %	24.1%	22.9%
Comparable EBITDA	22.4	83.6
Comparable EBITDA margin, %	42.5%	37.9%
Net debt	402.0	-
Earnings per share, EUR	0.15	0.50
Comparable earnings per share, EUR	0.18	0.73
Net debt / Comparable EBITDA	4.5	-
Operative ROCE, %	-	12.1%

Unaudited pro forma earnings per share and pro forma comparable earnings per share

In EUR million, unless otherwise indicated	For the three months ended 31 March 2019, Pro forma	For the year ended 31 December 2018, Pro forma
Profit for the period	6.5	22.4
Number of Cramo's outstanding shares, pcs[1)]	44,682,697	44,682,697
Earnings per share, EUR	**0.15**	**0.50**
Profit for the period	6.5	22.4
Total items affecting comparability	2.1	13.0
Related income tax impact	-0.4	-2.6
Comparable profit for the period	**8.2**	**32.8**
Number of Cramo's outstanding shares, pcs[1)]	44,682,697	44,682,697
Comparable earnings per share, EUR	**0.18**	**0.73**

[1)] As at the date of the Demerger Prospectus

Definitions for the unaudited pro forma key figures

The following table sets forth the definitions of the key figures presented on a pro forma basis. The components of the pro forma key figures included in the definitions below have been derived from the unaudited pro forma income statement information for the three months period ended 31 March 2019 and for the year ended 31 December 2018 and from the unaudited pro forma balance sheet as at 31 March 2019, unless otherwise stated.

Key figure	**Definition**	**Reason for the use**
EBIT[1)]	Operating profit (EBIT) as presented in the pro forma income statement	EBIT shows result generated by the operating activities.
EBITA[1)]	Operating profit (EBIT) + amortisation and impairment on intangible assets resulting from acquisitions	EBITA is a result metric adjusted for amortisations and impairments resulting from acquisitions and better reflects the underlying business performance.
EBITDA[1)]	Operating profit (EBIT) + depreciation, amortisation and impairments	EBITDA is the indicator to measure the performance of Adapteo. EBITDA also provides a proxy for cash flow generated by operations.
Items affecting comparability (IAC)	Material items outside ordinary course of business, such as costs related to the contemplated 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 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. Adapteo believes that these adjusted performance measures provide meaningful supplemental information by excluding items outside normal business, which reduce comparability between the periods. Growth of comparable EBITDA is also one of Adapteo's long-term financial targets.
Comparable EBIT[1)]	EBIT + items affecting comparability	
Comparable EBITA[1)]	EBITA + items affecting comparability	
Comparable EBITDA[1)]	EBITDA + items affecting comparability	
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.
Earnings per share	Profit for the year / number of outstanding Cramo shares at the date of the Demerger Prospectus	
Comparable earnings per share	Profit for the year excluding items affecting comparability, net of taxes / number of outstanding Cramo shares at the date of the Demerger Prospectus	
Net debt / Comparable EBITDA	Net debt as at 31 March 2019 / Comparable EBITDA for the three month period ended 31 March 2019 (annualised, 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	Comparable EBITA for the year ended 31 December 2018 / Property, plant and equipment + investment in joint ventures + net working capital (derived from Adapteo's audited historical combined balance sheet as at 31 December 2018) 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.

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

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

	For the three months ended 31 March 2019			For the year ended 31 December 2018			
In EUR million	**Adapteo Historical**	**Demerger and related refinancing (Note 2)**	**Adapteo Pro forma**	**Adapteo Historical**	**NMG Pro forma (Note 1)**	**Demerger and related refinancing (Note 2)**	**Adapteo Pro forma**
Items affecting comparability							
Costs related to the contemplated listing	3.0	-3.0	-	1.4	-	7.4	8.8
Acquisition and integration related expenses	0.5	-	0.5	3.2	0.7[1)]	-	3.8
Restructuring costs	1.7	-	1.7	-	-	-	-
Items affecting comparability in EBIT	**5.1**	**-3.0**	**2.1**	**4.6**	**0.7**	**7.4**	**12.6**
Acquisition related expenses in net finance costs	-	-	-	0.4	-	-	0.4
Total items affecting comparability	**5.1**	**-3.0**	**2.1**	**4.9**	**0.7**	**7.4**	**13.0**
Operating profit (EBIT)	**7.0**	**3.0**	**9.9**	**29.3**	**13.3**	**-7.4**	**35.2**
Items affecting comparability in EBIT	5.1	-3.0	2.1	4.6	0.7	7.4	12.6
Comparable EBIT	**12.1**	**-**	**12.1**	**33.9**	**13.9**	**-**	**47.8**
Operating profit (EBIT)	**7.0**	**3.0**	**9.9**	**29.3**	**13.3**	**-7.4**	**35.2**
Amortisation of intangible assets resulting from acquisitions	0.7	-	0.7	0.7	2.1	-	2.8
EBITA	**7.6**	**3.0**	**10.6**	**30.0**	**15.3**	**-7.4**	**38.0**
Items affecting comparability in EBIT	5.1	-3.0	2.1	4.6	0.7	7.4	12.6
Comparable EBITA	**12.7**	**-**	**12.7**	**34.6**	**16.0**	**-**	**50.6**
Operating profit (EBIT)	**7.0**	**3.0**	**9.9**	**29.3**	**13.3**	**-7.4**	**35.2**
Depreciation, amortisation and impairments	10.4	-	10.4	27.9	7.9	-	35.8
EBITDA	**17.3**	**3.0**	**20.3**	**57.2**	**21.2**	**-7.4**	**71.0**
Items affecting comparability in EBIT	5.1	-3.0	2.1	4.6	0.7	7.4	12.6
Comparable EBITDA	**22.4**	**-**	**22.4**	**61.8**	**21.9**	**-**	**83.6**

1) NMG's historical financial information for the year ended 31 December 2018 includes costs incurred by NMG in connection with Cramo's acquisition of NMG of SEK 12.1 million, of which SEK 6.8 million (EUR 0.7 million) relates to the ten month period ended 31 October 2018.

Unaudited pro forma net debt as at 31 March 2019

In EUR million	Adapteo historical	Repayment of convertible loan (Note 3a)	Net assets transferred in the Demerger (Note 3b)	Elimination of loans from Cramo (Note 3b)	Refinancing (Note 3c)	Listing costs (Note 3e)	Pro forma Net debt
Bank loans	209.8	53.1	-262.9	-	398.5	-	398.5
Total debt transferred in the Demerger	-	-	388.9	-	-388.9	-	-
Convertible loan	52.9	-52.9	-	-	-	-	-
Loans from Cramo Group	86.6	-	-	-86.6	-	-	-
Lease liabilities	13.9	-	-	-	-	-	13.9
Total non-current borrowings	**363.2**	**0.2**	**126.0**	**-86.6**	**9.6**	**-**	**412.4**
Loans from Cramo Group	14.0	-	-	-14.0	-	-	-
Collateralised loan	4.3	-	-	-	-	-	4.3
Lease liabilities	1.5	-	-	-	-	-	1.5
Total current borrowings	**19.8**	**-**		**-14.0**	**-**	**-**	**5.8**
Total borrowings	**383.0**	**0.2**	**126.0**	**-100.6**	**9.6**	**-**	**418.2**
Less:							
Loan receivables	-0.2	-	-100.6	100.6	-	-	-0.2
Finance lease receivables	-10.5	-	-	-	-	-	-10.5
Cash and cash equivalents	-3.3	-	-1.0	-	-10.1	8.8	-5.6
Net debt	**369.1**	**0.2**	**24.4**	**-**	**-0.5**	**8.8**	**402.0**

OPERATING AND FINANCIAL REVIEW OF ADAPTEO

The following review of Adapteo's results of operations and financial position should be read in conjunction with "Certain Matters – Presentation of Financial and Certain Other Information" and Adapteo's audited carve-out financial information as at and for the years ended 31 December 2018, 2017 and 2016 and Adapteo's unaudited carve-out financial statements as at and for the three months period ended 31 March 2019 included in the F-pages to this Demerger Prospectus. Except where explicitly otherwise mentioned, the financial information presented below represents the historical results of operations and the financial position of Adapteo prepared on a carve-out basis from Cramo Plc's consolidated financial statements during the periods discussed without taking into consideration any arrangements made in relation to the Demerger. NMG has been consolidated to the carve-out financial statements of Adapteo from 31 October 2018 onwards. For further information on NMG's financial information, see "Operating and Financial Review of NMG". For pro forma financial information giving effect to the Demerger and the NMG Acquisition, see "Unaudited Pro Forma Financial Information."

Cramo Plc has historically reported Adapteo's business as one segment (Modular Space business) and hence, no historical information on Adapteo's business segments post the Demerger, Rental Space and Permanent Space, are presented in the historical carve-out financial information.

The following review contains forward-looking statements, which are subject to risks and uncertainties. The actual results of Adapteo may deviate considerably from those contained in such forward-looking statements as a result of factors discussed below and elsewhere in this Demerger Prospectus, particularly in section "Risk Factors".

Overview

Adapteo is a leading Northern European[148] provider of Modular Space Solutions measured by revenue and it possesses a market leader position in the Nordics[149] with a strong position in the Rental Market in Finland, Sweden, Norway and Denmark.[150] In addition to the Nordics, the Company has rental operations also in Germany. Modular Space Solutions can be defined as prefabricated buildings. The Company develops, designs and manufactures modular buildings to be rented or sold to public sector and private sector customers.

The Modular Space Solutions are delivered ready-for-use to the customers. Adapteo's projects in Modular Space Solutions usually include the provision of services such as needs assessment, design, planning, assembly, maintenance and disassembly as well as other services such as the management of building permit processes and the possibility to rent furniture or other equipment through Adapteo. The Company offers its services and solutions predominantly to the customer segments in the social infrastructure sector, including school, daycare, health and social care, and special accommodation as well as office and other customer segments, such as exhibitions and fairs. The abovementioned customer segments accounted for approximately 55 percent, approximately 13 percent, approximately one percent, approximately five percent, approximately 21 percent and approximately five percent of Adapteo's rental income, respectively, for the year ended 31 December 2018.[151] Modular Space Solutions are also used as special accommodation and in health and social care as well as in exhibitions and fairs. Furthermore, the Company offers facility management services to its rental and sales customers.

Effective as of the completion of the Demerger, Adapteo will be organised in two business areas: Rental Space and Permanent Space, and the Company has operations in five geographical areas: Sweden, Finland, Norway, Denmark and Germany. 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. See "*Business of Adapteo – Business Areas*" for more information on the Company's business areas.

In the future, Adapteo will publish an annual financial statements release and a half-yearly financial report in accordance with IAS 34 standard and interim management statements for the first three and nine months of the financial year in accordance with Guidelines for preparing interim management statements of Nasdaq Stockholm.

[148] Northern European is defined as Sweden, Finland, Norway, Denmark and Germany.
[149] The Nordics is defined as Sweden, Finland, Norway and Denmark.
[150] Source: Management Consultant Analyses.
[151] The customer rental income information has been derived from Adapteo's internal customer invoicing and contract data. Such information has not been prepared in accordance with IFRS and includes certain assumptions made by the management. Accordingly, such data should be considered indicative of Adapteo's customer segmentation and may not be directly comparable to Adapteo's revenue reported in accordance with IFRS.

Key Factors Affecting the Results of Operations

General

Pursuant to the Demerger Plan, all of the assets, debts and liabilities relating to the Modular Space business will transfer without liquidation from Cramo to Adapteo. The results of operations of Adapteo have been affected, and are expected to continue to be affected, by a number of factors that are either mainly outside Adapteo's influence, or external, or within Adapteo's influence, or internal, in nature. The key factors affecting Adapteo's results of operations include, but are not limited to, the following:

Internal factors

- Ability to execute strategy;
- The Demerger and business acquisitions;
- Fleet development and utilisation rate of modules;
- Pricing and product mix;
- Efficiency of operations and operational leverage; and
- Project management and sales organisation.

External factors

- General economic conditions;
- Changes in political and demographic factors;
- Competition;
- Changes in currency exchange rates;
- Regulatory changes; and
- Seasonal variations

The review below describes the key factors that affect the results of the Company's operations.

Internal factors

Ability to execute strategy

One of the main purposes of the Demerger is to allow the different businesses of Cramo to accelerate the implementation of their independent strategies, which Cramo's management expects to create the potential for increased value for Cramo's shareholders and other stakeholders. Adapteo's ability to achieve the anticipated benefits of the Demerger will depend on its ability to organise its business and effectively implement its independent strategy in a timely manner. The ability to execute the Company's strategy affects the Company's results of operations. Successful execution of Adapteo's strategy depends on several factors, some of which are completely or partially outside of Adapteo's control. Adapteo may not necessarily be able to successfully execute its strategy due to the market situation, regulatory changes, operational challenges or a failure in the management of the Company. The execution of the strategy or any amendments or adaptations to its strategy in response to, e.g. failures in the strategy itself may also cause increased costs as a result of the reorganisation of operations.

The Demerger and business acquisitions

Adapteo's net sales during the years ended 31 December 2018, 2017 and 2016 and the three months period ended 31 March 2019 have been impacted by the business acquisitions Cramo has made in its Modular Space business during the recent years. In particular the NMG Acquisition in October 2018 affected, and is expected to affect also in the future, the net sales and results of operations of Adapteo through, for example, increasing Adapteo's rental fleet by approximately 6,500 modules and introducing sales and long-term leasing[152] of Modular Space Solutions into Adapteo's service offering.

On 25 June 2018, Cramo signed an agreement to purchase NMG, and the NMG Acquisition was completed on 31 October 2018. In addition, the Board of Directors of Cramo resolved on 18 February 2019 on a partial demerger of Cramo that

[152] The sales of new modules in the Company's carve-out financial information includes both the sale of modular spaces and long-term leasing with an option to buy the modular space after the lease period. Lease agreements that transfer substantially all of the risks and rewards of ownership to the lessee are classified as finance leases in the carve-out financial information. The sale is recognised when the risks and rewards of ownership of the asset have transferred to the customer. For further information, see "*– Explanation of Key Income Statement Items*".

would result in the incorporation of Adapteo on the Effective Date. The Demerger and the NMG acquisition constitute material transactions for Adapteo. On a pro forma basis, Adapteo's net sales were EUR 52.8 million, pro forma operating profit EUR 9.9 million and pro forma profit for the period was EUR 6.5 million for the three months period ended 31 March 2019. Adapteo's net sales were EUR 52.8 million, operating profit EUR 7.0 million and profit for the period was EUR 4.0 million for the three months period ended 31 March 2019 on carve-out basis. Due to the Demerger, Adapteo's financing structure will be changed from internal financing through Cramo to external financing through financial institutions. Adapteo's net debt as at 31 March 2019 will increase by approximately EUR 33 million on a pro forma basis as compared to the carve-out net debt for the three months period ended 31 March 2019. See "*Unaudited Pro-forma Financial Information*" for further details on the effects of the Demerger and the NMG Acquisition. The Demerger is described in more detail in "*Summary of the Demerger*" and the NMG Acquisition in "*Business of Adapteo – The NMG Acquisition*".

In 2017, the acquisition of the assets of Just Pavillon strengthened Adapteo's presence in Denmark. The NMG Acquisition and the acquisition of Just Pavillon support the growth of Adapteo's net sales by creating possibilities to increase sales by offering new services and solutions to existing and new customers and they facilitate improvement of profitability through economies of scale.

Fleet development and utilisation rate of modules

The main contributors to Adapteo's net sales have been rental sales and revenue from assembly and other services. The development of Adapteo's rental sales is dependent on the size and utilisation rate of its fleet. Changes in the size of the fleet affects the rental sales with a delay, as it typically takes some time before the new modules are rented. During the periods under review, Adapteo has grown its fleet through investments in new modules as well as through the NMG Acquisition, which had a significant impact on the total number of modules. Adapteo also seeks to manage its fleet by disposing particularly some of its older modules when there is demand to purchase them among existing customers, for example. In these instances, Adapteo typically reinvests in new modules to cover the reduction in fleet size and to maintain the level of rental sales generated by the fleet. For the three months ended 31 March 2019, as well as the years ended 31 December 2018, 2017 and 2016, the number of modules in Adapteo's fleet was 32,695, 32,410, 23,947, and 21,738 respectively.

Adapteo's rental sales is also dependent on its ability to rent modules to new customers and repeatedly re-rent them once the previous agreements expire, which is indicated by the utilisation rate of Adapteo's modules. Achieving and maintaining a sufficient utilisation rate is key to sustain stable rental sales and profitability, as well as return on capital employed. Adapteo seeks to manage the utilisation rate of its modules through active project and fleet management, which includes activities such as optimising fleet size as well as shortening the average waiting time for re-rental of existing modules. For the three months ended 31 March 2019 and the years ended 31 December 2018, 2017 and 2016, the utilisation rate of the modules was 85.5, 84.7, 81.8, and 83.5 percent, respectively.

Assembly and other services consist primarily of fees collected from services related to on- and off-site transportation, the assembly and disassembly of modules, customisation solutions as well as design, planning activities and other smaller service components. Revenue from assembly and other services is typically to a large extent generated at the beginning and the end of rental periods, and it is therefore dependent on the number of rental projects established and disassembled. With a typical rental period of approximately five years, these events occur regularly, generating a continuous stream of revenue from assembly and other services that generally develops in line with the number of units on rent and rental sales.

Pricing and product mix

Adapteo's results of operations and profitability depend on the rent it is able to charge its customers for renting or selling its solutions as well as the fees it is able to charge from various assembly and other services, including for example the customisation of modules, assembly, transportation and disassembly. A high share of Adapteo's customers are public sector organisations, and in most cases the pricing is determined as part of a tendering process. In public tenders, pricing is a key decision making criterion and the quantity and quality of competing offers is a key factor affecting the outcome of a tender and subsequently the price levels Adapteo can charge from its customers.

The pricing of Adapteo's solutions is dependent on the type of modules it offers to its customers. Adapteo has a broad rental offering consisting of a number of module series with different quality and technical features. While the pricing of rental and sale of modules is agreed on a case-by-case basis, different module series typically have varying price levels. Changes in the mix of solutions Adapteo rents and sells to its customers can have an impact on Adapteo's results of operations and profitability. Pricing is also dependent on market conditions and competition in particular.

For the three months ended 31 March 2019 and years ended 31 December 2018, 2017 and 2016, the average rent per square meter was EUR 159[153], 163, 162, and 162 per year, respectively. Average rent per sqm grew on average by 0.3 percent in 2016–2018.[154]

Efficiency of operations and operational leverage

Operational efficiency and the effective use of resources are important in the Company's business and have an impact on the results of operations. Efficiently operating the rental and sale of Modular Space Solutions requires a well-invested operating platform and value chain capabilities.

The majority of Adapteo's costs are variable and include direct costs related to the rental and sale of modular spaces. Adapteo's rental operations has historically been a profitable business and the variable costs directly related to rental sales are limited and include primarily repair and maintenance costs resulting from, for example, seasonal maintenance. Variable costs directly related to assembly and other services include primarily the cost of external services, which consists mainly of assembly and disassembly costs. Modular space needs are typically dispersed geographically, and to ensure logistical efficiency, a broad hub network with optimised locations is important.

In addition to repair and maintenance costs that occur during the rental period, Adapteo incurs costs once a module is returned from the customer site and is refurbished in one of Adapteo's hubs. Other materials and service costs include costs of goods sold related to the manufacturing of new Modular Space Solutions. The materials and services costs in total generally move in line with changes in net sales.

For the three months ended 31 March 2019 and the years ended 31 December 2018, 2017 and 2016, the total materials and services costs amounted to EUR 17.2 million, EUR 57.0 million, EUR 50.4 million, and EUR 46.9 million, respectively.

Adapteo's other operating expenses consist mainly of employee benefit expenses, premises, sale and marketing expenses, and administrative costs. The development of these costs depend firstly on the extent to which the operating platform is expanded, and secondly on how successfully the Company can maintain cost control and leverage the existing platform to sustain its operations and growth. While these costs are largely fixed in nature, Adapteo has grown rapidly during the past years and has invested in its operations, which has resulted in an increase in Adapteo's operating costs. The Company continuously aims to improve the efficiency of its operations and it has a number of operational efficiency initiatives, which are designed to improve operational efficiency and contribute to stronger profitability. These initiatives include, among other things, capturing the cost synergies from the NMG Acquisition, factory and hub efficiency optimisation, streamlining of the organisation and the creation of common culture. The operating expenses and results of operations of Adapteo depend, among other things, on the successful execution of these initiatives.

For the three months ended 31 March 2019 and the years ended 31 December 2018, 2017 and 2016, the total employee benefit expenses amounted to EUR 9.1 million, EUR 19.8 million, EUR 15.6 million, and EUR 13.6 million, respectively. During the same periods, other operating expenses amounted to EUR 10.2 million, EUR 19.5 million, EUR 14.2 million and EUR 11.6 million, respectively.

It should be noted that the corporate headquarter costs allocated to Adapteo for the purpose of presenting the historical carve-out financial information may not necessarily represent what these costs would have been if Adapteo had operated as an independent company. Accordingly, Adapteo may, according to management's estimates, incur additional annual costs of EUR 2 million following the Effective Date in order for the Company to operate as an independent listed company, as well as from organising the headquarter functions as compared to the costs allocated to Adapteo in the carve-out financial statements for the year ended 31 December 2018.

Project management and sales organisation

The performance of individual projects is dependent on successful project management, which includes, for example, a determination of overall costs, the pricing guidance in the offering process for public procurements and other tender processes, the use of resources, project planning and scheduling as well as assembly process management, cost control, the handling of modification requests and the execution of projects as agreed and within the agreed timeframe. Competent project managers and the necessary project management processes and tools are essential to the execution of individual projects.

Another key factor relating to the net sales of the Company is the successful sales operations of Adapteo. The Company's sales representatives handle both new client acquisition and existing customer care and are thus actively seeking new business potential. In addition, the Company maintains active communication and collaboration with existing customers, which contributes to customer satisfaction and thus has an impact on re-rentals by existing customers. Adapteo's sales

[153] Interim periods annualized, multiplied by four.
[154] Based on carve-out figures. NMG's average rent per sqm (SEK/year) grew on average by 1.2 percent in 2016 – 2018.

organisations actively participate in market prospection where they can present to municipalities, among other things, the solutions offered by Adapteo before the tender process.

External factors

General economic conditions

The prevailing economic conditions and changes in customers' preferences may affect the Company's business and, as such, be reflected in the Company's results of operations. The macroeconomic and financial market conditions especially in the Company's operating countries are factors that may affect the demand for the Company's services and solutions and order volume especially in the Permanent Space Business Area. In the Rental Space Business Area, the public sector customers have a legal obligation to deliver spaces to varying needs, such as schools and daycares, and thus the business area is not as much impacted by the general economic situation. Moreover, the length of rental contracts further limits the downside risk of a potential market decline.

Changes in political and demographic factors

Changes in political, demographic and technological factors can have an effect on the demand for Adapteo's solutions and services and the prevailing cost level, among other things. A large part of Adapteo's customers are public sector customers responsible for providing several public regulatory and service tasks relating to the built environment, such as daycare, education and elderly care, among other things. Hence, decisions by municipalities and other public sector actors have a significant effect on the demand for new buildings and renovations and thus for Modular Space Solutions.

One of the key drivers in the modular space markets in the Nordics is the ageing building stock in need of renovation, which drives demand for temporary relocation. Temporary spaces are also needed in case of a sudden reduction in the available premises due to, for example, fires, mould or air quality problems. Government budget decisions, among other factors, have an effect on investments in the public sector and thus on the demand for Adapteo's solutions and services.

Demographic changes may have an effect on Adapteo's operating environment over the long-term. Changes in the age structure of the population and internal migration may transfer demand from daycares and schools in growth centres to elderly care facilities in sparsely populated areas with depopulation. In addition, the consolidation of small municipalities in sparsely populated areas to larger municipalities could decrease the demand for modular spaces for temporary relocation if such larger municipalities would have a larger pool of suitable permanent facilities available for their needs.

Competition

Adapteo operates in a competitive business sector. The Rental Market in the Nordics is characterised by a handful of large modular space providers whereas in Germany, which is the largest Rental Market in which the Company has operations, the market is characterised by several large modular space providers. The competitive landscape in the Sales Market varies slightly by geography, but a general feature is that the market is fairly consolidated. During the last few years, new actors have emerged in the Northern European market and actors already present in this market have also expanded geographically within the Northern European market, which could provide markets with new operating models and products.

Adapteo's rental fleet is among the largest in the Nordics, which brings the group competitive advantage as it enables fast delivery and matching demand and supply. Customers generally have diverging needs, and a large fleet enables having a broad range of different solutions readily available for delivery to customer without jeopardising a high utilisation rate. Smaller players are less likely to have solutions readily available to match with customer's unique need and moreover, the returning of modules from customers due to the expiration of the rental contract will have a larger impact on utilisation compared to large players. Having a sizable fleet also enables participation in larger projects, which are often not feasible for smaller players to execute.

Changes in currency exchange rates

Adapteo will operate in several countries and will as a result generate a large portion of its sales and incur a large part of its expenses in currencies other than the euro, primarily in Swedish krona. Adapteo's results of operations will be subject mainly to currency translation risk arising from the translation of foreign subsidiaries' income statements and balance sheets to Adapteo's operating currency. Foreign exchange translation exposure is evaluated quarterly and the hedging decision will be made by the group CFO. Adapteo's foreign exchange transaction exposure consists mainly from loans and loan receivables, derivatives and financial assets and in order to reduce foreign exchange transaction exposure the hedging level should be at 80 percent at the minimum, however, the currency risk arising from sales and purchases is considered insignificant. Hence, according to Adapteo's Treasury Policy, future purchase commitments are not hedged.

Regulatory changes

Adapteo's business is subject to regulation concerning, for example, building and safety regulations. Authorities such as municipalities have the jurisdiction to prepare plans for land use that also steer operations of companies providing modular spaces. In addition, changes in rules and regulations relating to the modules can require significant investments in the modifications of Adapteo's existing modules in order for them to fulfil the stringent laws and regulations regarding the materials, structure and other necessary properties of the modules. While regulation may adversely affect the Company's business, it may also offer opportunities to develop new services and solutions, gain competitive advantage as well as deepen relationships with large customers

Seasonal variations

Adapteo's operating results are not significantly affected by seasonal variations.

Adoption of New or Amended IFRS Standards and Interpretations Applicable in Current and Future Reporting Periods

The Company has adopted the following new or amended IFRS standards issued and endorsed by the European Union.

IFRS 15 Revenue from Contracts with Customers

The Company has adopted the IFRS 15 standard on 1 January 2018. The transition into IFRS 15 did not have material effects on the Company's result or financial position. It has led to slightly earlier revenue recognition for service revenues related to assembly and disassembly services. As a result of the new standard, contract assets and liabilities of a contract are presented on the balance sheet according to their net position.

The Company has applied the cumulative effect approach of IFRS 15 standards transition option, meaning that open contracts at 1 January 2018 were restated into IFRS 15 and cumulative effect of the change was recorded against retained earnings. The historical financial information for the periods prior to 1 January 2018 has not been restated. The impact increased the retained earnings as at 1 January 2018 by EUR 0.3 million, decreased trade and other receivables by EUR 3.2 million and increased trade and other payables by EUR 2.9 million.

The impact of the adoption has been described in more detail in notes 3 and 29 to Adapteo's audited carve-out financial information as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

IFRS 9 Financial Instruments

The Company has adopted the IFRS 9 standard on 1 January 2018. The application of IFRS 9 had slight impact on the credit loss accounting of Adapteo by increasing credit loss allowance and decreasing the retained earnings at 1 January 2018 by EUR 12 thousand. The historical financial information for the periods prior to 1 January 2018 has not been restated.

The impact of the adoption has been described in more detail in the notes 24 and 29 to Adapteo's audited carve-out financial information as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

IFRS 2 Share-based Payments

The Company has adopted the amended IFRS 2 standard on 1 January 2018. The impact of the adoption increased the retained earnings and decreased non-current other liabilities as at 1 January 2018 by EUR 0.4 million. The historical financial information for the periods prior to 1 January 2018 has not been restated

The impact of the adoption has been described in more detail in the 7 and 29 to Adapteo's audited carve-out financial information as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

IFRS 16 Leases

The Company has adopted the IFRS 16 standard on 1 January 2019. Adapteo has applied the modified retrospective approach in the transition and has not restated its historical financial information for the financial periods prior to 1 January 2019, as permitted by the transitional provisions of the standard. On adoption of the IFRS 16 standard, Adapteo recognised lease liabilities in relation to leases which had previously been classified as operating leases under the IAS 17 standard. The adoption of the IFRS 16 standard increased property, plant and equipment by EUR 16.1 million and lease liabilities by EUR 14.4 million and decreased finance lease liabilities by 0.7 EUR million in the opening balance on 1

January 2019. The difference between opening balance of property, plant and equipment and lease liabilities was due to prepayments made before the effective date of the standard. Prepayments had no impact on items on property, plant and equipment as they were recognised to decrease the opening balance of the lease liability.

The impact of the IFRS 16 standard has been described in more detail in note 8 to Adapteo's carve-out financial information for the three months period ended 31 March 2019 and in note 29 to Adapteo's audited carve-out financial information as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

Recent Events

Other than what is described below and the planning of the Demerger, there has not been any significant change in the financial or trading position of Adapteo between 31 March 2019 and the date of this Demerger Prospectus.

On 2 May 2019, Cramo gave notice to convene an Extraordinary Meeting of Shareholders to resolve on the approval of the Demerger and the Demerger Plan, on the number and remuneration of the members of the Board of Directors, to elect the members of the Board of Directors and the auditor, to resolve on the remuneration of the auditor and to establish a Shareholders' Nomination Committee of Adapteo.

On 2 May 2019, Cramo announced it had appointed the President and CEO and Group Management Team of Adapteo effective upon the completion of the Demerger. For additional information on the President and CEO and Group Management Team of Adapteo, see "*Board of Directors, Management and Auditors – President and CEO*" and "*Board of Directors, Management and Auditors – President and CEO – Group Management Team*".

On 21 May 2019, Cramo announced that its Board of Directors has resolved to amend its proposals to the EGM concerning the composition of the Board of Directors of Adapteo. According to the amended proposals, the Board of Directors of Cramo proposes to the EGM that the number of members of the Board of Directors of Adapteo shall be five in order to meet Nasdaq Stockholm's listing requirements with respect to sufficient independence from Cramo. For additional information on the proposed members of the Board of Directors of Adapteo, see "*Board of Directors, Management and Auditors – Board of Directors"*.

Future Outlook

This section "Future Outlook" contains forward-looking statements, which are no guarantees of Adapteo's financial performance in the future. Adapteo's actual results of operations and financial position could differ materially from those presented in or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described in "Risk Factors" and "Certain Matters – Forward-Looking Statements". Undue reliance should not be placed on these forward-looking statements.

Adapteo's management believes that the Company's business environment will not change significantly in 2019 compared to the previous year. The Company's business operations are to some extent dependent on the development of the Rental and Sales Markets. Overall the Company believes that the demand for Modular Space Solutions will continue to be supported by structural demand drivers including urbanisation, an ageing building stock as well as increasing need for social infrastructure due to a growing number of children and elderly population. In the Rental Space Business Area, Adapteo's management expects the demand for Modular Space Solutions to show positive development, supporting the business operations in 2019. The Rental Market is expected to grow over 10 percent in Finland and Denmark and 5 to 10 percent in Sweden, Norway and Germany. On the other hand, in the Permanent Space Business Area, the Company expects the demand to be somewhat weaker. In 2018 the size of Adapteo's fleet grew at a slightly slower pace compared to the previous year and this year Adapteo will continue to gradually grow its rental fleet.

Carve-out Financial Information and Factors Influencing Comparability

Basis of preparation of carve-out financial information

Adapteo has not in the past formed a separate legal group. The audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 and the unaudited carve-out financial information of Adapteo as at and for the three months period ended 31 March 2019, including unaudited comparative carve-out financial information as at and for the three months period ended 31 March 2018, have been prepared on a carve-out basis from Cramo's consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to legal entities and business units of Adapteo ("**Adapteo entities**"), including certain of Cramo's income and expenses, assets and liabilities and cash flows that will either be transferred from Cramo to Adapteo in the Demerger or have been allocated to Adapteo for the purpose of the preparation of the carve-out financial information.

The following table sets forth the legal entities included in the carve-out financial information of Adapteo entities:

Company name	Country of incorporation	Holding (percent)
Subsidiaries owned by parent company		
Adapteo Holding AB (Nordic Modular Group Holding AB ("NMG")):[1]	Sweden	100%
Temporent AB	Sweden	100%
Temporent Oy	Finland	100%
Temporent AS	Norway	100%
Temporent A/S	Denmark	100%
Flexihus Rent i Sverige AB	Sweden	100%
Flexator AB	Sweden	100%
Flexator Leasing AB (Nordic Modular Leasing AB)	Sweden	100%
Adapteo Services AB (Nordic Modular Group AB)	Sweden	100%
Adapteo Finland Oy (Cramo Adapteo Oy[2])	Finland	100%
Adapteo AB (Cramo Adapteo AB)	Sweden	100%
Adapteo AS (Cramo Adapteo AS[3])	Norway	100%
Adapteo A/S (Cramo A/S[4])	Denmark	100%
Adapteo GmbH (Cramo Adapteo GmbH)	Germany	100%
Joint venture		
Ungabostäder Haninge AB	Sweden	50%

[1] NMG was acquired on 31 October 2018.
[2] Cramo Adapteo Oy since 1 June 2018 and the Adapteo business included in Cramo Finland Oy from 1 January 2016 to 31 May 2018.
[3] Cramo Adapteo AS since 1 July 2018 and the Adapteo business included in Cramo AS from 1 January 2016 to 30 June 2018.
[4] Cramo A/S since 1 September 2018 and the Adapteo business included in Cramo A/S from 1 January 2016 to 31 August 2017. The Equipment rental business included in Cramo A/S was divested on 31 August 2017.

The carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 have been prepared in accordance with IFRS as adopted by the EU under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to Adapteo. As IFRS does not provide guidance for the preparation of carve-out financial statements, certain conventions commonly used for the preparation of historical financial information have been applied in preparing the carve-out financial statements for inclusion in this Demerger Prospectus. The application of these carve-out conventions has been described shortly below and in more detail in note 1 to carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016. The unaudited carve-out financial information of Adapteo as at and for the three months period ended 31 March 2019, including unaudited comparative carve-out financial information as at and for the three months period ended 31 March 2018, has been prepared in accordance with "*IAS 34 – Interim Financial Reporting*" under the same considerations as described above.

The carve-out financial information does not necessarily reflect what the combined results of operations, financial position and cash flows would have been, had Adapteo with its subsidiaries existed as a separate legal group from 1 January 2016 and had it, therefore presented stand-alone consolidated financial information during the periods presented. Further, the carve-out financial information may not be indicative of Adapteo's future performance, financial position or cash flows. In addition, the effects of the Demerger have not been reflected in the carve-out financial information. See "*Unaudited Pro Forma Financial Information*".

Principles applied in preparing the carve-out financial information

General

Carve-out financial statements include the allocations of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of costs of certain centrally provided services, cash management and financing related allocations, determination of current and deferred income taxes and invested equity.

Cramo's management considers that the carve-out allocations have been made on a reasonable basis, but are not necessarily indicative of the revenues and expenses that would have been incurred if Adapteo had been a stand-alone entity preparing consolidated financial statements for the periods presented.

Intercompany transactions and transactions with related parties

Intercompany transactions, including assets and liabilities between Adapteo entities have been eliminated from the carve-out financial information. The carve-out financial information includes Adapteo's transactions and balance sheet items. Intercompany transactions and balance sheet items with other Cramo companies previously considered as intercompany transactions in Cramo's consolidated reporting have been treated as transactions with related parties.

Cramo Plc's intercompany receivables and liabilities due to or due from Adapteo entities, other than intercompany loan balances due from Adapteo entities as described under "Cash management and financing" below, have been allocated to Adapteo, including the financial income and expenses relating to these receivables and liabilities.

Carrying values for subsidiary shares of Adapteo subsidiaries previously owned by Cramo's parent company have been allocated to Adapteo's parent company. The acquisition cost method has been used to eliminate the acquisition cost of subsidiaries.

Invested equity

Adapteo has not in the past formed a separate legal group nor presented stand-alone consolidated financial statements, and accordingly, it is not feasible to present share capital or an analysis of equity reserves. Adapteo's net assets for each balance sheet date are represented by capital invested in Adapteo and shown as "Invested equity" in the combined balance sheet comprising of cumulative translation differences as well as invested equity and retained earnings.

Changes in net assets allocated to Adapteo are presented separately in the combined statement of changes in invested equity through line "Equity transactions with Cramo Group" and in the combined cash flow statements through line "Equity financing with Cramo Group, net", reflecting the internal financing between Cramo group and Adapteo during the periods presented. The amount of which is affected by the net assets allocated to the Adapteo entities consisting of allocation of income and expenses and assets and liabilities of Cramo Plc, Cramo Services AB and other Cramo Group entities comprising of both Adapteo and Equipment Rental businesses.

The carve-out financial information is presented in euro, which will be Adapteo's parent company's functional and reporting currency. Adapteo entities have also other functional currencies. Translation differences arising from translating the results for the period and equity are recognised in the separate cumulative translation differences within total invested equity and their changes are presented in other comprehensive income.

Centrally provided services

Cramo has historically provided services to its subsidiaries, such as Group management, finance and accounting, Modular Space management, human resources, sustainability, information technology, communications, fleet management and group projects & development. Centrally provided services have historically been recharged from Cramo group companies for costs that have arisen from services conducted on behalf of the Cramo group companies. These historically recharged costs have been allocated to Adapteo entities and are included in the carve-out financial statements.

Cramo's parent company and Cramo Services AB have also been responsible for the management and general administration of Cramo Group. For the purposes of the preparation of the carve-out financial statements a portion of Cramo's parent company's and Cramo Service AB's shared income and expense items relating to Cramo group management and general administration not historically allocated to subsidiaries have been allocated to Adapteo. Allocations of the income and expense items are based on the sales or specific identifications such as project and users or based on number of employees, which the management believes to be an appropriate allocation principle.

These allocated income and expense items were affected by the arrangements that existed in Cramo group and are not necessarily representative of the position that may prevail in the future for Adapteo.

Share-based payments

Adapteo key personnel have historically participated in Cramo's share-based incentive plans. The carve-out financial statements include employee cost allocations related to these participations based on the actual number of Adapteo employees over the cost recorded at Cramo. In addition, as part of the allocation of the centrally provided services as described above, a portion of share-based payments related to Cramo group's top management has been allocated to the carve-out financial statements. The historical cost allocations may not be indicative of the future expenses that will be incurred through incentive schemes that will be established for Adapteo's key personnel following the Demerger.

Cash management and financing

Cash management is centralised and Cramo group's liquidity needs are mainly managed through cash pool arrangements. Adapteo's cash and cash equivalents comprise of cash held by Adapteo legal entities. In the Demerger, Adapteo Plc receives a portion of cash and cash equivalents of Cramo Plc that represents an amount that is appropriate for Adapteo's operations and working capital needs at the time of the completion of the Demerger. No portion of Cramo Plc's cash and cash equivalents has been allocated to the carve-out financial statements.

Cramo group's external financing is centralised and managed by Cramo Plc. Subsidiaries' working capital needs have historically been funded mainly by intercompany loans in addition to cash pool arrangements. In order to show the impacts of the historical intercompany financing of Adapteo entities (other than in October 2018 acquired NMG entities), the intercompany loan balances including cash pool arrangements due to Cramo Plc have been included as financial liabilities in these carve-out financial statements and are presented as related party transactions. The intercompany loan balances for those Adapteo entities which have historically been part of Cramo legal entities have been allocated to Adapteo based on the respective entity's historical capital employed ratio. The related interest income and expense in these carve-out financial statements have been determined based on the interest charges recorded directly by the Adapteo legal entities or allocated to the Adapteo entities. In connection with the Demerger, Cramo Plc's intercompany loan receivables from Adapteo entities will be transferred to the new Adapteo Plc. Accordingly, these intercompany balances will be fully eliminated from Adapteo's consolidated financial statements after the Demerger.

The external debt financing of the demerging Cramo Plc and the related interest expenses that are directly attributable to Adapteo's operations are included in the carve-out financial statements in accordance with the demerger plan, consisting mainly of financing arrangements related to the NMG Acquisition in October 2018. In addition, carve-out financial statements comprise existing external funding arrangements and the related interest expenses of other Adapteo entities.

In connection with the Demerger, in addition to external debt amounts directly attributable to Adapteo, a certain amount of Cramo's external debt will be transferred to Adapteo Plc in accordance with the Demerger Plan. Cramo has been negotiating with the primary financers and has obtained financing commitments for Adapteo consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility, which will be used for refinancing of interest-bearing liabilities transferred to Adapteo in the Demerger and financing general corporate purposes. The carve-out financial statements have not been adjusted to reflect the additional portion of Cramo Plc's external debt transferring to Adapteo in the Demerger or the effects of the obtained financing commitments.

In addition, the finance costs included in the carve-out financial statements may not necessarily represent what the finance costs would have been, had Adapteo historically obtained financing on a stand-alone basis. These costs may not be indicative of the cost of financing that will arise for Adapteo in the future.

Derivatives

External derivative financial contracts entered into by Cramo have been allocated to Adapteo if those are directly attributable to Adapteo. The derivative financial instruments allocated to the carve-out financial statements comprise of foreign currency option, swap and currency forwards agreements related to the NMG Acquisition. These arrangements were settled during 2018 and related income and costs are included in the carve-out financial statements.

Income taxes

During the periods presented in the carve-out financial statements, the legal entities in Adapteo have operated as separate taxpayers. For these entities the tax charges and the tax liabilities and tax receivables in the carve-out financial statements are based on actual taxation.

Some of Adapteo's entities have historically been included in Cramo legal entities including operations other than operations of Adapteo. During the periods presented, these Adapteo entities did not file separate tax returns. Tax charges in these carve-out financial statements have been determined based on the separate return method, as if the Adapteo entities were separate taxpayers in the jurisdiction of their primary operations. The current tax provision is the amount of tax payable or refundable based on the Adapteo entity's hypothetical, current-year separate return and has been recorded as current income tax expense and as a shareholder transaction through invested equity in the carve-out financial statements. After computing its current tax payable or refund, the Adapteo entity has provided deferred taxes on its temporary differences and on any tax loss carry forwards that it could claim on its hypothetical return. Deferred taxes on temporary differences are recognised where such temporary differences exist.

In the carve-out financial statements any changes in deferred tax assets relating to Adapteo legal entity's tax loss carry forwards in Denmark arisen from sold equipment rental business prior its disposal in 2017 have been recognised through invested equity as they are deemed to be contributions from or distributions to Cramo group.

The line item "income taxes paid" in the combined cash flow statement reflects current taxes for all carve-out locations as they are deemed to be paid by the respective tax filing group. To the extent that historically there has been no settlement through cash such tax payments are deemed to be contributions from or distributions to Cramo group and deemed to be settled immediately through equity. Such settlement through equity is reflected in the line item "Equity financing with Cramo Group, net" in the financing section of the combined cash flow statement.

The tax charges recorded in the combined income statement are not necessarily representative of the tax charges that may arise in the future.

Earnings per share

As the carve-out financial statements have been prepared on a carve-out basis, it is not possible to measure earnings per share for any of the periods presented. Adapteo has not had share capital during the periods presented nor can a portion of Cramo's outstanding shares be allocated to it. Additionally, the combined income statement information included in the carve-out financial statements does not include the finance costs on the planned debt structure after the Demerger. Also the results of the acquired NMG business have been included in the carve-out financial statements for the year ended 31 December 2018 from the acquisition date, i.e. only for the two month period. Therefore, management considers that presenting an earnings per share ratio calculated on the carve-out information would not accurately reflect the historical earnings per share. Accordingly, the requirement of IAS 33 "Earnings per share" to disclose earnings per share, is not met.

The NMG Acquisition

The NMG Acquisition was completed on 31 October 2018, from which date NMG has been included into Adapteo's carve-out financial statements. Consequently, the combined balance sheet data for Adapteo as at 31 March 2019 and 31 December 2018 differs significantly from the balance sheet for prior periods. Adapteo's results of operations and cash flows for the year ended 31 December 2018 include results of NMG operations and related cash flows only for the two months period from 1 November 2018 to 31 December 2018. Thus, Adapteo's historical financial information for the periods preceding the completion of the NMG Acquisition does not include the results of NMG's operations and are not comparable. For pro forma impact on the NMG Acquisition on Adapteo's results of operations for the year ended 31 December 2018, see "*Unaudited Pro Forma Financial Information*".

Explanation of Key Income Statement Items

Net sales

Net sales consist of Adapteo's rental sales, assembly and other services and sales of new modules.

Rental sales is generated from leases of temporary Modular Space Solutions with contract lengths varying from short-term event business rentals to longer-term, several year-contracts to both municipalities and private customers. Rental sales is derived from both Modular Space Solutions and accessories.

Assembly and other services include short-term services related to on-site and off-site transportations, assembly and disassembly of modules, customisation solutions as well as design, planning activities and other smaller service components such as seasonal services during the rental period. Other revenue-generating services include repair and maintenance services.

Sales of new modules include revenue generated through sales of new tailor-made turnkey Modular Space Solutions. Customers can either buy or enter into a long-term leasing contract with an option to buy the Modular Space Solution after the lease period. The sales of new modules also includes the sale recognised in connection with the long-term rental agreements fulfilling the criteria for finance leasing.

Other operating income

Other operating income mainly includes net gains on sale of used modular space and interest income from finance lease receivables.

Materials and services

Materials and services include costs incurred related to rental of fleet such as leased furniture and accessories, maintenance and repair costs. Materials and services include also assembly and disassembly cost related to the rental fleet. In addition, materials and services include production costs related to manufacturing of new Modular Space Solutions. Production costs do not include employee benefit expenses.

Employee benefit expenses

Employee benefit expenses consists of salaries and fees, termination benefits, share-based payments, social security costs and pension costs arising from defined contribution plans.

Other operating expenses

Other operating expenses consists of premises expenses, sales and marketing costs, administrative costs and other costs including direct transaction and integration costs related to the acquisitions and expenses related to the Listing.

Depreciation, amortisation and impairment

Depreciation consists of depreciation of property, plant and equipment such as buildings, rental equipment, rental accessories and other machinery and equipment. Amortisation consist of amortisation of intangible assets recognised in connection with the business acquisitions consisting of brand, customer relationships and non-competition agreements as well as amortisations of other intangible assets such as software. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Share of profit of joint ventures

Share of profit of joint ventures consist of Adapteo's share of profits or loss of Ungabostäder Haninge AB.

Finance costs, net

Finance income consists mainly of the interest income of loans and other receivables, exchange rate gains and other finance income. Finance costs include mainly interest expenses on loans from Cramo, bank loans, convertible loan and financial leases, exchange rate losses and other finance costs.

Results of Operations

General

The review below describes Adapteo's results of operations for the three months period ended 31 March 2019 and 31 March 2018 as well as for the years ended 31 December 2018, 31 December 2017 and 31 December 2016.

In order to enhance comparability between periods, Adapteo reports comparable EBITDA, which excludes effects of material items outside ordinary course of business such as costs related to the contemplated Listing and acquisition and integration related expenses. Comparable EBITDA is one of the key performance indicators used by the management when assessing the business performance of the business.

Three months period ended 31 March 2019 compared to three months period ended 31 March 2018

The following table presents a summary of Adapteo's carve-out combined income statement for the periods indicated:

Carve-out combined income statement data	**1 January – 31 March**	
In EUR million	**2019**	**2018**
	(unaudited)	
Net sales	**52.8**	**32.3**
Other operating income	1.0	0.1
Materials and services	-17.2	-11.3
Employee benefit expenses	-9.1	-3.6
Other operating expenses	-10.2	-3.9
Depreciation, amortisation and impairments	-10.4	-5.9
Share of profit of joint ventures	0.0	-
Operating profit (EBIT)	**7.0**	**7.7**
Finance costs, net	-1.9	-1.0
Profit before taxes	**5.0**	**6.8**
Income taxes	-1.0	-1.6
Profit for the period	**4.0**	**5.1**

The following table presents the reconciliation of EBITDA and comparable EBITDA to operating profit (EBIT) for the periods indicated:

Reconciliation of EBITDA and comparable EBITDA	**1 January – 31 March**	
In EUR million	**2019**	**2018**
	(unaudited)	
Operating profit (EBIT)	7.0	7.7
Depreciation, amortisation and impairments	10.4	5.9
EBITDA	**17.3**	**13.6**
Costs related to the contemplated listing	3.0	-
Acquisition and integration related expenses	0.5	-
Restructuring costs	1.7	-
Comparable EBITDA	**22.4**	**13.6**

Net sales

Adapteo's net sales were EUR 52.8 million for the three months period ended 31 March 2019, an increase of EUR 20.6 million, or 63.8 percent, as compared to EUR 32.3 million for the three months period ended 31 March 2018. This increase in net sales was mainly attributable to the NMG Acquisition in October 2018, a positive market development, growth investments and a higher utilisation rate. The organic net sales growth was 7.1 percent for the three months period ended 31 March 2019.

The following table sets forth Adapteo's net sales by geographical area for the periods indicated:

Net sales by geographical area	**1 January – 31 March**	
In EUR million	**2019**	**2018**
	(unaudited)	
Sweden	33.0	14.7
Finland	10.0	7.8
Norway	1.6	1.4
Denmark	4.8	5.2
Germany	3.5	3.3
Net sales	**52.8**	**32.3**

The following table sets forth Adapteo's net sales and its change by rental sales, assembly and other services and sales of new modules for the periods indicated:

Net sales breakdown	**1 January – 31 March**		**Change**	
In EUR million, unless otherwise indicated	**2019**	**2018**	**MEUR**	**%**
	(unaudited)		**(unaudited)**	
Rental sales	33.2	22.8	10.4	45.5
Assembly and other services	10.7	9.2	1.5	16.0
Sales, new modules	8.9	0.2	8.7	4365.7
Net sales	**52.8**	**32.3**	**20.6**	**63.8**

Rental sales

The increase in rental sales for the three months period ended 31 March 2019 was mainly due to the NMG Acquisition, the impact of growth investments and a higher utilisation rate. The organic rental sales growth was 11.2 percent.

Assembly and other services

The increase in assembly and other services for the three months period ended 31 March 2019 was mainly due to the increased number of project deliveries as compared to the previous year and the NMG Acquisition.

Sales, new modules

The increase in the sales of new modules for the three months period ended 31 March 2019 was mainly due to the NMG Acquisition and the introduction of sales business to Adapteo's solutions.

Operating expenses

The following table sets forth Adapteo's operating expenses and their change for the periods indicated:

In EUR million	1 January – 31 March		Change
	2019	2018	
	(unaudited)		(unaudited)
Other operating income	1.0	0.1	0.8
Materials and services	-17.2	-11.3	-5.9
Employee benefit expenses	-9.1	-3.6	-5.5
Other operating expenses	-10.2	-3.9	-6.3
Depreciation, amortisation and impairment	-10.4	-5.9	-4.5

The increase in the other operating income for the three months period ended 31 March 2019 was mainly due to interest income from finance lease receivables.

The increase in materials and services for the three months periods ended 31 March 2019 was primarily due to the NMG Acquisition and the increase in sales of new modules and related expenses.

The increase in the employee benefit expenses for the three months period ended 31 March 2019 was mainly due to an increase in the Company's average number of employees, which led to an increase in salaries and benefits. Approximately 230 employees joined the Company following the NMG Acquisition. Employee benefit expenses for the three months period ended 31 March 2019 include items affecting comparability of EUR 1.7 million relating to severance payments in connection with reorganisations.

The increase in the other operating expenses for the three months period ended 31 March 2019 was mainly due to the NMG Acquisition as well as related integration expenses of EUR 0.5 million and expenses of EUR 3.0 million related to the Listing.

The amount of depreciation, amortisation and impairment increased during the three months period ended 31 March 2019 mainly due to investments in new rental equipment and accessories and the NMG Acquisition.

EBITDA and Comparable EBITDA

EBITDA was EUR 17.3 million for the three months period ended 31 March 2019 an increase of EUR 3.8 million as compared to EUR 13.6 million for the three months period ended 31 March 2018. EBITDA includes items affecting comparability in total of EUR 5.1 million for the three months period ended 31 March 2019 consisting mainly of costs related to the Listing of EUR 3.0 million, integration costs related to the NMG Acquisition of EUR 0.5 million and severance payments in connection with reorganisations of EUR 1.7 million. EBITDA for the three months period ended 31 March 2018 does not include items affecting comparability.

Comparable EBITDA was EUR 22.4 million for the three months period ended 31 March 2019, an increase of EUR 8.9 million, or 65.3 percent, as compared to EUR 13.6 million for the three months period ended 31 March 2018. Adapteo's comparable EBITDA margin was 42.5 percent for the three months period ended 31 March 2019 and 42.1 percent for the three months period ended 31 March 2018.

The increase in the comparable EBITDA was mainly due to the NMG Acquisition, the positive development of the operations in Sweden and Germany as well as organic rental sales growth.

Operating profit (EBIT)

Adapteo's operating profit was EUR 7.0 million for the three months period ended 31 March 2019, a decrease of EUR 0.8 million, or 9.7 percent, as compared to EUR 7.7 million for the three months period ended 31 March 2018. Items affecting comparability had a negative impact of EUR 5.1 million for the three months period ended 31 March 2019, consisting mainly of expenses related to the Listing of EUR 3.0 million, integration expenses of EUR 0.5 million related to the NMG Acquisition as well as severance payments in connection with reorganisations of EUR 1.7 million. In addition, the operating profit was negatively impacted by an increase in depreciations resulting mainly from the NMG Acquisition and from new fleet acquisitions. The operating profit was positively impacted by the NMG Acquisition, the positive development of the operations in Sweden and Germany as well as by organic rental sales growth.

Finance costs, net

Net finance costs were EUR 1.9 million for the three months period ended 31 March 2019, an increase of EUR 1.0 million, or 101.3 percent, as compared to net finance costs of EUR 1.0 million for the three months period ended 31 March 2018.

This increase in net finance expenses was mainly due an increase in interest expenses due to new debt financing related to the NMG Acquisition.

Income tax expenses

Income tax expenses were EUR 1.0 million for the three months period ended 31 March 2019 and EUR 1.6 million for the three months period ended 31 March 2018. The decrease in income tax expense for the three months period ended 31 March 2019 was mainly due to a decrease in taxable income.

Profit for the period

Profit for the period was EUR 4.0 million for the three months period ended 31 March 2019, a decrease of EUR 1.1 million, or 21.5 percent, as compared to EUR 5.1 million for the three months period ended 31 March 2018 reasons for which are described above.

Comparison of the financial years ended 31 December 2018, 2017 and 2016

The following table presents a summary of Adapteo's carve-out combined income statement for the periods indicated:

Combined income statement	**1 January – 31 December**		
In EUR million	**2018**	**2017**	**2016**
		(audited)	
Net sales	**152.0**	**126.6**	**118.3**
Other operating income	1.6	2.2	2.3
Materials and services	-57.0	-50.4	-46.9
Employee benefit expenses	-19.8	-15.6	-13.6
Other operating expenses	-19.5	-14.2	-11.6
Depreciation, amortisation and impairments	-27.9	-21.8	-18.3
Share of profit of joint ventures	-0.0	-	-
Operating profit (EBIT)	**29.3**	**26.9**	**30.2**
Finance costs, net	-3.4	-2.7	-2.2
Profit before taxes	**25.9**	**24.2**	**28.0**
Income taxes	-5.0	-5.3	-6.1
Profit for the year	**20.9**	**18.9**	**22.0**

The following table presents the reconciliation of EBITDA and comparable EBITDA to operating profit (EBIT) for the periods indicated:

Reconciliation of EBITDA and comparable EBITDA	**1 January – 31 December**		
In EUR million	**2018**	**2017**	**2016**
		(unaudited)	
Operating profit (EBIT)	29.3	26.9	30.2
Depreciation, amortisation and impairments	27.9	21.8	18.3
EBITDA	**57.2**	**48.7**	**48.5**
Costs related to the contemplated listing	1.4	-	-
Acquisition and integration related expenses	3.2	-	-
Comparable EBITDA	**61.8**	**48.7**	**48.5**

Net sales

Adapteo's net sales were EUR 152.0 million, EUR 126.6 million and EUR 118.3 million for the years ended 31 December 2018, 2017 and 2016, respectively. For the year ended 31 December 2018, Adapteo's net sales increased by EUR 25.4 million, or 20.0 percent, as compared to the year ended 31 December 2017, when net sales increased by EUR 8.3 million, or 7.0 percent, as compared to the year ended 31 December 2016.

The increase in net sales for the year ended 31 December 2018 was driven by 10.3 percent organic sales growth and the NMG Acquisition and the expanded business model subsequent thereto. Good level of project deliveries and improved utilisation rates supported the increase in organic net sales. The adoption of the IFRS 15 standard from 1 January 2018 onwards increased net sales by EUR 2.9 million related to revenue recognition on partially completed projects.

The increase in net sales for the year ended 31 December 2017 was mainly due to good demand for modular space projects in all countries where the Company operates as a consequence of which the project deliveries increased during the second half of the year, and the acquisition of the assets of Just Pavillon A/S in Denmark.

The following table sets forth Adapteo's net sales by geographical area for the periods indicated:

Net sales by geographical area	**1 January – 31 December**		
In EUR million	**2018**	**2017**	**2016**
		(audited)	
Sweden	74.5	59.6	57.0
Finland	37.0	34.3	33.1
Norway	7.3	7.5	7.1
Denmark	18.7	13.8	12.0
Germany	14.5	11.3	9.1
Net sales	**152.0**	**126.6**	**118.3**

The following table sets forth Adapteo's net sales and its change by rental sales, assembly and other services and sales of new modules for the periods indicated:

Net sales breakdown	**1 January – 31 December**			**Change**			
In EUR million, unless otherwise indicated	**2018**	**2017**	**2016**	**2018–2017**		**2017–2016**	
		(audited)		**(unaudited)**			
Rental sales	100.0	84.6	77.5	15.3	18.1%	7.2	9.3%
Assembly and other services	45.8	40.1	40.5	5.8	14.4%	-0.4	-1.1%
Sales, new modules	6.2	2.0	0.4	4.2	216.0%	1.6	407.8%
Total net sales	**152.0**	**126.6**	**118.3**	**25.4**	**20.0%**	**8.3**	**7.0%**

Rental sales

The increase in rental sales for the year ended 31 December 2018 was mainly due to a good level of project deliveries, improved utilisation rates and the NMG Acquisition. Organic rental sales growth was 13.7 percent in 2018. For the year ended 31 December 2017 the increase was mainly affected by the project deliveries during the second half of the year and the acquisition of Just Pavillon A/S. Organic rental sales growth was 8.7 percent in 2017.

Assembly and other services

The increase in assembly and other services for the year ended 31 December 2018 was mainly due to the adoption of the IFRS 15 standard and the NMG Acquisition. Assembly and other services for the year ended 31 December 2017 decreased mainly due to different sales mix to customers and customer projects.

Sales, new modules

The increase in the sales of new modules for the year ended 31 December 2018 was mainly due to the NMG Acquisition and introducing sales business into Adapteo's solutions. For the year ended 31 December 2017, the increase was mainly due to higher sales volumes in Germany.

Operating expenses

The following table sets forth Adapteo's operating expenses and their change for the periods indicated:

	1 January – 31 December			**Change**	
In EUR million	**2018**	**2017**	**2016**	**2018–2017**	**2017-2016**
		(audited)		**(unaudited)**	
Other operating income	1.6	2.2	2.3	-0.7	0.0
Materials and services	-57.0	-50.4	-46.9	-6.6	-3.5
Employee benefit expenses	-19.8	-15.6	-13.6	-4.2	-2.0
Other operating expenses	-19.5	-14.2	-11.6	-5.3	-2.6
Depreciation, amortisation and impairment	-27.9	-21.8	-18.3	-6.1	-3.4

The decrease in the other operating income for the year ended 31 December 2018 was mainly due to lower gain on sale of old fleet. The other operating income for the year ended 31 December 2017 and 2016 remained at the same level.

The increase in materials and services for the year ended 31 December 2018 was primarily due to the NMG Acquisition and increase in costs related to sales of new modules. During the year ended 31 December 2017 the materials and services increased mainly due to a cost increase related to assembly and other services.

The increase in the employee benefit expenses for the year ended 31 December 2018 was mainly due to an increase in the Company's average number of employees, which led to an increase in salaries and benefits. Approximately 230 employees joined the Company following the NMG Acquisition. During the year ended 31 December 2017 the employee benefit expenses increased primarily due to an increase in the Company's average number of employees.

The increase in the other operating expenses for the year ended 31 December 2018 was mainly due to the NMG Acquisition and direct transaction costs and integration expenses relating to the NMG Acquisition as well as expenses relating to the preparations for the Demerger and Listing whereas for the year ended 31 December 2017 the increase is explained by growing organisation.

The amount of depreciation, amortisation and impairment was increased during the year ended 31 December 2018 mainly due to new investments in rental equipment and accessories and the NMG Acquisition as well as restructuring measures during 2018 resulting in impairment losses of EUR 1.4 million related to rental equipment. During the year ended 31 December 2017 the increase was mainly due to new investments in rental equipment and accessories and the acquisition of Just Pavillon A/S.

EBITDA and Comparable EBITDA

EBITDA was EUR 57.2 million, EUR 48.7 million and EUR 48.5 million for the years ended 31 December 2018, 2017 and 2016, respectively. For the years ended 31 December 2018 and 2017, Adapteo's EBITDA increased by EUR 8.5 million and EUR 0.1 million, respectively. EBITDA includes items affecting comparability in total of EUR 4.6 million for the year ended 31 December 2018 consisting mainly of costs related to the Listing of EUR 1.4 million and direct transaction and integration costs related to the NMG Acquisition of EUR 3.2 million. There were no items affecting comparability in EBITDA during the years ended 31 December 2017 and 2016.

Comparable EBITDA was EUR 61.8 million, EUR 48.7 million and EUR 48.5 million for the years ended 31 December 2018, 2017 and 2016, respectively. For the year ended 31 December 2018, Adapteo's comparable EBITDA increased by EUR 13.1 million, or 26.9 percent, as compared to the year ended 31 December 2017, when comparable EBITDA increased by EUR 0.1 million, or 0.3 percent, as compared to the year ended 31 December 2016. Adapteo's comparable EBITDA margin was 40.6 percent, 38.4 percent and 41.0 percent for the years ended 31 December 2018, 2017 and 2016, respectively.

Comparable EBITDA for the year ended 31 December 2018 increased mainly due to improved utilisation rates and higher rental sales compared to the previous year, as well as performance improvement actions carried out in 2017 and in 2018. Comparable EBITDA was also positively impacted by the NMG Acquisition. Comparable EBITDA for the year ended 31 December 2017 remained at the same level as for the year ended 31 December 2016 and was negatively impacted by cost overruns and organisational restructuring in Finland and Germany, as well as the measures taken to support further growth.

Operating profit (EBIT)

Adapteo's operating profit amounted to EUR 29.3 million, EUR 26.9 million and EUR 30.2 million for the years ended 31 December 2018, 2017 and 2016, respectively. For the year ended 31 December 2018, Adapteo's operating profit increased by EUR 2.4 million, or 8.9 percent, as compared to the year ended 31 December 2017, when operating profit decreased by EUR 3.3 million, or 10.9 percent, as compared to the year ended 31 December 2016.

Operating profit for the year ended 31 December 2018 increased mainly due to improved utilisation rates and higher rental sales compared to the previous year, as well as performance improvement actions carried out in 2017 and in 2018. The operating profit for the year ended 31 December 2018 was also positively impacted with approximately EUR 2.0 million by the NMG Acquisition, and negatively impacted by items affecting comparability of EUR 4.6 million consisting mainly of costs related to the Listing of EUR 1.4 million and direct transaction and integration costs related to the NMG Acquisition of EUR 3.2 million. Decrease in the operating profit for the year ended 31 December 2017 was mainly caused by cost overruns and organisational restructuring in Finland and Germany, the measures taken to support further growth as well as the increased depreciation charges as a result of the new investments made to the rental equipment and accessories. There were no items affecting comparability in operating profit during the years ended 31 December 2017 and 2016.

Finance costs, net

Net finance costs were EUR 3.4 million, EUR 2.7 million and EUR 2.2 million for the years ended 31 December 2018, 2017 and 2016, respectively. Net finance costs for the year ended 31 December 2018 increased by EUR 0.7 million, or 27.6 percent, as compared the year ended 31 December 2017, when net finance costs increased by EUR 0.5 million, or 23.7 percent as compared to the year ended 31 December 2016.

The increase in net finance costs for the year ended 31 December 2018 was mainly due to an increase in interest expenses as a result of the new debt financing relating to the NMG Acquisition. Net finance costs for the year ended 31 December 2018 was also negatively impacted by items affecting comparability of EUR 0.4 million related to the net cost impact of the foreign exchange hedging of the purchase price of the NMG Acquisition. For the year ended 31 December 2017, the net finance costs increased primarily due to an increase in interest expenses as a result of increased amount of debt financing from Cramo.

Income tax expenses

Income tax expenses were EUR 5.0 million, EUR 5.3 million and EUR 6.1 million for the years ended 31 December 2018, 2017 and 2016, respectively. Adapteo's effective tax rate in 2018 was 19.2 percent, 22.0 percent in 2017 and 21.6 percent in 2016. The changes in income tax expenses during the periods presented were mainly due to changes in taxable income.

Profit for the period

Profit for the period was EUR 20.9 million, EUR 18.9 million and EUR 22.0 million for the years ended 31 December 2018, 2017 and 2016, respectively. Adapteo's profit for the year ended 31 December 2018 increased by EUR 2.0 million, or 10.6 percent, as compared to the year ended 31 December 2017, when profit for the period was decreased by EUR 3.1 million, or 13.9 percent, as compared to the year ended 31 December 2016. The reasons for changes in profit for the period for all periods presented are described above.

Liquidity and Capital Resources

General

Prior to the Effective Date, Adapteo has not operated as an independent company and, consequently, has not been capitalised or financed as such. Cramo has managed its cash resources centrally and cash generated by Adapteo has been returned to Cramo as either distributions, repayments of indebtedness or internal deposits. Adapteo's historical cash flows described below are, therefore, not indicative of the cash flows to be expected from an independent entity following the Effective Date. As at the date of this Demerger Prospectus, the financing of Adapteo is being arranged through Cramo's group treasury.

Following the Effective Date, Adapteo's operations are expected to be financed with cash flow from operating activities and, as required, external debt financing. Its principal liquidity requirements are expected to arise from capital expenditures and working capital. In connection with the Demerger process, Cramo has agreed on new financing arrangements that will transfer to Adapteo as discussed under "*– Liquidity of the Company*" below. In addition, certain other external financing agreements will transfer to Adapteo on the Effective Date as discussed under "*– Liquidity of the Company*" below.

On a pro forma basis, Adapteo's net debt was EUR 402.0 million as at 31 March 2019 consisting of borrowings amounting to EUR 418.2 million as at 31 March 2019, loan receivables amounting EUR -0.2 million, finance lease receivables amounting EUR -10.5 million and cash and cash equivalents amounting to EUR -5.6 million. For more information on Adapteo's financial position on a pro forma basis as at 31 March 2019, see "*Unaudited Pro Forma Financial Information.*"

Cash flows

The following table presents a summary of the consolidated statement of cash flow data for Adapteo for the three months periods ended 31 March 2019 and 2018 and the years ended 31 December 2018, 2017 and 2016:

Combined Cash Flows Data	**1 January – 31 March**		**1 January – 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
In EUR million	**(unaudited)**			**(audited)**	
Net cash inflow from operating activities	24.8	12.4	58.0	39.6	36.8
Net cash (outflow) from investing activities	-17.9	-12.6	-195.8	-59.3	-49.8
Net cash inflow from financing activities	-5.9	0.2	140.0	19.4	13.2
Change in cash and cash equivalents	**0.9**	**-0.0**	**2.2**	**-0.3**	**0.2**
Cash and cash equivalents at the beginning of the period	2.4	0.2	0.2	0.4	0.2
Exchange differences	-0.0	0.0	0.0	-0.0	0.0
Cash and cash equivalents at the end of the period	**3.3**	**0.1**	**2.4**	**0.2**	**0.4**

Net cash inflow from operating activities

Adapteo's net cash inflow from operating activities for the three months period ended 31 March 2019 was EUR 24.8 million and it increased by EUR 12.4 million as compared to the net cash flow from operating activities of EUR 12.4 million for the three months period ended 31 March 2018. The most significant items with a positive effect on the net cash flow from operating activities for the three months period ended 31 March 2019 were good business performance, a positive change in working capital as well as the positive cash flow impact of the NMG Acquisition.

Adapteo's net cash inflow from operating activities for the year ended 31 December 2018 was EUR 58.0 million and it increased by EUR 18.4 million as compared to EUR 39.6 million for the year ended 31 December 2017. The most significant items with a positive effect on the net cash inflow from operating activities for the year ended 31 December 2018 was the good business performance, the positive change in working capital of EUR 7.5 million of which change in the trade and other payables was EUR 6.2 million as well as the positive cash flow impact of the NMG Acquisition.

Adapteo's net cash inflow from operating activities for the year ended 31 December 2017 was EUR 39.6 million and it increased by EUR 2.8 million as compared to EUR 36.8 million for the year ended 31 December 2016. The increase in the net cash inflow from operating activities for the year ended 31 December 2017 was mainly caused by the change in net working capital.

Net cash outflow from investing activities

Adapteo's net cash outflow from investing activities for the three months period ended 31 March 2019 was EUR -17.9 million, consisting of acquisitions of property, plant and equipment amounting to EUR -18.6 million, including mainly investments in rental equipment and accessories as well as EUR 1.8 million of revenue related to the sale of used rental equipment. The net cash flow from Adapteo's investing activities for the three months period ended 31.3.2018 was EUR -12.6 million, consisting mainly of acquisitions of property, plant and equipment amounting to EUR -12.8 million.

Adapteo's net cash outflow from investing activities for the year ended 31 December 2018 was EUR -195.8 million consisting of EUR -68.1 million from the payments for property, plant and equipment comprising mainly of investments in rental equipment and accessories, EUR -139.0 million from the purchase price payments for the acquisition of subsidiaries, mainly relating to the NMG Acquisition and EUR 11.6 million from the proceeds from sale used modular space.

Adapteo's net cash outflow from investing activities for the year ended 31 December 2017 was EUR -59.3 million consisting mainly of EUR -55.0 million from the payments for property, plant and equipment comprising mainly of investments in rental equipment and accessories, EUR -7.7 million from the purchase price payment for the acquisition of the assets of Just Pavillon A/S in Denmark, as well as EUR 3.6 million proceeds received from sale of used modular space.

Adapteo's net cash outflow from investing activities for the year ended 31 December 2016 was EUR -49.8 million consisting mainly of EUR -55.6 million from the payments for property, plant and equipment, comprising mainly of investments in rental equipment and accessories as well as EUR 5.9 million proceeds from sale of property, plant and equipment. There were no business acquisitions carried out during the year ended 31 December 2016.

Net cash inflow from financing activities

Adapteo's net cash inflow from financing activities for the three months period ended 31 March 2019 was EUR -5.9 million as compared to EUR 0.2 million for the three months period ended 31 March 2018. Adapteo repaid current borrowings of EUR 5.1 million and lease payments amounted to EUR 1.3 million for the three months period ended 31 March 2019. The net cash flow from Cramo group's financing activities, including both debt and equity financing, was EUR 0.5 million negative for the three months period ended 31 March 2019.

Adapteo's net cash inflow from financing activities was EUR 140.0 million for the year ended 31 December 2018, as compared to EUR 19.4 million for the year ended 31 December 2017. Adapteo drew bank loans of EUR 209.6 million for the financing of the NMG Acquisition for the year ended 31 December 2018 and repaid bank loans of EUR 63.7 million acquired in the NMG Acquisition. Net cash flow impact of the Cramo group financing including both debt financing and equity financing was EUR 7.4 million negative for the year ended 31 December 2018.

Adapteo's net cash inflow from financing activities was EUR 19.4 million for the year ended 31 December 2017 and EUR 13.2 million for the year ended 31 December 2016. For the years ended 31 December 2017 and 2016 the cash inflow from financing activities mainly comprised of impact of Cramo group financing including both debt financing and equity financing. The net impact of Cramo group financing was EUR 19.7 million positive during the year 2017 and EUR 15.0 million positive during the year 2016.

Liquidity of the Company

As at 31 March 2019, Adapteo's cash and cash equivalents amounted to EUR 3.3 million. In its preparation for the Demerger, Cramo has agreed on new financing arrangements for Adapteo, consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility that will be used for refinancing of interest-bearing liabilities transferred to Adapteo in the Demerger and financing general corporate purposes. These financing arrangements will transfer from Cramo to Adapteo on the Effective Date. The term loan facility and the revolving credit facility will be available subject to satisfaction of certain customary conditions precedent to Adapteo from the Effective Date and drawings under the term loan facility will be permitted until 31 December 2019 and the drawings under the revolving credit facility will be permitted until the date falling one (1) month prior to the termination date of the revolving credit facility.

The term loan facility and the revolving credit facility will mature in three (3) years with an option for twelve (12) months extension in case of the revolving credit facility. The rate of interest payable on loans made under the term loan facility and the revolving credit facility is the aggregate of the applicable margin plus Euribor (or Stibor in relation to any loan denominated in Swedish kronor or Libor in relation to any loan denominated in any currency other than euro or Swedish kronor). The interest margin payable on amounts drawn under the term loan facility and the revolving credit facility depends on the ratio of the consolidated debt less cash and cash equivalents to consolidated EBITDA.

The financing arrangements contain customary prepayment and cancellation provisions, financial covenants (leverage ratio and interest coverage ratio), operational covenants, representations and warranties and events of default (subject to certain exceptions and qualifications). The financial covenants in the financing arrangements will only become effective on the Effective Date. If Adapteo is unable to abide with these financial covenants or other ordinary commitments related to the arrangements in the future, it will have to renegotiate its financial arrangements in order for Adapteo not be seen breaking the terms of the arrangements. There is no certainty that Adapteo is able to take any such action on terms acceptable to it or at all. If Adapteo is unable to comply with the financial covenants related to its financial arrangements, it could have a material adverse effect on Adapteo's business, results of operations and financial position and availability of additional financing.

On 28 November 2018, NMG entered into a SEK 98 million multi-option facility agreement valid until 31 December 2019 unless an extension is separately agreed. It is planned to retain the existing facility agreement in force after the completion of the Demerger. This facility was unused as at 31 march 2019.

In addition, Adapteo has a EUR 10 million facility agreement valid until further notice used to ensure daily liquidity. The facility agreement is available as of the Effective Date.

On 31 October 2018, Cramo entered into a convertible loan agreement with the sellers of the shares in NMG related to the purchase price debt of such shares concerning the option under certain conditions for the sellers to reinvest their purchase price receivables from the transaction into the modular space business of Cramo. Cramo has repaid the outstanding loan amount under the convertible loan agreement in cash.

In accordance with the Demerger Plan, the borrowings transferred from Cramo to Adapteo include the outstanding amount of the bridge loan used to finance the NMG Acquisition, the bank loan used to refinance the convertible loan relating to the NMG Acquisition and a portion of Cramo's external general debt. The borrowings transferring to Adapteo in the Demerger will be refinanced in connection with the Demerger.

Net Debt

The following table sets forth Adapteo's net debt as at 31 March 2019 and 31 December 2018, 2017 and 2016:

	As at 31 March	**As at 31 December**		
	2019	**2018**	**2017**	**2016**
In EUR million	**(unaudited)**		**(audited)**	
Borrowings	383.0	380.6	101.2	75.7
Loan receivables	-0.2	-0.2	–	–
Finance lease receivables	-10.5	-10.7	–	–
Cash and cash equivalents	-3.3	-2.4	-0.2	-0.4
Net debt	**369.1**	**367.2**	**101.1**	**75.3**

The net debt as at 31 March 2019 and 31 December 2018, 2017 and 2016 reflects the historical financing of Adapteo's business as part of Cramo and the borrowings consist mainly of internal loans from Cramo Group, convertible loan as well as the bridge loan related to the acquisition of NMG.

The following table sets forth Adapteo's pro forma net debt as at 31 March 2019:

	As at 31 March 2019
	Pro forma
In EUR million	**(unaudited)**
Borrowings	418.2
Loan receivables	-0.2
Finance lease receivables	-10.5
Cash and cash equivalents	-5.6
Net debt	**402.0**

The unaudited pro forma net debt as at 31 March 2019 illustrates Adapteo's external financing after the Demerger. In the pro forma net debt, the bank loans related to the NMG Acquisition and the portion of Cramo's external borrowings to be transferred to Adapteo pursuant to the Demerger Plan included in Adapteo's carve-out financial information, have assumed to be financed with a new EUR 400 million term loan facility, for which Cramo has agreed on a financing commitment in connection with the Demerger process. This financing commitment will transfer from Cramo to Adapteo as described under "– *Liquidity of the Company*". In addition, the pro forma net debt does not include the internal loans from Cramo included in Adapteo's carve-out financial information, as internal loan receivables from Adapteo entities equalling the amount of internal debt will transfer to Adapteo in the Demerger and these will be eliminated in the preparation of the consolidated financial statements of Adapteo going forward. In addition, the revolving credit facilities described under "– *Liquidity of the Company*", which in the pro forma financial information have been assumed to be unused, will transfer to Adapteo on the Effective Date.

For more information on the basis for the pro forma information see section *"Unaudited Pro Forma Financial Information".* The pro forma net debt as at 31 March 2019 has been presented for the illustrative purposes only and is based on Adapteo's unaudited carve-out financial information as at and for the three months ended 31 March 2019 and management's estimate of the assets and liabilities to be transferred to Adapteo in the Demerger. The final amounts of assets and liabilities transferred to Adapteo in the Demerger may materially differ from those presented in the pro forma financial information as such balances will be determined on the Effective Date.

Combined Balance Sheet Data

The balance sheet information presented below represents the financial position of Adapteo on a carve-out basis as at the dates discussed. As the NMG Acquisition was completed on 31 October 2018, the financial position as at 31 December 2018 is not comparable to the financial positions of the previous years. For pro forma financial information giving effect to the Demerger, see "*Unaudited Pro Forma Financial Information.*"

Non-current assets

The following table sets forth Adapteo's non-current assets on the dates indicated:

	As at 31 March	As at 31 December		
	2019	2018	2017	2016
In EUR million	**(unaudited)**		**(audited)**	
Non-current assets				
Property, plant and equipment	442.1	423.3	298.1	264.7
Goodwill	171.7	173.9	32.7	31.9
Other intangible assets	27.2	28.0	2.5	0.7
Investments in joint ventures	1.2	1.2	-	-
Other non-current assets[1)]	9.4	9.2	2.9	1.7
Total non-current assets	**651.7**	**635.6**	**336.1**	**298.9**

[1)] Includes Deferred tax assets, Finance lease receivables, Loan receivables and Other receivables.

Adapteo's non-current assets consist mainly of property, plant and equipment, goodwill and other intangible assets. Adapteo's property, plant and equipment mainly consists of rental equipment including modules used in modular space leases and rental accessories. Other property, plant and equipment assets comprise mainly of buildings including office and production buildings and capitalised costs of leasehold improvements, other machinery and equipment including production machinery, office equipment and leased assets as well as assets under construction. Adapteo's other intangible assets consists mainly of brand, customer relationships, IT software and non-competition agreements.

Adapteo's goodwill mainly originates from the NMG Acquisition, the acquisition of the assets of Just Pavillon A/S in 2017 as well as the historical goodwill attributable to Adapteo and allocated to the MS segment in Cramo's group reporting.

Adapteo's non-current assets as at 31 March 2019 amounted to EUR 651.7 million, an increase of EUR 16.0 million, or 2.5 percent, as compared to EUR 635.6 million as at 31 December 2018. The increase was mainly due to investments in rental equipment and accessories as well as the adoption of IFRS 16.

Non-current assets as at 31 December 2018 amounted to EUR 635.6 million, an increase of EUR 299.5 million, or 89.1 percent, as compared to EUR 336.1 million as at 31 December 2017. The increase was mainly due to the NMG Acquisition increasing the amount of property, plant and equipment, goodwill and other intangible assets consisting of a brand and customer relationships as well as due to the investments in rental equipment and accessories.

Non-current assets as at 31 December 2017 amounted to EUR 336.1 million, an increase of EUR 37.2 million, or 12.4 percent, as compared to EUR 298.9 million as at 31 December 2016. The increase was mainly due to the investments in rental equipment and accessories and to some extent to the acquisition of the assets of Just Pavillon A/S increasing the amount of goodwill, other intangible assets and property, plant and equipment.

Capital expenditure

The following table sets forth Adapteo's net capital expenditure for the periods indicated:

	1 January – 31 March		**1 January – 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
In EUR million	**(unaudited)**		**(audited, unless otherwise indicated)**		
Net capex					
Additions to property, plant and equipment	17.2	13.8	69.5	57.5	57.8
Additions to intangible assets	0.3	0.0	0.4	0.2	0.1
Disposals of rental equipment and rental accessories	-1.0	-0.1	-11.6	-2.5	-4.1
Net capex	**16.5**	**13.7**	**58.2**	**55.1**	**53.8**

Adapteo's net capex during the three months period ended 31 March 2019 amounted to EUR 16.5 million, and the most significant of them related to acquisitions of new rental equipment and accessories. During the three months period ended 31 March 2019 Adapteo has not conducted any business acquisitions. In 2019, Adapteo will continue to invest in matters related to the completion of the Demergers, however, the majority of investments during 2019 will comprise investments in new rental equipment and accessories.

Adapteo's net capex for the year ended 31 December 2018 amounted to EUR 58.2 million. The most significant investments in the property, plant and equipment were the investments in new rental equipment and accessories. In addition, Adapteo's capital expenditure for business acquisitions during the year 2018 amounted to EUR 262.0 million and was related to the NMG Acquisition. The purchase consideration of the NMG Acquisition was paid in cash and financed with a convertible loan from the sellers as well as bank financing. More detailed description of the purchase consideration for the NMG Acquisition is presented in the note 12 to the audited carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in F-pages to this Demerger Prospectus.

Adapteo's net capex for the year ended 31 December 2017 amounted to EUR 55.1 million mainly related to the investments in new rental equipment and accessories. In addition Adapteo's capital expenditure for business acquisitions during the year 2017 amounted to EUR 8.7 million and was related to the acquisition of the assets of Just Pavillon A/S.

Adapteo's net capex for the year ended 31 December 2016 amounted to EUR 53.8 million, which mainly consisted of the investments in new rental equipment and accessories. Adapteo did not implement any business acquisitions during the year ended 31 December 2016.

Net working capital

The following table sets forth Adapteo's net working capital on the dates indicated:

	As at 31 March		As at 31 December		
	2019	2018	2018	2017	2016
In EUR million	**(unaudited)**			**(audited)**	
Non-current:					
Other receivables	0.4	0.6	0.3	0.4	0.1
Other liabilities	-	-	-	-0.7	-0.5
Provisions	-0.0	-0.4	-0.1		
Current:					
Inventories	7.1	1.9	6.8	2.0	1.3
Trade and other receivables	53.7	33.8	55.6	36.2	33.2
Trade and other payables	-73.4	-37.1	-68.3	-37.8	-34.0
Provisions	-0.3	-0.5	-0.3	-0.5	-
Total net working capital	**-12.6**	**-1.7**	**-6.0**	**-0.5**	**0.2**

Invested equity

Adapteo's invested equity was EUR 221.3 million as at 31 March 2019, EUR 214.6 million as at 31 December 2018, EUR 210.4 million as at 31 December 2017 and EUR 200.7 million as at 31 December 2016. The net increases in the invested equity were mainly due to the impact of the profit for the year for each period and equity transactions with Cramo group.

Collaterals and Contingent Liabilities

In the Demerger, all of the assets, debts and liabilities relating to the Modular Space business existing on the Effective Date will be transferred from Cramo to Adapteo and the Equipment Rental business will remain with Cramo. Pursuant to the Finnish Companies Act, all companies participating in a demerger are jointly liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. The liability of a participating company for debts that have in the demerger plan been allocated to another participating company is limited to a total amount equal to the value of the net assets received or retained by the first mentioned participating company in the demerger. A demand for payment based on this secondary demerger liability can be made only after it has been established that payment will not be received from the participating company to which such debt was allocated in the demerger plan or out of the proceeds of security posted for the relevant liability. Following the Effective Date, Adapteo may be liable for any debts that arose prior to the Effective Date and that have been allocated to Cramo in the Demerger Plan if it has been established that payment will not be received from Cramo or out of the proceeds of security posted for the relevant liability, if any.

The following table sets out Adapteo's collaterals and contingent liabilities on a crave-out basis as at the dates indicated:

Collaterals and contingent liabilities	As at 31 March	As at 31 December		
In EUR million	2019	2018	2017	2016
	(unaudited)		**(audited)**	
Collaterals given on own behalf				
Debts, secured by collateral				
Lease liabilities	15.4	-	-	-
Finance lease liabilities	-	0.7	0.5	0.8
Collateralised loan	4.0	5.8	6.5	6.1
Collateral given				
Pledges, lease liabilities	15.6	-	-	-
Pledges, finance leases	-	0.7	1.4	1.7
Pledges, collateralised loan	4.3	4.7	7.5	7.9
Other contingent liabilities				
Investments	11.7	17.6	8.1	18.9
Other contingent liabilities	0.8	0.8	0.8	0.8

Adapteo has entered into other leases on rental machinery and vehicles with the maximum maturity of five years, and premises with the maximum maturity of 20 years. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 31 December		
In EUR million	**2018**	**2017**	**2016**
		(audited)	
Within one year	2.6	1.3	0.9
Later than one year but not later than five years	12.1	9.6	8.3
Later than five years	1.1	0	0
Total	**15.8**	**10.8**	**9.3**

Adapteo has adopted the new IFRS 16 Leases standard on 1 January 2019. On adoption of the standard, Adapteo recognised lease liabilities in the balance sheet in relation to a substantial portion of leases which had previously been classified as operating leases under the principles of the previous IAS 17 standard. The reconciliation of operating lease commitments disclosed as at 31 December 2018 and the lease liability recognised as at 1 January 2019 pursuant to the IFRS 16 standard is as follows:

In EUR million	
Operating lease commitments disclosed as at 31 December 2018	15.8
Discounted using the lessee's incremental borrowing rate at the date of initial application	14.8
Finance lease liabilities recognised as at 31 December 2018	0.7
Short-term/low-value leases recognised on a straight-line basis as expense	-1.1
Lease liability recognised as at 1 January 2019	**14.4**

Financial Risk Management

Prior to the Effective Date, Adapteo has operated as part of Cramo and its financial risks have been managed centrally by Cramo's central treasury function in accordance with Cramo Treasury policy. The objective of the financial risk management is to minimise the negative effects on Adapteo's financial performance caused by changes in financial markets. In connection with the Demerger, Adapteo will set its own treasury function and develop its own financial risk management policies in order to maintain an effective risk management function.

The following describes shortly the key financial risks of Adapteo. More information on the administration of Adapteo's financial risk management has been described in note 24 to the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

Interest rate risk

Fluctuations in market interest rates have an effect on interest outflows and the fair value of interest-bearing receivables and loans payable. The objective of interest rate risk management is to mitigate the impact of interest rate changes on the combined income statement, balance sheet and cash flow, while also taking into account the market value of net debt.

Majority of Adapteo's borrowings are with variables interest rate, which expose Adapteo to cash flow interest rate risk. Finance lease liabilities and receivables are at fixed rates and expose Adapteo to fair value interest rate risk.

Currency risk

Adapteo operates internationally and is exposed to risks arising from foreign exchange rate fluctuations, primarily from exposures with respect to the Swedish krona. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations.

The objective of the foreign exchange risk management is to limit the uncertainties associated with foreign exchange rate fluctuations and their effect on Adapteo's combined profit, cash flows and balance sheet. Net sales of local entities are mainly carried out in the functional currency of those entities. Purchases are carried out both in euros and local currencies. The currency risk arising from sales and purchases is considered insignificant.

Translation risk is caused by the parent company's foreign currency denominated net investments in foreign subsidiaries. Translation differences are recognised in equity on consolidation. The most significant foreign currency net investments are denominated in Swedish krona. Other currencies do not create significant translation risk. Adapteo does not hedge translation risk.

Credit risk

Cramo's Treasury policy identifies counterparty credit rating requirements and principles of selling at credit to clients and investment transactions. Credits are granted to companies and private persons, which have proper credit information. Adapteo constantly monitors the credit status of its clients. Most of Adapteo's clients are municipalities and other public sector low credit entities in stable economies.

The balance sheet values of receivables and cash and cash equivalents best correspond to the amount which is the maximum credit risk exposure without taking into account the value of any collateral. The manner in which Adapteo operates does not require obtaining of collateral in respect of trade and loan receivables. Finance lease receivables are considered as partly collateralised financing due to underlying leased modules. Trade receivables or finance lease receivables do not contain any significant concentration of credit risk. Trade receivables are arising from large number of customers and are mainly denominated in EUR, SEK, NOK and DKK and therefore considered mitigating the concentration of risk.

Refinancing risk and liquidity risk

Cramo Treasury manages the liquidity risk and ensures flexibility in funding by maintaining availability under committed credit lines. Cramo uses diverse funding sources and borrowings are primarily long-term.

Adapteo's cash management and financing is described in note 1.4.5 to the audited carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

Critical Accounting Estimates and Judgements

The preparation of the carve-out financial statements has required management to make estimates and judgements affecting the amounts reported in the carve-out financial statements and the accompanying notes. These estimates and judgements, based on historical evidence and plausible future scenarios, have been evaluated at each balance sheet date. Actual results may differ from these estimates and judgements. More information is presented in the notes to the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

The following areas include a high degree of management estimates and assumptions.

Carve-out principles

Carve-out financial statements include the allocations of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described in the note 1.4 to the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus. The most significant estimates, judgements and assumptions relate to the allocation of costs of certain centrally provided services, cash management and financing related allocations, determination of current and deferred income taxes and invested equity.

Useful lives and valuation of property, plant and equipment

Depreciation is based on the management's estimates of the residual value of the assets, depreciation methods and the useful life of assets. The estimates may change due to technological development, the competitive situation, changes in market conditions and other factors, and this may lead to changes in the estimated useful lives and the amount of depreciation recognised in the combined income statement.

The useful lives of property, plant and equipment are reviewed periodically considering the factors mentioned above and all other relevant factors.

The optimisation of rental fleet's utilisation rate is managed centrally at Adapteo group level. Testing of the value of the rental fleet is based on calculations of value in use, taking into account the possibility of transferring it to another entity of the group. The preparation of these calculations requires management estimates.

Fair values of contingent consideration and net assets acquired in a business combination

The purchase consideration transferred and net assets acquired in business combinations are measured at fair value.

The fair value of the contingent consideration included in the purchase consideration for an acquisition has been estimated on the basis of the present value of the expected cash flows. The measurement of fair value of acquired net assets is based on fair values of similar assets (property, plant and equipment), estimated future cash flow (intangible assets, such as customer relationships and brands) or an estimate of the payments required for fulfilling an obligation.

With regard to the determination of the fair value of property, plant and equipment, the management makes comparisons to the market prices of corresponding assets, as well as estimates of the decrease in value attributable to the age, wear and tear and other similar factors of acquired assets. The determination of the fair value of intangible assets is based on assessments concerning the cash flows of assets, because information on the sales of similar assets has not been available. Therefore, the valuation exercise, which is based on repurchase values, expected cash flows or estimated payments requires management's judgments and assumptions. Management believes that the estimates and assumptions used are sufficiently reliable for determining fair values.

Key assumption used in goodwill impairment testing

The management makes significant estimates and judgements in determining the level at which the goodwill is tested and whether there are any indications of impairment.

The recoverable amount of a cash generating unit is determined based on value in use calculations which require the use of estimates. Cash flow forecasts are based on Adapteo's actual results and the management's best estimates on future sales, cost development, general market conditions and applicable tax rates. Cash flow forecasts include budgets and forecasts approved by the Board of Directors of Cramo for a period of five years and cash flows for the periods after five years are extrapolated using the estimated growth rates as mentioned in note 13 to the audited carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in F-pages to this Demerger Prospectus. The growth rates are based on the management's estimates on future growth in the CGU.

Management tests the impacts of changes in significant estimates used in forecasts by sensitivity analyses as described in the note 13 to the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

Share-based payments

The fair value of reward shares in the performance share plan is based on the share price on the grant date and the valuation does not involve high degree of estimation. Instead, the determination of the fair value of matching shares in the One Cramo Share savings plan includes certain assumptions relating to expected dividend yield and cost of equity and debt. These variables include estimation uncertainty.

Recognition of deferred tax assets and liabilities

Adapteo is subject to tax in several countries. Determining Adapteo's income tax requires significant assessment and judgement. Adapteo estimates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If necessary, the amounts recorded are adjusted to correspond to amounts expected to be paid to the tax authorities.

Management judgement is required in assessing whether certain deferred tax assets and deferred tax liabilities are recognised on the balance sheet. Deferred tax assets are recognised only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Estimates of these future cash flows are dependent on the management's estimates that relate among others to the amount of future net sales, operating costs, finance costs and taxes. Adapteo's ability to generate taxable income depends also on factors related to general economy, finance, competitiveness and regulations that Adapteo is unable to control. These estimates and assumptions are subject to risk and uncertainty, hence it is possible that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of temporary differences.

Determining the lease term for finance leases where Adapteo is a lessor

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

OPERATING AND FINANCIAL REVIEW OF NMG

The following review of NMG's results of operations and financial position should be read in conjunction with "Certain Matters – Presentation of Financial and Certain Other Information" and NMG's audited consolidated financial information as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus. Except where explicitly otherwise mentioned, the financial information presented below represents the historical results of operations and the financial position of NMG as a separate entity during the periods discussed. NMG has been included in the carve-out financial statements of Adapteo from 31 October 2018 onwards. For further information on Adapteo's financial information, see "Operating and Financial Review of Adapteo". For pro forma financial information giving effect to the Demerger and the NMG Acquisition, see "Unaudited Pro Forma Financial Information."

Overview

On 25 June 2018, Cramo signed an agreement to acquire Swedish-based NMG from Strukturfonden HC11 AB, a subsidiary of Nalka Invest AB, and certain minority shareholders. The transaction was subject to merger control clearance from the Swedish Competition Authority. On 4 October 2018, the Swedish Competition Authority approved the transaction and the NMG Acquisition was consequently completed on 31 October 2018. NMG was consolidated as a part of Cramo's Modular Space segment from 31 October 2018.

Presentation of Financial Information and Factors Influencing Comparability

Correction of errors for prior periods

As part of NMG being acquired in year 2018, a detailed review of the rental contracts was performed and it was discovered that the terms and conditions of certain contracts for the lease of equipment, where the company is the lessor, had been misinterpreted. As a consequence, the lease agreements had been incorrectly accounted for as an operating lease rather than as a finance lease. The lease agreements of property, plant and equipment where the group acts as lessor, that transfer substantially all the risks and rewards of ownership to the lessee, should have been classified as finance leases and recognised as receivables in the balance sheet. The audited consolidated financial statements presented for the years ended 31 December 2017 and 2016 in this Demerger Prospectus have been retrospectively restated in respect of the items described above. For more detailed information on the restatements is presented in the note 3 to NMG's audited consolidated financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus.

Adoption of new or amended IFRS standards

NMG has adopted the following new or amended IFRS standards issued and endorsed by the European Union.

IFRS 15 Revenue from Contracts with Customers

NMG has adopted the IFRS 15 standard on 1 January 2018. It has led to slightly earlier revenue recognition for service revenues related to assembly and disassembly services. Effective from 2018, revenues from installation of rental objects are reported at the start of the rental relationship, instead of being allocated over the rental period in cases where the customer pays these costs as a part of the rent. As a result of the new standard, contract assets and liabilities of a contract are presented on the balance sheet according to their net position.

NMG used a modified retrospective application, which means that the comparative years have not been restated according to IFRS 15, instead retroactive application is performed as of 1 January 2018. The impact increased the retained earnings as at 1 January 2018 by SEK 1.5 million, decreased equipment, tools, fixtures and fittings by SEK 41.2 million, increased other non-current receivables by SEK 17.4 million and prepaid expenses and accrued income by SEK 25.7 million.

The impact of the adoption has been described in more detail in the notes 1 and 3 to NMG's audited consolidated financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in F-pages to this Demerger Prospectus.

Other IFRS standards

NMG has adopted the IFRS 9 standard and amendments to IFRS 2 standards on 1 January 2018. The application of IFRS 9 or amended IFRS 2 standards had no impact on NMG's consolidated accounts.

The adoption of these standards has been described in more detail in note 1 to the audited consolidated financial statements of NMG as at and for the years ended 31 December 2018, 2017 and 2016 included in F-pages to this Demerger Prospectus.

Results of Operations

The following table presents a summary of the consolidated statement of comprehensive income data of NMG for the financial years ended 31 December 2018, 2017 and 2016.

Consolidated statement of income data	1 January – 31 December		
	2018	2017	2016
In SEK million	(audited)	(audited and restated)	
Net sales	871.1	794.9	782.3
Costs of goods sold	-626.8	-572.4	-558.9
Gross profit	**244.3**	**222.4**	**223.4**
Selling expenses	-34.0	-36.5	-33.7
Administrative expenses	-65.4	-49.1	-45.2
Other operating income	14.5	16.3	8.4
Operating profit	**159.4**	**153.2**	**153.0**
Financial income and similar profit items	0.3	0.4	0.3
Financial costs and similar loss items	-31.4	-39.8	-50.9
Share of joint ventures' profit	0.2	0.5	0.2
Profit before taxes	**128.4**	**114.3**	**102.5**
Income tax expenses	-26.3	-24.9	-22.3
Profit for the period	**102.1**	**89.4**	**80.2**

Comparison of the financial years ended 31 December 2018, 2017 and 2016

Net sales

NMG Group's net sales were SEK 871.1 million, SEK 794.9 million and SEK 782.3 million for the years ended 31 December 2018, 2017 and 2016 respectively. For the year ended 31 December 2018 NMG Group's net sales increased by SEK 76.2 million, or 9.6 percent, as compared to the year ended 31 December 2017, when the net sales increased by SEK 12.6 million, or 1.6 percent, as compared to the year ended 31 December 2016.

The increase in net sales for the year ended 31 December 2018 was mainly due to increased rental sales and sales of modular solutions. For the year ended 31 December 2017 the increase was mainly impacted by increased rental sales and sales recognised from financial leasing contracts.

The following table sets forth NMG's net sales by geographical area for the periods indicated:

Net sales by geographical area	1 January – 31 December		
	2018	2017	2016
In SEK million	(audited)	(audited and restated)	
Sweden	731.4	720.0	724.8
Norway	22.1	27.7	29.2
Denmark	19.9	17.0	20.7
Finland	97.7	30.1	7.6
Net sales	**871.1**	**794.9**	**782.3**

The following table presents NMG's net sales by business segment for the years ended 31 December 2018, 2017 and 2016:

Net sales by business segment	1 January – 31 December			Change			
	2018	2017	2016	2018–2017%		2017–2016	
In SEK million	(audited)	(audited and restated)		(unaudited)			
Temporent	480.1	446.9	419.0	33.2	7.4	27.9	6.7
Flexator[1)]	561.2	488.7	517.3	72.5	14.8	-28.6	-5.5
Nordic Modular Leasing[2)]	76.9	72.2	42.1	4.7	6.5	30.1	71.3
Eliminations	-247.1	-213.0	-196.2	-34.1	16.0	-16.8	8.6
Net sales	**871.1**	**794.9**	**782.3**	**76.2**	**9.6**	**12.6**	**1.6**

[1)] Flexator had internal sales of SEK 247.8 million in 2018 and SEK 211.9 million in 2017 and SEK 196.5 million in 2016, which have been eliminated through line Eliminations.
[2)] Nordic Modular Leasing had internal sales of SEK 1.8 million in 2017, which has been eliminated through line Eliminations.

Net sales of Temporent

The increase in Temporent net sales for the year ended 31 December 2018 was mainly due to a strong demand for Temporent's services. For the year ended 31 December 2017 the increase was mainly due to a strong demand driven by the growing number of pupils in compulsory schools, increased size of the rental fleet and improved utilisation rate from 86.4 percent to 87 percent. In addition, net sales were impacted by the increased rental sales in all Temporent's operating countries (Sweden, Finland, Norway and Denmark) in 2017 as compared to the previous year.

Net sales of Flexator

The increase in Flexator net sales for the year ended 31 December 2018 was mainly due to an increase of internal sales of modules to the NMG group's rental business and sales of turnkey projects from the production facility in Anneberg. For the year ended 31 December 2017 the decrease was mainly impacted by decreased sales, postponed deliveries of turnkey projects and the total value of incoming orders, which were partly compensated by the increase in internal module sales.

Net sales of Nordic Modular Leasing

The small increase in Nordic Modular Leasing net sales for the year ended 31 December 2018 was mainly due to prolongations of financial leasing contracts. For the year ended 31 December 2017 the increase was mainly impacted by a strong increase in the new leasing contracts.

Costs of goods sold

Costs for goods sold were SEK 626.8 million, SEK 572.4 million and SEK 558.9 million for the years ended 31 December 2018, 2017 and 2016 respectively. For the year ended 31 December 2018 there was an increase in costs of SEK 54.4 million, or 9.5 percent, as compared to the year ended 31 December 2017 when there was an increase in costs of SEK 13.6 million, or 2.4 percent, as compared to the year ended 31 December 2016. The increase in costs for the year ended 31 December 2018 was mainly due to a higher sales volume. For the year ended 31 December 2017 the increase in costs was also mainly impacted by a higher sales volume.

Selling expenses

Selling expenses were SEK 34.0 million, SEK 36.5 million and SEK 33.7 million for the years ended 31 December 2018, 2017 and 2016 respectively. There was a decrease of SEK 2.4 million, or 6.7 percent, for the year ended 31 December 2018 as compared to the year ended 31 December 2017, when there was an increase of SEK 2.7 million, or 8.1 percent, as compared to the year ended 31 December 2016. The decrease for the year ended 31 December 2018 was mainly due to lower costs for sales force and marketing in both the rental and sales businesses. For the year ended 31 December 2017 the increase was mainly impacted by higher costs in the rental business of Temporent.

Administrative expenses

Administrative expenses were SEK 65.4 million, SEK 49.1 million and SEK 45.2 million for the years ended 31 December 2018, 2017 and 2016 respectively. There was an increase of SEK 16.3 million, or 33.2 percent, for the year ended 31 December 2018 as compared to the year ended 31 December 2017, when there was an increase of SEK 3.9 million, or 8.7 percent, as compared to the year ended 31 December 2016. The increase for the year ended 31 December 2018 was mainly due to costs incurred by NMG when Cramo acquired NMG. For the year ended 31 December 2017 the increase was mainly due to increased costs related to efficiency improvement measures in Flexator.

Other operating income

Other operating income was SEK 14.5 million, SEK 16.3 million and SEK 8.4 million for the years ended 31 December 2018, 2017 and 2016 respectively. For the year ended 31 December 2018 there was a decrease of SEK 1.9 million, or 11.5 percent, as compared to the year ended 31 December 2017, when there was an increase of SEK 7.9 million, or 94.5 percent, as compared to the year ended 31 December 2016. For the year ended 31 December 2018 the decrease is explained by the fact that other operating income in 2017 included income of a one-off nature from damage claims. The increase for the year ended 31 December 2017 was mainly impacted by higher interest income from financial leasing contracts and income from claims for damage of modules.

Operating profit

Operating profit was SEK 159.4 million, SEK 153.2 million and SEK 153.0 million for the years ended 31 December 2018, 2017 and 2016 respectively. There was an increase of SEK 6.1 million, or 4.0 percent, for the year ended 31 December 2018 as compared to the year ended 31 December 2017, when there was an increase of SEK 0.2 million, or 0.2 percent, as compared to the year ended 31 December 2016. The increase in operating profit for the year ended 31

December 2018 was mainly due to increased rental sales in Temporent. The increase in operating profit for the year ended 31 December 2017 was also mainly due to increased rental sales in Temporent.

Finance income and costs

Net finance costs were SEK 31.2 million, SEK 39.4 million and SEK 50.6 million for the years ended 31 December 2018, 2017 and 2016 respectively. There was a decrease of SEK 8.2 million, or 20.9 percent, as compared to the year ended 31 December 2017, when there was a decrease of SEK 11.2 million, or 22.1 percent, as compared to the year ended 31 December 2016. The decrease in net finance costs for the year ended 31 December 2018 was mainly due the replacement in the middle of 2017 of some of the shareholder loans by bank loans with lower interest rate as well as amortisation of the bank loans.

Tax on profit

Tax on profit was SEK 26.3 million, SEK 24.9 million and SEK 22.3 million for the years ended 31 December 2018, 2017 and 2016 respectively. NMG's effective tax rate in 2018 was 20.5 percent, 21.8 percent in 2017 and 21.8 percent in 2016. Changes in tax on profit for periods presented were mainly due to changes in taxable income.

Profit for the period

Profit for the period was SEK 102.1 million, SEK 89.4 million and SEK 80.2 million for the years ended 31 December 2018, 2017 and 2016 respectively. There was an increase of SEK 12.7 million, or 14.2 percent, for the year ended 31 December 2018 as compared to the year ended 31 December 2017 when there was an increase of SEK 9.2 million, or 11.4 percent, as compared to the year ended 31 December 2016. The reasons for changes in profit for the period for the periods presented are described above.

Liquidity and Capital Resources

Cash flows

The following table presents the cash flow data of NMG for the periods indicated:

Consolidated Statement of Cash Flows Data	**1 January – 31 December**		
	2018	**2017**	**2016**
In SEK million	**(audited)**	**(audited and restated)**	
Cash flow from operating activities	254.8	53.5	189.3
Cash flow from investing activities	-208.6	-207.8	-162.4
Cash flow from financing activities	-22.6	72.1	40.2
Cash flow for the year	**23.6**	**-82.3**	**67.2**
Cash and cash equivalents at the beginning of the period	0.7	82.9	15.7
Cash and cash equivalents at the end of the period	**24.3**	**0.7**	**82.9**

Cash flow from operating activities

NMG's cash flow from operating activities was SEK 254.8 million for the year ended 31 December 2018, SEK 53.5 million for the year ended 31 December 2017 and SEK 189.3 million for the year ended 31 December 2016. The net cash flow from operating activities for the year ended 31 December 2018 was mainly impacted by the decrease in operating receivables due to payments collected early in the year for unusually high trade receivables at the end of 2017 which was partly offset by increase in inventory and decrease in operating liabilities. The cash flow from operating activities for the year ended 31 December 2017 was mainly impacted by the increase in working capital due to a high amount of ongoing but undelivered projects and a high amount of trade receivables. For the year ended 31 December 2016 the cash flow from operating activities was positively affected by the decrease in inventory and operating receivables.

Cash flow from investing activities

NMG's cash flow from investing activities was SEK -208.6 million, SEK -207.8 million and SEK -162.4 million for the years ended 31 December 2018, 2017 and 2016 respectively. During the financial years 2016, 2017 and 2018, NMG carried out reinvestment and growth investments in its lease equipment and accessories as well as investments to non-fleet assets relating to the facilities in Eslöv and machinery at the Anneberg production facility. In 2016 and 2017 NMG's cash flow from investing activities was impacted by additions to financial leasing agreements, which in 2018 generated positive cash flow. NMG's cash flow from investing activities for the year ended 31 December 2018 were also affected by the classification of capitalised installations as receivables.

Cash flow from financing activities

Cash flow from financing activities was SEK -22.6 million, SEK 72.1 million and SEK 40.2 million for the years ended 31 December 2018, 2017 and 2016 respectively. NMG's cash flow from financing activities for the year ended 31 December 2018 was mainly impacted by the SEK 19.9 million share issue and SEK 50.0 million group contributions paid to the former parent company. During 2017 NMG received SEK 39.0 million shareholder contributions, paid SEK 17.0 million group contributions to the former parent company and increased borrowings and utilised overdraft facility net of loan amortisations for a total of SEK 50.4 million. In 2016 NMG received SEK 13.3 million shareholder contributions and increased borrowings and utilised overdraft facility net of loan amortisations for a total of SEK 30.2 million.

Liquidity of NMG

As at 31 December 2018, NMG's cash and cash equivalents amounted to SEK 24.3 million.

Consolidated Statement of Financial Position Data

The following table presents a summary of the consolidated statement of financial position data for NMG as at 31 December 2018, 2017 and 2016.

Consolidated Statement of Financial Position Data	**As at 31 December**		
	2018	**2017**	**2016**
In SEK million	**(audited)**	**(audited and restated)**	
ASSETS			
Total non-current assets	1,732.3	1,647.4	1,512.4
Total current assets	277.5	286.5	289.9
TOTAL ASSETS	**2,009.8**	**1,933.9**	**1,802.3**
EQUITY AND LIABILITIES			
Total equity	674.0	549.7	460.3
Total non-current liabilities	1,068.2	968.3	1,008.5
Total current liabilities	267.5	415.9	333.5
TOTAL LIABILITIES	**1,335.8**	**1,384.2**	**1,342.0**
TOTAL EQUITY AND LIABILITIES	**2,009.8**	**1,933.9**	**1,802.3**

Assets

Non-current assets

NMG's non-current assets consisted mainly of NMG's rental assets as well as of goodwill originating from the acquisition of Nordic Modular Group with subsidiaries.

Non-current assets in the balance sheet as at 31 December 2018 amounted to SEK 1,732.3 million, an increase of SEK 84.8 million, or 5.1 percent, as compared to SEK 1,647.4 million as at 31 December 2017. The increase was mainly due to investments in the rental fleet.

Non-current assets in the balance sheet as at 31 December 2017 amounted to SEK 1,647.4 million, an increase of SEK 135.1 million, or 8.9 percent, as compared to SEK 1,512.4 million as at 31 December 2016. The increase was mainly due to investments in the rental fleet.

Current assets

NMG's current assets consisted mainly of accounts receivables, prepaid expenses and accrued income as well as inventory.

Current assets in the balance sheet as at 31 December 2018 amounted to SEK 277.5 million, a decrease of SEK 9.0 million, or 3.1 percent, as compared to SEK 286.5 million as at 31 December 2017. The net decrease was mainly impacted by a decrease in accounts receivables and an increase in inventories and cash and cash equivalents.

Current assets in the balance sheet as at 31 December 2017 amounted to SEK 286.5 million, a decrease of SEK 3.4 million, or 1.2 percent, as compared to SEK 289.9 million as at 31 December 2016. The net decrease was impacted by a decrease in cash and cash equivalents as well as an increase in accounts receivables and inventories.

Equity and liabilities

Total equity

Total equity in the balance sheet as at 31 December 2018 amounted to SEK 674.0 million, an increase of SEK 124.3 million, or 22.6 percent, as compared to SEK 549.7 million as at 31 December 2017. The increase was due to the profit for the year and shareholder contributions increasing the total equity.

Total equity in the balance sheet as at 31 December 2017 amounted to SEK 549.7 million, an increase of SEK 89.4 million, or 19.4 percent, as compared to SEK 460.3 million as at 31 December 2016. The increase was mainly due to the profit for the year and shareholder contributions increasing the total equity.

Non-current liabilities

NMG's non-current liabilities consisted mainly of liabilities to the parent company and to credit institutions and of deferred tax liabilities.

Non-current liabilities in the balance sheet as at 31 December 2018 amounted to SEK 1,068.2 million, an increase of SEK 99.9 million, or 10.3 percent, as compared to SEK 968.3 million as at 31 December 2017. The increase was mainly due to increased borrowings for financing growth investments.

Non-current liabilities in the balance sheet as at 31 December 2017 amounted to SEK 968.3 million, a decrease of SEK 40.2 million, or 4.0 percent, as compared to SEK 1,008.5 million as at 31 December 2016. The decrease was mainly due to amortisation of loans.

Current liabilities

NMG's current liabilities consisted mainly of liabilities to the parent company and credit institutions, accrued expenses and prepaid income as well as accounts payable.

Current liabilities in the balance sheet as at 31 December 2018 amounted to SEK 267.5 million, a decrease of SEK 148.4 million, or 35.7 percent, as compared to SEK 415.9 million as at 31 December 2017. The decrease was mainly due to amortisation of current part of loans from banks and the parent company.

Current liabilities in the balance sheet as at 31 December 2017 amounted to SEK 415.9 million, an increase of SEK 82.4 million, or 24.7 percent, as compared to SEK 333.5 million as at 31 December 2016. The increase was mainly due to usage of credit facility in bank, increased loans from the parent company and a higher amount of accrued expenses and prepaid income.

Contractual Obligations and Off-Balance Sheet Arrangements

Pledged assets and any contingent liabilities	**As at 31 December**		
	2018	**2017**	**2016**
In SEK million		**(audited)**	
For own liabilities and provisions			
Shares in Nordic Modular Group AB	-	1,933.8	1,790.0
Any contingent liabilities			
Parent company surety in favour of subsidiaries' customers	29.6	26.1	26.1

Lease payments for operational leasing	**As at 31 December**		
	2018	**2017**	**2016**
In SEK million		**(audited)**	
Assets held via operational leasing contracts			
Leasing expenses for the fiscal year	6.5	5.3	4.8
Total leasing expenses	**6.5**	**5.3**	**4.8**
Contracted future minimum leasing fees regarding non-terminable contracts due for payment:			
Within one year	4.7	4.4	3.8
Between one and five years	3.3	3.5	2.3
Later than five years	-	-	-
	7.9	**7.9**	**6.1**

Investments

NMG's investments for the year ended 31 December 2018 were SEK 218.3 million, an increase of SEK 2.8 million, or 1.3 percent, as compared to SEK 215.6 million for the year ended 31 December 2017. The main investment was modules for Temporent's rental business.

NMG's investments for the year ended 31 December 2017 were SEK 215.6 million, an increase of SEK 31.7 million, or 17.2 percent, as compared to SEK 183.9 million for the year ended 31 December 2016. The main investment was modules for Temporent's rental business.

Critical Accounting Policies

Preparing the financial statements in accordance with IFRS requires the company's management to make assessments and estimates as well as to make assessments affecting the application of the accounting principles and the recognised amounts for assets, liabilities, revenues and expenses. The actual result can deviate from these estimates and assessments. The estimates and assessments are reviewed regularly. Changes in estimates are reported during the period where the change is made if such a change only affects the period in question, or during the period where the change is made and in future periods if the change affects both the period in question and future periods. More information is presented in the notes to NMG's audited consolidated financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in F-pages to this Demerger Prospectus.

The following areas include a high degree of management estimates and assumptions.

Non-current assets

NMG group's rental assets, in the form of modules, which are included in the balance sheet item equipment are classified as tangible non-current assets according to IAS 16 and are measured according to their historic acquisition values minus deductions for depreciation according to plan. Determination of the depreciation period requires management judgement.

Rental contracts

NMG group's rental contracts, where one of the group companies in the Temporent segment is a lessor, are considered to be operational leasing agreements. Economic risks and benefits associated with rental assets are deemed, in all essentials, to lie with the lessor. The rental contracts in the Nordic Modular Leasing segment have been reclassified to financial leasing agreements in 2018, with retroactive effect 2016-2017. Determination of the classification of the leases requires management judgement and estimates.

Goodwill

An impairment test was done based on the calculation of the value in use per business segment. The group's calculated cash flow is so strong in relation to the goodwill value that no impairment is warranted. A sensitivity analysis of the calculations does not change this conclusion. See note 15 to NMG's audited consolidated financial statements as at and for the years ended 31 December 2018, 2017 and 2016 included in the F-pages to this Demerger Prospectus for a more detailed description. The management makes significant estimates and judgements in determining the level at which the goodwill is tested and whether there are any indications of impairment. Cash flow forecasts used in the impairment testing include management's estimates on future sales, cost development, general market conditions and applicable tax rates.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of the Company, the management and governance of the Company 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 administration and management of the Company through resolutions passed at the General Meetings of Shareholders. The General Meeting of Shareholders of the Company is convened upon notice given by the Board of Directors. In addition, a General Meeting of Shareholders of the Company is held when requested in writing by the auditor of the Company or by shareholders representing at least one-tenth of all the Shares in order to discuss a certain matter.

Corporate Governance

In addition to applicable laws, the rules and recommendations of Nasdaq Stockholm, and the Articles of Association, the Company will apply the Swedish Corporate Governance Code 2016 and do not intend to deviate from any of its recommendations. However, Adapteo's Performance Share Plan 2019, which the Board of Directors of Cramo has resolved to establish, will constitute a transitional deviation from the requirement of the Swedish Corporate Governance Code 2016, which provides that the vesting period to the date for acquisition of shares is to be no less than three years. For further information, see *"– Share-Based Incentive Plan – Performance Share Plan 2019"*.

The Swedish Corporate Governance Code 2016 is issued by the Swedish Corporate Governance Board, and it is publicly available on the website of the Swedish Corporate Governance Board at www.corporategovernanceboard.se.

The election of the proposed board members would satisfy the criteria on independence of board members as set out in the Swedish Corporate Governance Code.

Decision Making Prior to the Effective Date

Since Adapteo will not be incorporated until the Effective Date, the Board of Directors of Cramo has the right to make certain decisions on behalf of the Company in accordance with the Demerger Plan prior to the Effective Date.

In accordance with the Demerger Plan, the Board of Directors of Cramo has submitted proposals to the Extraordinary General Meeting of Cramo resolving on the Demerger concerning the confirmation of the number of the members of the Board of Directors, the election of the members of the Board of Directors and the auditor of the Company as well as their remuneration following consultation with the Shareholders' Nomination Committee of Cramo. The above-mentioned proposals shall not be binding on the Extraordinary General Meeting of Cramo resolving on the Demerger.

In accordance with the Demerger Plan, the Board of Directors of Cramo has also appointed the President and CEO of Adapteo. Provided that the Extraordinary General Meeting of Cramo resolving on the Demerger approves the Demerger and the Demerger Plan, the President and CEO's service agreement entered into with the person appointed as the President and CEO of Adapteo shall become effective on the Effective Date. In the event that the President and CEO of Adapteo resigns or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of Cramo shall have the right, until the Effective Date, to appoint a new President and CEO of Adapteo. Thereafter, the Board of Directors of Adapteo shall have the right to appoint the President and CEO of the Company.

In addition, the Board of Directors and the President and CEO of Cramo may, prior to the Effective Date, take such decisions, enter into agreements and take other actions that are specified in the Demerger Plan. The rights and obligations of Adapteo based on decisions, agreements and other actions taken on behalf of the Company shall transfer to Adapteo on the Effective Date.

Prior to the Effective Date, the Board of Directors and the President and CEO of Adapteo may only take such decisions as are separately assigned in the Demerger Plan to be made by the Board of Directors and the President and CEO of Adapteo or such decisions as the Board of Directors of Cramo designates.

Prior to the Effective Date, the Board of Directors of Adapteo may, however, take without separate direction from the Board of Directors of Cramo decisions with regard to Adapteo that concern representation rights (authorisations to sign for the Company, rights of representation per procuram and other authorisations), bank accounts and the necessary agreements and documents relating to the administration of a listed company, such as the Charter of the Board of Directors of Adapteo and Adapteo's insider policy. The Board of Directors of Cramo may also take such decisions prior to the Effective Date. The rights and obligations under these decisions shall transfer to Adapteo on the Effective Date.

Shareholders' Nomination Committee

The Board of Directors of Cramo has submitted proposal to the Extraordinary General Meeting of Cramo resolving on the Demerger concerning the establishment of a Shareholders' Nomination Committee (the "**Nomination Committee**") of Adapteo for annually preparing proposals concerning the composition, the election and the remuneration of the members of the Board of Directors to the Annual General Meeting of Adapteo.

The Nomination Committee shall consist of four (4) members, one (1) member being the Chairman of the Board of Adapteo and three (3) members representing Adapteo's three (3) largest shareholders who (i) represent the largest number of votes of all shares in Adapteo on the last business day of September each year (the "**Value Day**") as determined on the basis of the shareholder register of the Company maintained by Euroclear Finland and the register of shareholders maintained by Euroclear Sweden; and (ii) wish to nominate a member to the Nomination Committee.

If two or more shareholders have the same number of shares and cannot all have the right to nominate one of the members of the Nomination Committee, the right to nominate is determined by the drawing of lots among such shareholders by the Chairman of the Board of Directors.

It is the duty of the Chairman of the Board of Directors to ask each of the three (3) largest shareholders to nominate one member to the Nomination Committee. If a shareholder does not wish to exercise his or her right to nominate a member to the Nomination Committee, the nomination right will be transferred, in accordance with the shareholder register, to the next largest shareholder who would not otherwise be entitled to nominate a member to the Nomination Committee. If, despite of the above, only two members have been nominated by the largest shareholders as of 31 October the year before the Annual General Meeting, the Nomination Committee shall be able to constitute itself with two members nominated by the largest shareholders and the Chairman of the Board of Directors.

If a shareholder who would have the obligation to notify the Company of certain changes in shareholding under applicable shareholding notification rules (flagging obligation), presents a written request directed to the Board of Directors by the Value Day, the holdings of a corporation or a foundation controlled by such shareholder or such shareholder's holdings in several funds or registers will be combined when calculating the nomination right. A holder of nominee-registered shares will be taken into account to the extent reasonably possible when determining the composition of the Nomination Committee if the holder of nominee-registered shares presents a written request concerning the issue directed to the Board of Directors by the Value Day.

Each shareholder entitled to nominate a member to the Nomination Committee shall endeavour to elect a person who has the qualifications and experience necessary to meet the responsibilities and duties of the Nomination Committee. The term of office of the members of the Nomination Committee shall end upon the appointment of the following Nomination Committee.

Board of Directors

Pursuant to the Articles of Association, the Company's Annual General Meeting elects a minimum of five (5) and a maximum of eight (8) members to serve on the Board of Directors annually. The Annual General Meeting elects the members of the Board of Directors and appoints the Chairman. The term of office of the members of the Board of Directors will expire at the end of the next Annual General Meeting following the election.

The number of members of the Board of Directors of the Company will be confirmed and the members elected by the Extraordinary General Meeting of Cramo resolving on the Demerger, which will be held on 17 June 2019. Following consultation with the Shareholders' Nomination Committee of Cramo, the Board of Directors of Cramo has proposed to the Extraordinary General Meeting that the number of the members of Adapteo's Board of Directors be five (5). The Board of Directors of Cramo has proposed that the following persons be elected as members of the Board of Directors of Adapteo: Carina Edblad, Outi Henriksson, Peter Nilsson, Andreas Philipson and Joakim Rubin. Peter Nilsson is proposed to be elected as Chairman of the Board of Directors of Adapteo.

The term of office of the members of the Board of Directors will commence on the Effective Date and will expire at the end of the first Annual General Meeting of Adapteo following the Effective Date.

The Board of Directors is responsible for the Company's administration and the appropriate organisation of its operations. The Board of Directors is also responsible for the appropriate arrangement of the supervision of the Company's accounts and finances. The Board of Directors decides on group-wide significant matters of principal importance.

The Board appoints and dismisses the President and CEO, supervises his or her actions, and decides on his or her remuneration and other terms and conditions of service. The Board of Directors also makes decisions on the strategy, investments, organisation and financial affairs of the Company. The Board constitutes a quorum when more than half of the members are present. When this proportion is calculated, disqualified members are excluded.

The Board of Directors convenes in accordance with a schedule agreed in advance and also as required. The Board of Directors also receives current information on the operations, finances and risks of the Group in its meetings. Meetings of the Board of Directors are attended by the President and CEO, the CFO and the person acting as secretary to the Board appointed by the Board. Members of the Group Management Team and other representatives of the Company attend Board meetings at the invitation of the Chairman of the Board of Directors. Minutes are kept of all meetings. An evaluation of the Board's and its Committees' performance and working methods shall be conducted annually in accordance with potential instructions by the Shareholders' Nomination Committee.

The following table presents the proposed members of the Board of Directors of Adapteo:

Name	Year of birth	Position
Peter Nilsson	1962	Chairman of the Board of Directors
Carina Edblad	1963	Member of the Board of Directors
Outi Henriksson	1969	Member of the Board of Directors
Andreas Philipson	1958	Member of the Board of Directors
Joakim Rubin	1960	Member of the Board of Directors

Based on an evaluation of independence, the proposed members of the Board of Directors are considered to be independent of the Company. The proposed members of the Board of Directors are independent of the Company's major shareholder, excluding Joakim Rubin who is not independent of the Company's major shareholder.

Peter Nilsson (born 1962) has been a member of the Board of Directors of Cramo since 2015. He currently serves as the Chairman of the Board of Directors of Lindab International AB, House of Flowers Sweden AB and Unilode Aviation Solutions International AG. He has also acted as the Chairman of the Board of Directors of Poleved Industrial Performance AB since 2018 and as a member of the Board of Directors since 2008. In addition, he is a member of the Board of Directors of Team Tråd & Galler Holding AB, J.H. Tidbeck AB, Wermer Förvaltning AB, Lindab LTIP17-19 AB, Signtronic Produktion AB, Kylpanel i Nassjö AB, Sandur ehf., Dagar ehf. and Navibus AB. Previously, he has been the Chairman of the Board of Directors of Poleved Advisory E, NKB 129 ApS, Eton AB, Eton Group AB, Earl Holding III AB, CHEP Aerospace Solutions AG and IVC Acquisition TopCo Ltd and a member of the Board of Directors of several subsidiaries in the Evidensia group. He was the President and CEO of Sanitec Corporation between 2010 and 2015, the CEO of Duni AB between 2004 and 2007 and various Senior Management positions at Swedish Match Group between 1987 and 2003. Mr. Nilsson attended the Stockholm School of Economics. He is a Swedish citizen.

Carina Edblad (born 1963) is currently the CEO and a member of the Board of Directors of Thomas Betong AB, Stebo AB and Strömstadsbetong AB, the Chairman of the Board of Directors of Svensk Betong Service AB, a member of the Board of Directors of Instalco Intressenter AB and a member of the Extended Management Team of Thomas Concrete Group AB. In addition, Ms. Edblad serves as a member of the Board of Directors of ERMCO (European Ready Mixed Concrete Organization) and as a deputy member of the Board of Directors of the Confederation of Swedish Enterprise (Svenskt Näringsliv). Previously, she has been a member of the Board of Directors of NCC AB and Hifab Group AB and a deputy member of the Board of Directors of Värmlands Betong AB and Strömstadsbetong AB. In addition, she was the CEO of GBP, Göteborgs Betongpumpnings AB between 2011 and 2017, Manager of Estimating at Skanska Sverige AB between 2010 and 2011, and she held several managerial positions at Skanska Sverige. Ms. Edblad holds a Master of Science degree in Engineering from Chalmers University of Technology and has completed a leadership program at Ruter Dam. She is a Swedish citizen.

Outi Henriksson (born 1969) is currently the CFO and a member of the Executive Committee of Aktia Bank plc where she holds responsibility over finance and treasury, investor relations and corporate communications, legal department and corporate administrative services. Ms. Henriksson serves also as a member of the Board of Directors of Veikkaus Ltd and Aktia Life Insurance Ltd. Previously, she has been a member of the Board of Directors of Sponda Plc between 2016 and 2019, the CFO and a member of the Group Management Team of VR-Group Ltd between 2012 and 2017 and a member of the Board of Directors of several subsidiaries of VR-Group Ltd, the CFO of Sulake Corporation between 2006 and 2012, the CFO of LaNetro Zed (Spain) / Sonera Zed between 2003 and 2006 and held several positions in Sonera Corporation Oyj and Cultor Corporation Oyj. Ms. Henriksson holds a Master of Science degree in Economics from University of Turku. She is a Finnish citizen.

Andreas Philipson (born 1958) is the CEO and Founder of T.A.M. Group AB. He also serves as the Chairman of the Board of Directors of several subsidiaries of T.A.M. Group AB, as a member of the Board of Directors of Stendörren Fastigheter AB, Besqab AB (publ), Urbe et Orbe Real estate AB, Temaplan Asset Management Holding AB,Norrboda Exploatering AB and Great Homes Sweden AB, as the CEO and a board member of the Board of Directors of Fastighets AB Glaskronan 1 and as a deputy member of the Board of Directors of Philipson Capital AB, Nacka 13:79 AB, Nacka 13:79 Holding AB and Nacka 13:79 JV AB, where he also was a member of the Board of Directors in 2015. Previously, he served as a member of the Board of Directors of Catena AB between 2013 and 2015. In addition, he has acted as the CEO of Temaplan AB and Real Estate Director at Nackebro AB and served as a member of the Board of Directors of

Veg Tech AB and as a member of the Board of Directors in several companies operating in the property management and financing. Mr. Philipson holds a Master of Science degree in Engineering (Construction and management) from Chalmers University of Technology and has completed the Harvard Business School Executive Program of Service Profit Chain at Harvard University and ABB International Business Unit Program at ABB Group. He is a Swedish citizen.

Joakim Rubin (born 1960) has been a member of the Board of Directors of Cramo and the Chairman of the Audit Committee since 2015. He is currently a Partner and Chief Investment Advisor of Public Value advisory team of EQT AB and EQT Partners AB and also serves as the Chairman of the Board of Directors of Zeres Capital Partners AB, Zeres Capital AB and ZC Advisory AB and as a member of the Board of Directors of Hoist Finance AB (publ), HOIST Kredit AB and ÅF Pöyry AB (publ). Previously, Mr. Rubin served as a member of the Board of Directors of Capio AB (publ) between 2017 and 2018, ÅF AB (publ) between 2012 and 2019, Bergman & Beving AB between 2011 and 2015 and Intrum Justitia AB between 2010 and 2015. He is a Founding Partner of Zeres Capital Partners AB, where he also acted as the CIO between 2013 and 2018, as the Chairman of the Board of Directors between 2016 and 2017 and as a member of the Board of Directors between 2012 and 2016. In addition, he has been a Senior Partner and Head of Public Market Fund of CapMan Plc between 2008 and 2015 and held several positions at Handelsbanken Capital Markets between 1995 and 2008, Head of Corporate Finance and Debt Capital Markets among others. Mr. Rubin holds a Master of Science degree in Industrial Engineering and Management from Linköping University. He is a Swedish citizen.

Business Address

The business address of the Board of Directors, the President and CEO and the Group Management Team is expected to initially be Adapteo Plc, Äyritie 12 B, FI-01510 Vantaa, Finland, and the telephone number to be: +358 40 653 5250.

Committees of the Board of Directors

The Board of Directors may establish permanent committees to assist the Board of Directors in the preparation and performance of the Board of Directors' duties and responsibilities and determine their sizes, compositions and tasks. The proposed members of the Board of Directors of Adapteo have agreed that if they will be elected in the Extraordinary General Meeting of Cramo to serve as members of the Board of Directors, they will establish an audit committee (the "**Audit Committee**") and adopt written charter setting forth the purpose, composition, operation and duties of the Audit Committee as well as qualifications for committee membership. The Board would elect the members and the chairman of the committee from among its members. Members are appointed for a one-year term of office, which expires at the end of the Annual General Meeting of Shareholders following the election.

In addition to the Audit Committee and other possible permanent committees, the Board of Directors may in individual cases appoint ad hoc committees for the preparation of specific matters. Such ad hoc committees do not have Board-approved charters and the Board of Directors does not release information on their term, composition, the number of meetings or the members' attendance rates. It is expected that a remuneration committee will be established at a later stage. Before a remuneration committee has been established, the Board of Directors will also review and prepare remuneration matters typically reviewed and prepared by such committee.

The committees of the Board of Directors do not have independent decision-making authority in matters within the competence of the Board of Directors, but they assist the Board of Directors by preparing such matters. The committees of the Board of Directors shall regularly report on their work to the Board of Directors.

Audit Committee

The following description of the Audit Committee is based on the planned framework for the Audit Committee as agreed upon by the proposed Board members. The Audit Committee has at least two (2) members. The majority of the Audit Committee members shall be independent of the Company and its executive management, and at least one of the members shall be independent of the Company's significant shareholders. The President and CEO or any other person belonging to the Company's management may not be a member of the Audit Committee. The Audit Committee may invite, in addition to representatives of the Company and external auditors also other experts to its meetings, when necessary.

The Audit Committee as a whole shall possess the expertise and experience required for the performance of the duties and responsibilities of the Audit Committee. Without limiting the applicable requirements, desirable qualifications for Audit Committee members include appropriate understanding of accounting practices and financial reporting. At least one Audit Committee member shall have special expertise in accounting, bookkeeping or auditing, and the Audit Committee members as a whole shall have sufficient expertise and experience of the Company's operating environment.

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities of the Company's financial reporting process and in monitoring the statutory audit of the financial statements and consolidated financial statements of the Company and assists the Board in its oversight of matters pertaining to financial reporting, internal control, internal audit and risk management, and by making proposals on such matters to the Board of Directors.

In addition, the duties of the Audit Committee include preparatory work on the decision on electing the auditor, the evaluation of the independence of the auditor, particularly the provision of related services to the Company and carrying out other tasks assigned to it by the Board.

The proposed members of the Board of Directors have informed Cramo that assuming they are elected as the members of the Board of Directors of Adapteo, the following members will form the Audit Committee: Outi Henriksson as the Chairman and Joakim Rubin as a member.

Internal Control

The Board of Directors, and the President and CEO, are ultimately responsible for organising and monitoring of adequate internal control within Adapteo. Internal Control Operating Principles, approved by the Board of Directors, define the main principles of the internal control in the Company, and related roles and responsibilities.

Internal control in Adapteo is accomplished through defined and communicated Internal Control Framework, which provides structure and discipline for internal control. The Framework is built on the principles introduced in the Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Framework has five fundamental components – control environment, risk assessment, control activities, information and communication, and monitoring activities – which are adopted in Adapteo's day-to-day operations.

Control environment

Adapteo's control environment consists of policies, guidelines, processes and practices that provide the defined structures to carry out Adapteo's businesses and relevant internal controls. The Board of Directors has approved Internal Control Operating Principles, and other key governing policies which form the baseline for internal control. The Board of Directors has assigned authorisations for decision making throughout the group. The Board of Directors monitors the effectiveness of the internal control in accordance with its annual cycle, and has delegated its monitoring activities to the Audit Committee. Adapteo Management has established Risk & Control Steering Committee, which convenes on a quarterly basis. Actions and outcomes of the committee are reported to the Audit Committee.

Risk assessment

Adapteo's risk management process is defined in the Risk Management Policy. In accordance with the annual cycle, business units, functions, and the Group Management identify and assess risks, and define appropriate mitigating actions, and related roles and responsibilities. Risk assessments are frequently reviewed by the Group Management Team, and reported to the Audit Committee of the Board of Directors.

Control activities

Adapteo's control activities are defined and documented in the process specific internal control catalogues, which detail the behaviours, procedures, responsibilities, and documentation of internal control. Control activities are risk-based, and include all main Adapteo business and financial reporting processes at all levels of the organisation. Control activities include e.g. authorisations, approvals, reconciliations, specifications, segregation of duties, and business performance reviews.

Information and communication

Adapteo communicates internal control related matters internally with the organisation in order to ensure that every employee and manager in the Company behaves and carries out internal control activities as are expected. Communication also facilitates understanding of the internal control objectives within the organisation. Adapteo communicates internal control topics with its stakeholders through the web pages, and annual reports.

Monitoring activities

Monitoring activities include both ongoing day-to-day monitoring and separate evaluations. The objective of the monitoring activities is to obtain reasonable assurance to the Board of Directors, and the management that the five components of internal control are present and functioning. Monitoring activities take place through e.g. quarterly self-assessments, and internal audit activities. Observations and corrective actions are evaluated, mitigated and addressed on a timely manner.

President and CEO

The President and CEO is responsible for managing, supervising and controlling the business operations of the Company. Further, the President and CEO is responsible for the day-to-day executive management of the Company in accordance with the instructions and orders given by the Board of Directors. In addition, the President and CEO ensures that the accounting practices of the Company comply with Finnish law and that its financials have been organised in a reliable manner. The duties of the President and CEO are governed primarily by the Finnish Companies Act. The President and CEO must provide the Board of Directors and its members with the information necessary for the performance of the duties of the Board of Directors.

The President and CEO prepares issues for decision by the Board of Directors, develops the Company in line with the targets agreed with the Board of Directors and ensures proper implementation of the decisions of the Board of Directors. The President and CEO is also responsible for ensuring that the Company is managed in compliance with applicable laws and regulations. The President and CEO is not a member of the Board of Directors, but may attend the meetings of the Board of Directors and has the right to speak at the meeting.

Until the Effective Date, the President and CEO of the Company will be appointed by the Board of Directors of Cramo. Following the Effective date, the Board of Directors of the Company shall have the right to appoint the President and CEO of the Company. The Board of Directors of Cramo has appointed Philip Isell Lind af Hageby (born 1984) as the President and CEO of the Company. The appointment will take effect on the Effective Date.

Group Management Team

The table below presents the members of the Group Management Team whose appointment will take effect on the Effective Date.

Name	Year of birth	Position
Philip Isell Lind af Hageby	1984	President and CEO, Executive Vice President, Rental Space Business Area
Timo Pirskanen	1969	CFO
Björn Kölerud	1966	Interim Executive Vice President, Permanent Space Business Area
Simon Persson	1989	Senior Vice President, HR Development
Teemu Saarela	1981	Senior Vice President, Corporate Development
Hanna Wennberg	1986	Senior Vice President, Marketing and Communications

Philip Isell Lind af Hageby (born 1984) has been appointed as the President and CEO of Adapteo and the Executive Vice President, Rental Space Business Area. Mr. Isell Lind af Hageby will continue as a member of Cramo’s Group Management Team and the Executive Vice President, Modular Space business of Cramo and as a member of the Management Team of Cramo’s Modular Space division, Cramo Adapteo, until the completion of the Demerger. He has also held various positions in Cramo’s subsidiaries since 2018. Previously, Mr. Isell Lind af Hageby served as the Senior Vice President, Business Area Norway and Managing Director of Inwido Norway AS and as a member of the Group Management Team of Inwido AB (publ) between 2016 and 2017. Prior to that he was the Vice President, International Sales of SCAN COIN AB, where he also acted as Director of Retail and Director of Marketing between 2013 and 2015. He was also the Director of SCAN COIN Scandinavia between 2012 and 2015. In addition, Mr. Isell Lind af Hageby served as a member of the Board of Directors in the subsidiaries of Inwido Norway AS while he was the Managing Director of the parent company, and as a member of the Board of Directors of SCAN COIN’s Scandinavian subsidiaries. Mr. Isell Lind af Hageby holds a Master of Science degree in Economics from Stockholm School of Economics. He is a Swedish citizen.

Timo Pirskanen (born 1969) has been appointed as the CFO of Adapteo. Mr. Pirskanen will continue as the CFO and member of the Management Team of Cramo’s Modular Space division, Cramo Adapteo, until the completion of the Demerger. He currently serves as the Chairman of the Board of Directors of Bear Market Capital Oy and as a member of the Board of Directors of HLRE Group Oy and HLRE Holding Oy. Previously, Mr. Pirskanen served as the CFO and Deputy to the CEO as well as a member of the Management Team of Kotipizza Group Oyj between 2015 and 2019 and the Chairman of the Board of Directors of Ryhtymä Oy between 2015 and 2017. He has also been the Senior Vice President, Head of Investor Relations of Rautaruukki Corporation between 2011 and 2015. Mr. Pirskanen holds a Master of Science degree in Economics from Helsinki School of Economics. He is a Finnish citizen.

Björn Kölerud (born 1966) has been appointed as Interim Executive Vice President, Permanent Space Business Area of Adapteo. Mr. Kölerud will continue as the Interim CEO of Flexator AB and member of the Management Team of Cramo’s Modular Space division, Cramo Adapteo, until the completion of the Demerger. He has served as the CEO and a member of the Board of Directors of Navigatus AB since 2010. Previously, Mr. Kölerud served as the CEO of Hästens Group, the Chairman of the Board of Directors of Hästens Beds AB and a member of the Board of Directors of several subsidiaries of Hästens Group between 2016 and 2018, as well as a Director and Partner of Capacent AB between 2002 and 2016. Mr. Kölerud holds a Bachelor of Science degree in Business Administration from Uppsala University. He is a Swedish citizen.

Simon Persson (born 1989) has been appointed as Senior Vice President, HR Development of Adapteo. Mr. Persson will continue as the HR Business Partner and member of the Management Team of Cramo’s Modular Space division, Cramo Adapteo, until the completion of the Demerger. Mr. Persson has previously worked as a management consultant specialising in organisation and HR at Knowit HRM AB and as a HR-Generalist at PricewaterhouseCoopers AB between 2015 and 2017. Mr. Persson holds a Bachelor of Science degree in Philosophy (Human Resource Management) from Uppsala University. He is a Swedish citizen.

Teemu Saarela (born 1981) has been appointed as Senior Vice President, Corporate Development of Adapteo. Mr. Saarela will continue as the Head of Corporate Development and member of the Management Team of Cramo's Modular Space division, Cramo Adapteo, until the completion of the Demerger. Mr. Saarela has held various managerial positions within Cramo's Modular Space division since joining the company in 2013. In addition, he has since 2018 held various board member positions in those Cramo's subsidiaries that will transfer to Adapteo in the Demerger. Previously, Mr. Saarela has also held positions in financial management at Rautaruukki and Thermo Fisher Scientific between 2008 and 2013. Mr. Saarela holds a Master of Science degree in Economics from University of Tampere. He is a Finnish citizen.

Hanna Wennberg (born 1986) has been appointed as Senior Vice President, Marketing and Communications of Adapteo. Ms. Wennberg has served as the Head of Marketing of the AI and analytics company Graviz Telescope since 2018. Ms. Wennberg has previously served as the Head of Marketing & Communications within the Nordic Marketing & Communication Department between 2017 and 2018 at Atlas Copco, where she also served as a Global Communication and Brand Manager between 2015 and 2017 and as a Marketing Communication Manager between 2014 and 2015. Ms. Wennberg was also a member of the Management Team of Atlas Copco Mining & Rock Excavation Technique Sweden between 2017 and 2018. She has also been a member of the Advisory Board of the Association of Swedish Advertisers. Ms Wennberg has studied Strategic Communications and Rhetoric at Örebro University. She is a Swedish citizen.

Litigation Statement Concerning the Company's Directors and Officers

On the date of this Demerger Prospectus, none of the members of the Board of Directors or the Group Management Team nor the President and CEO of the Company has in the previous five years:

- been convicted in relation to fraudulent offences,
- held an executive function, been included in the executive management, or been a member of the administrative, management or supervisory bodies of any company or acted as a general partner with individual liability in a limited partnership at the time of or preceding any bankruptcy, administration of an estate or liquidation (excluding voluntary liquidation proceedings with a purpose of dissolving the company), or
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Conflicts of Interests

Provisions regarding conflicts of interest of the members of the Board of Directors are set forth in the Finnish Companies Act. Pursuant to chapter 6, section 4 of the Finnish Companies Act, a member of the board of directors may not participate in the handling of a contract between himself or herself and the company. Nor may a member of the board of directors participate in handling a contract between the company and a third party if he or she may thereby receive a material benefit that may be in conflict with the interests of the company. Furthermore, chapter 6, section 4 a of the Finnish Companies Act (which enters into force on 10 June 2019) stipulates, in deviation from chapter 6, section 4 of said Act, that a member of the board of directors of a listed company may not participate in the handling of a contract if a party to the contract is in a related party relation to such Board member and the transaction in question does not fall within the ordinary business of the company or is not executed on customary commercial terms. A decision in such a matter is valid if it is supported by a majority required for the decision out of those Board members who are not in a related party relation in the matter.

The aforementioned provisions on contracts shall correspondingly apply to other transactions and court proceedings. The aforementioned provisions also apply to the President and CEO.

To the knowledge of the Company, the proposed members of the Board of Directors, the President and CEO or the members of the Group Management Team do not have any conflicts of interests between their duties towards the Company and their private interests and/or their other duties. In addition, there are no family relationships between the proposed members of the Board of Directors, the President and CEO and the members of the Group Management Team. Peter Nilsson and Joakim Rubin are members of the Board of Directors of Cramo.

Management Remuneration

Compensation of the Members of the Board of Directors

Pursuant to the proposed Articles of Association of Adapteo, the General Meeting of Shareholders determines the remuneration payable to the members of the Board of Directors. Resolutions on the remuneration on the Board of Directors will be passed in the Extraordinary General Meeting of Cramo resolving on the Demerger. Adapteo will be solely responsible for paying the remuneration of the Board of Directors of Adapteo and all other costs and liabilities related thereto also as regards the remuneration or any cost or liability that may potentially relate wholly or partially to the time period preceding the Effective Date.

The Board of Directors of Cramo has proposed to the Extraordinary General Meeting that the members of the Board of Directors of Adapteo to be elected for the term of office ending at the end of the next Annual General Meeting of Adapteo be paid the following remuneration: to the Chairman of the Board of Directors EUR 85,000; and to the other members of the Board of Directors EUR 37,500 each.

The Board of Directors of Cramo has also proposed that the members of the Board of Directors of Adapteo be entitled to a compensation of EUR 1,000 per attended meeting of any committee of the Board of Directors of Adapteo. Further, it is proposed that the member of the Board of Directors elected Chairman of the Audit Committee would receive an additional compensation of EUR 5,000 per year. Reasonable travel expenses will be refunded in accordance with an invoice. It is proposed that the remuneration is paid in cash.

Remuneration of the Group Management Team and the President and CEO

Pursuant to the President and CEO's contract of service with Philip Isell Lind af Hageby, Mr. Isell Lind af Hageby's monthly salary will be SEK 220,000. Mr. Isell Lind af Hageby will also be entitled customary fringe benefits and incentives as in force from time to time. The President and CEO's contract of service may be terminated on a mutual six (6) months' notice. Upon termination of the contract by the Company for reasons other than a breach of the contract, the President and CEO shall be entitled to receive severance payment equivalent as a maximum to twelve (12) months' salary in addition to the salary for the notice period.

The remuneration of the other members of the Group Management Team consists of monthly salary, customary fringe benefits and incentives as in force from time to time. The Group Management Team members' employment contracts may be terminated on a mutual six (6) months' notice. When the Group Management Team member's employment is terminated by the Company for reasons other than a breach of the employee's duties, the Group Management Team member shall be entitled to receive severance payment equivalent as a maximum to six (6) months' salary in addition to the salary for the notice period. Björn Kölerud serves in the Company based on a consulting agreement. The agreement may be terminated on a mutual one (1) month's notice.

The pension benefits of the members of the Group Management Team are determined in accordance with applicable law or collective bargaining agreements. In addition, pursuant to the agreement entered into with the President and CEO, the Company has committed to pay a monthly premium equalling 25 percent of the President and CEO's monthly base salary to a supplementary occupational pension insurance plan.

Management Holdings

Based on the shareholders' register of Cramo, the members of Adapteo's Board of Directors, the President and CEO and the members of the Group Management Team held, on 31 May 2019, a total of 5,869 shares in Cramo, corresponding to approximately 0.01 percent of the shares and votes in Cramo. According to the Demerger Plan, the shareholders of Cramo will on the Effective Date receive as demerger consideration one (1) Adapteo share for each Cramo share that they hold.

The following table presents the number of shares owned by the members of Adapteo's Board of Directors and the Group Management Team according to shareholders' register of Cramo as at 31 May 2019:

	Position	Shares
Board of Directors		
Peter Nilsson	Chairman of the Board of Directors	1,916[1)]
Carina Edblad	Member of the Board of Directors	0
Outi Henriksson	Member of the Board of Directors	0
Andreas Philipson	Member of the Board of Directors	0
Joakim Rubin	Member of the Board of Directors	1,916
Group Management Team		
Philip Isell Lind af Hageby	President and CEO, Executive Vice President, Rental Space	828
Timo Pirskanen	CFO	0
Björn Kölerud	Interim Executive Vice President, Permanent Space	0
Simon Persson	Senior Vice President, HR Development	53
Teemu Saarela	Senior Vice President, Corporate Development	1,156
Hanna Wennberg	Senior Vice President, Marketing and Communications	0

[1)] Peter Nilsson also holds, through Poleved Industrial Performance AB, a company controlled by Mr. Nilsson, 15,600 Cramo shares and 64,000 OTC call options entitling to subscribe for one (1) Cramo share per one (1) option.

Share-Based Incentive Plan

The Board of Directors of Cramo has resolved to establish new share-based incentive plans for the Adapteo Group employees. The aim is to align the objectives of the shareholders and the employees, to retain the employees at Adapteo, and to offer them continuity to current Cramo share-based incentive plans after the Demerger.

Performance Share Plan 2019

In the plan, the participants will have an opportunity to earn Adapteo shares based on the achievement of Board established performance criteria. The plan includes three discretionary periods, 1 July—31 December 2019 and calendar years 2020 and 2021. Each discretionary period is followed by a two-year vesting period. Each discretionary period is conditional to the Board's resolution. A participant's participation in the plan is contingent upon his or her participation in the Adapteo Plc Employee Share Savings Plan. Any rewards will be paid out after the vesting period partly in Adapteo shares and partly in cash to cover applicable taxes arising from the rewards to the participants.

The plan will constitute a transitional deviation from the requirement of the Swedish Corporate Governance Code 2016, which provides that the vesting period to the date for acquisition of shares is to be no less than three years. For business, continuity and program design reasons, the discretionary periods and vesting periods of the Performance Share Plan 2019 have been set to match Adapteo's financial year, being the calendar year. However, as the completion of the Demerger is intended to be registered on the Effective Date, the Demerger would occur during a calendar year. The first discretionary period would therefore commence on 1 July 2019 and, as a result, the first discretionary period and vesting period would together be approximately two and a half years. It has been assessed that applying a discretionary period and vesting period of a total of three and a half years would be detrimental to the incentivising purpose of the program. The second and third discretionary periods, together with their vesting periods, would both be a total of three years.

The plan is directed to approximately 20 key employees. The reward from the discretionary period 2019 is based on the Group´s EPS and the Group´s ROCE. Per current estimation, the rewards to be paid based on the discretionary period 2019 are approximately SEK 9.4 million (EUR 0.9 million) at the maximum. The maximum rewards will be converted to Adapteo shares after the trading of the Adapteo shares has started.

A member of the Group Management Team must hold 50 percent of the shares given on the basis of the plan, until his or her shareholding in total corresponds to the value of his or her annual gross salary.

Employee Share Savings Plan

The Employee Share Savings Plan is offered to all Adapteo Group employees. In the plan, the employees are offered an opportunity to voluntarily save a proportion of their regular salary to be used for the purchase of Adapteo shares.

The first plan period is 1 July–31 December 2019, during which savings from the participants' salaries will be deducted monthly. The minimum savings amount per participant during one month is 2 percent of gross salary and the maximum is 5 percent. The total amount of all savings may not exceed SEK 8.4 million (EUR 0.8 million). The purchase of Adapteo shares using employee savings will occur on a quarterly basis, after the Q3/2019 and the Q4/2019.

Each participant will receive one free matching share for every two purchased savings shares after the designated holding period ending 15 May 2022, assuming the preconditions of shareholding and employment have been met.

Cramo's Share-Based Incentive Plans

The Demerger will affect the Cramo share-based incentive plans. The Board of Directors of Cramo has resolved on the adjustments to the reward payments of the plans as follows.

Performance Share Plans 2015, 2018 and 2019

All rewards will be paid out in both Cramo and Adapteo shares and in cash to cover applicable taxes arising from the rewards to the participants, so that for each earned Cramo share, the participants receive one additional Adapteo share.

The pending confirmed rewards from the discretionary periods 2017 and 2018 will be paid to participants in the original schedule after the relevant vesting periods, in May 2020 and 2021.

For Adapteo participants, the discretionary period 2019 will end already on 30 June 2019. Any rewards accrued by 30 June 2019 will be paid to participants in the original schedule after the relevant vesting period, in May 2022. Reward payments are contingent upon the participation in Adapteo Plc Employee Share Savings Plan.

One Cramo Share Plan

After the completion of the Demerger, the pending matching shares in the One Cramo Share Plan will be paid to the participants in the original schedule after the relevant holding periods, in May 2020, 2021 and 2022. Matching shares will be paid out in both Cramo and Adapteo shares and in cash to cover applicable taxes arising from the rewards to the participants, so that for each earned Cramo share, the participants receive one additional Adapteo share.

For Adapteo participants, the savings in One Cramo Share Plan will end on 30 June 2019. Any savings not used for share purchases before the Demerger will be used to purchase Adapteo shares for Adapteo participants after the Demerger. The matching shares will be denominated respectively.

Auditors

Pursuant to Article 6 of the Company's Articles of Association, the Company will have one (1) auditor, which shall be an auditing firm approved by the Finnish Patent and Registration Office. The Auditor of the Company is elected annually by the Annual General Meeting of Shareholders for a term that ends at the close of the next Annual General Meeting of Shareholders following the election.

The Board of Directors of Cramo has proposed that the audit firm KPMG Oy Ab, which has appointed APA Toni Aaltonen as responsible auditor, be elected as the auditor of Adapteo for a term ending at the end of the first Annual General Meeting of Adapteo.

OWNERSHIP STRUCTURE

As at 31 May 2019, Cramo had 44,690,554 shares. The shareholders of Cramo will receive as demerger consideration one (1) share in Adapteo for each share in Cramo owned; that is, the Demerger Consideration will be issued to the shareholders of Cramo in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration will be issued in respect of own shares held by Cramo (7,857 as at 31 May 2019).

The following table sets forth the 10 largest shareholders of Cramo on 31 May 2019 that is based on the shareholder register maintained by Euroclear Finland and information provided by EQT Fund Management S.à r.l regarding its ownership. The following table also sets forth Adapteo's largest shareholders and their share ownership as at the Effective Date assuming that there are no changes in the ownership of the largest shareholders of Cramo and the number of Cramo's treasury shares between 31 May 2019 and the Effective Date:

Shareholder	**Number of shares in Cramo**	**Percent of shares and votes in Cramo**	**Number of shares in Adapteo**	**Percent of shares and votes in Adapteo**
EQT Fund Management S.à r.l	5,500,018	12.31	5,500,018	12.31
Rakennusmestarien Säätiö	2,129,422	4.76	2,129,422	4.77
Ilmarinen Mutual Pension Insurance Company	1,459,040	3.26	1,459,040	3.27
Nordea Funds	835,407	1.87	835,407	1.87
Varma Mutual Pension Insurance Company	758,387	1.70	758,387	1.70
Evli Funds	723,023	1.62	723,023	1.62
Danske Invest Funds	570,000	1.28	570,000	1.28
ODIN Finland	507,656	1.14	507,656	1.14
OP Funds	355,590	0.80	355,590	0.80
Rakennusmestarit ja –insinöörit AMK RKL ry	301,220	0.67	301,220	0.67
Ten largest, total	13,139,763	29.40	13,139,763	29.41
Nominee-registered shares, total[1)]	19,215,051	43.00	19,215,051	43.00
Other shareholders	12,327,883	27.58	12,327,883	27.59
Treasury shares	7,857	0.02	-	-
Total	**44,690,554**	**100**	**44,682,697**	**100**

[1)] Excluding EQT Fund Management S.à r.l

To the extent known to the Company, Adapteo will not, directly or indirectly, be owned or controlled by any one person on the Effective Date.

Adapteo is not aware of any agreements between shareholders that would have a significant bearing on the use of ownership rights or voting behaviour at a General Meeting of Shareholders.

RELATED PARTY TRANSACTIONS

Adapteo's related parties prior to the Effective Date include the parent company Cramo Plc, Cramo group companies other than Adapteo entities and a joint venture. Related parties also include key management personnel and their close family members as well as entities controlled by these persons.

The key management personnel include Cramo's management team and the members of the Board of Directors. As Adapteo has not had a separate management team and a separate Board of Directors during the periods presented a share of employee benefits of Cramo's key management has been allocated to Adapteo and recognised in Adapteo's carve-out financial statements. Following the Effective Date, Adapteo will have a Board of Directors, a President and CEO as well as a Group Management Team of its own. Following the Effective Date, business transactions between Adapteo and Cramo will not be related party transactions.

In the historical carve-out financial information of Adapteo previous business transactions between Adapteo and other Cramo companies have been presented as related party transactions. Adapteo's sales to Cramo companies comprise of sales of modular buildings. Adapteo's purchases from Cramo comprise of purchases of modular buildings and leasing of centrally owned fleet. Trade and other receivables and trade and other payables comprise of items arising in the ordinary course of business.

The following table presents Adapteo's transactions with Cramo on a carve-out basis for the periods indicated:

	1 January to 31 March		**1 January to 31 December**		
In EUR million	**2019**	**2018**	**2018**	**2017**	**2016**
	(unaudited)			**(audited)**	
Net sales	0.1	0.1	1.1	0.6	0.5
Purchases	0.1	0.0	0.5	0.0	–
Interest expenses	-0.6	-0.6	-1.8	-1.8	-1.2

In addition, Cramo has equity and financing transactions with Adapteo, which have led to the recognition of receivables and payables with Cramo. Short-term and long-term interest-bearing loans represent loan balances owed by Adapteo to Cramo that have been arranged for Adapteo to meet its financing needs. Interest expenses comprise of interest on Cramo's financing to Adapteo.

The following table presents Adapteo's outstanding balances with Cramo on carve-out basis as at the dates indicated:

	As at 31 March		**As at 31 December**		
In EUR million	**2019**	**2018**	**2018**	**2017**	**2016**
	(unaudited)			**(audited)**	
Loans from Cramo	100.6	106.5	106.5	91.6	64.3
Receivables	0.7	0.4	0.4	0.2	0.0
Payables	0.2	1.2	1.2	0.4	0.2

Equity transactions made with Cramo during the years ended 31 December 2018, 2017 and 2016 as well as for the three months period ended 31 March 2019 and 2018 have been presented in the changes in invested equity in the combined balance sheet.

On 31 December 2018 Adapteo had a EUR 0.2 million loan receivable from a joint venture Ungabostäder Haninge AB. In 2018 no amortisation has been made from this loan. Adapteo had no joint ventures in 2017 and 2016.

The table below presents the portion of the employee benefits of the key employees belonging to Cramo's management allocated to Adapteo in the carve-out financial statements, as Adapteo has not had a separate management team for the financial years ended 31 December 2018, 2017 and 2016:

	1 January – 31 December		
EUR thousand	**2018**	**2017**	**2016**
Salaries, bonuses and fringe benefits	350	353	408
Termination benefits	77	66	84
Post-employment benefits	42	42	17
Share-based payments	116	128	110
Total	**585**	**590**	**618**

The benefits of the members of the Board of Directors have not been presented, as Adapteo has not had a separate Board of Directors. Adapteo has not operated as a separate public limited liability corporation during the previous financial years and the above numbers do not therefore give any indication on the future remuneration of the key employees belonging to Adapteo's management.

There has not been any material changes in the remuneration of the key employees belonging to Cramo's management and in the principles of allocating such costs to Adapteo for the carve-out financial information purposes since 31 December 2018. More information on the remuneration of Adapteo's Board of Directors, the Group Management Team and the President and CEO after the Demerger is presented in section "*Board of Directors, Management and Auditors – Management Remuneration*".

DESCRIPTION OF THE SHARES AND SHARE CAPITAL

Since the incorporation of Adapteo will only become effective on the Effective Date, the following information is based on the Demerger Plan. See "Annex A."

General Information on Adapteo

The registered name of the company to which all of the assets, debts and liabilities relating to Cramo's Modular Space business will transfer in the Demerger is Adapteo Oyj in Finnish, Adapteo Abp in Swedish and Adapteo Plc in English. Adapteo will be domiciled in Vantaa, Finland. Adapteo will be a public limited liability company incorporated in Finland and organised under the laws of Finland. Adapteo will be registered in the Finnish Trade Register under business identity code 2982221-9. The address of Adapteo will be Äyritie 12 B, FI-01510 Vantaa, Finland, and its telephone number +358 40 653 5250. The incorporation of Adapteo is expected to be registered in the Finnish Trade Register on the Effective Date.

According to paragraph 2 of the Articles of Association of Adapteo, Adapteo's field of business is, either directly or through its subsidiaries or affiliated companies, to engage in the design, manufacture, sale, rental, import and export, installation, repair, maintenance and removal of modular spaces, modular units and other transportable facilities and in related service operations as well as in the sale of building products and materials and the sale and rental of office furniture and equipment. As a parent company, the Company can attend to the management, financing, marketing, and other joint duties of the group, and own and lease properties related thereto, as well as own securities and engage in trade with securities and properties.

Shares and Share Capital of Adapteo

Adapteo's share capital will amount to EUR 10,000,000.00. The shareholders of Cramo will receive as demerger consideration one (1) new share of Adapteo for each share owned in Cramo, that is, the Demerger Consideration will be issued to the shareholders of Cramo in proportion to their existing shareholding with a ratio of 1:1. No Demerger Consideration will be issued to any treasury shares held by Cramo. The final aggregate number of shares in Adapteo to be issued as Demerger Consideration will be determined on the basis of the number of shares in Cramo (excluding own shares held by Cramo) on the Effective Date. On 31 May 2019, Cramo holds 7,857 treasury shares. Assuming that no changes in the aggregate number of issued and outstanding shares in Cramo occur between 31 May 2019 and the Effective Date, the aggregate number of Adapteo shares as at the Effective Date will be therefore be 44,682,697 shares. There will be only one (1) share class in Adapteo, and the shares of Adapteo shall not have a nominal value. Each share will carry one vote at the General Meeting of Shareholders. Shares in Adapteo will be entered into the book-entry securities system maintained by Euroclear Finland and Euroclear Sweden and they are freely transferable. The ISIN code of the shares in Adapteo will be FI4000383898 and the trading code on Nasdaq Stockholm ADAPT. Neither Adapteo Plc nor its subsidiaries will own any shares in Adapteo on the Effective Date.

Listing of the Shares in Adapteo

Nasdaq Stockholm has assessed that Adapteo fulfils the listing requirements of Nasdaq Stockholm, subject to certain conditions described in detail under "*Summary of the Demerger – General Description*". In accordance with Nasdaq Stockholm's listing process, Adapteo intends to apply for admission to trading on Nasdaq Stockholm at the latest on the business day preceding the first day of trading. Shares in Adapteo will be quoted in Swedish kronor on Nasdaq Stockholm. The trading in the Adapteo shares on Nasdaq Stockholm is expected to begin on the first business day following the Effective Date or as soon as reasonably possible thereafter.

Authorisations proposed by the Board of Directors of Cramo

Authorisation to Issue Shares and Special Rights Entitling to Shares in Adapteo

On 2 May 2019, the Board of Directors of Cramo proposed to the EGM scheduled for 17 June 2019 that the Board of Directors of Adapteo would, following the completion of the Demerger, be authorised to resolve to issue shares and special rights entitling to shares pursuant to Chapter 10 of the Finnish Companies Act in Adapteo.

Pursuant to the proposal, a maximum of 4,500,000 shares can be issued, which would correspond to approximately 10 percent of Adapteo's registered shares upon the completion of the Demerger, assuming that the total number of Adapteo shares to be issued as Demerger Consideration would be 44,682,697 shares. The shares or special rights entitling to shares can be issued in one or more tranches. The shares issued under the authorisation can be new shares or shares in Adapteo's possession.

Under the authorisation, the Board of Directors may resolve upon issuing new shares to Adapteo itself. However, Adapteo, together with its subsidiaries, may not at any time own more than 10 percent of all its registered shares.

The Board of Directors of Adapteo is authorised to resolve on all terms for share issues and granting of special rights entitling to Adapteo shares hereunder. The Board of Directors of Adapteo is authorised to resolve on a directed share issue and issuance of special rights entitling to shares in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for Adapteo to do so.

The authorisation is valid until the end of the next Annual General Meeting of Adapteo, however no longer than until 30 June 2020.

Authorisation to Decide on Acquisition of Adapteo's own Shares and on Acceptance as Pledge of Adapteo's own Shares

On 2 May 2019, the Board of Directors of Cramo proposed to the EGM scheduled for 17 June 2019 that the Board of Directors of Adapteo would, following the completion of the Demerger, be authorised to decide on the acquisition of Adapteo's own shares and on the acceptance as pledge of Adapteo's own shares.

Pursuant to the authorisation, the total number of own shares to be acquired or accepted as pledge shall not exceed 4,500,000 shares in total, which would correspond to approximately 10 percent of Adapteo's registered shares upon the completion of the Demerger, assuming that the total number of Adapteo shares to be issued as Demerger Consideration would be 44,682,967 shares. However, Adapteo together with its subsidiaries may not at any moment own and/or hold as pledge more than 10 percent of all the shares in Adapteo. Only the unrestricted equity of Adapteo can be used to acquire own shares on the basis of the authorisation.

Own shares can be acquired at a price formed in public trading on the regulated market on which Adapteo's shares are traded on the date of the acquisition or otherwise at a price formed on the market.

The Board of Directors of Adapteo decides how own shares will be acquired and accepted as pledge. Own shares can be acquired using derivatives, among other things. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders (directed acquisition).

Own shares can be acquired and accepted as pledge to, among other things, limit the dilutive effects of share issues carried out in connection with possible acquisitions, to develop Adapteo's capital structure, to be transferred in connection with possible acquisitions, to be used in incentive arrangements or to be cancelled, provided that the acquisition is in the interest of Adapteo and its shareholders.

The authorisation is valid until the end of the next Annual General Meeting of Adapteo, however no longer than until 30 June 2020.

Shareholders' Rights

Shareholders' Pre-Emptive Subscription Right

Pursuant to the Finnish Companies Act, the shareholders of a Finnish limited liability company have a pre-emptive right to subscribe for the company's new shares, option rights and convertible bonds in proportion to the number of shares in a company they already hold unless otherwise provided in the resolution of the General Meeting of Shareholders or the Board of Directors resolving on such issue. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two thirds of all votes cast and shares represented at a General Meeting of Shareholders. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders. In addition, pursuant to the Finnish Companies Act, a resolution on a share issue without payment waiving the shareholders' pre-emptive rights requires that there is an especially weighty financial reason for the company and in regard to the interests of all shareholders in the company.

Certain foreign shareholders may not necessarily be able to exercise their pre-emptive subscription rights in the Company's future offerings due to the legislation and regulations of their own country. See "*Risk Factors – Risks Related to the Shares in Adapteo - Certain foreign shareholders may not necessarily be able to exercise their subscription rights*".

General Meetings of Shareholders

Pursuant to the Finnish Companies Act, the shareholders exercise their decision-making power concerning the company's matters at the General Meetings of Shareholders. Pursuant to the Finnish Companies Act, the Annual General Meeting of Shareholders of a company shall be held annually within six months of the end of the financial year.

Pursuant to the Finnish Companies Act and the Company's Articles of Association, the Annual General Meeting of Shareholders shall resolve on matters including, amongst other things, the following:

- adoption of the financial statements and consolidated financial statements,
- granting discharge from liability to the members of the Board of Directors and the CEO,
- use of profit shown in the balance sheet,
- election of members of the Board of Directors, and
- election of auditors.

Furthermore, an authorisation for the Board of Directors to resolve on a share issue or issue of other special rights entitling to shares and amendments to the Articles of Association also require the resolution of a General Meeting of Shareholders. In addition to Annual General Meetings of Shareholders, Extraordinary General Meetings of Shareholders may also be held if required. Subject to the nature of the matter to be resolved, the provisions of the Finnish Companies Act regarding qualified majority, as described below, shall be applied.

The General Meeting of Shareholders handles the matters required by the Finnish Companies Act or the Articles of Association or presented to it by the Board of Directors. As a general rule, the General Meeting of Shareholders is summoned by the Board of Directors. If a shareholder or shareholders of a company controlling at least 10 percent of the shares or the company's auditor request in writing that a certain matter be handled at a General Meeting of Shareholders, the Board of Directors must summon a General Meeting of Shareholders within one month from the arrival of the request. Under the Finnish Companies Act, a shareholder may submit a written request to the Board of Directors to include on the agenda for the next General Meeting of Shareholders any matter falling within the competence of the General Meeting of Shareholders, provided that the request is submitted in good time so that it can be included in the notice to the meeting. In a listed company, a request is always considered to be on time, if it is submitted at the latest four weeks prior to the giving of the notice to a meeting.

The proposal by the Shareholders' Nomination Committee for the composition of the Board of Directors shall be included in the notice of the General Meeting of Shareholders. The same applies to a proposal for the composition of the Board of Directors made by shareholders with at least 10 percent of the votes carried by the shares, provided that the candidates have given their consent to the election and the Company has received information on the proposal sufficiently in advance so that it may be included in the notice to the General Meeting of Shareholders. The proposal by the Board of Directors for the auditors of the company will be published in connection with the notice to the General Meeting of Shareholders.

Under the Articles of Association of the Company, the shareholders of the Company are summoned to a General Meeting of Shareholders by publishing the notice on the Company's website. The notice shall be published no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting of Shareholders, in any event no later than nine (9) days prior to the record date (as described below) of the General Meeting of Shareholders.

Under the Articles of Association, the notice to the General Meeting of Shareholders must state the date by when the shareholder shall at the latest register with the Company in order to attend the General Meeting of Shareholders, which date, pursuant to the Finnish Companies Act, may be no earlier than ten (10) days prior to the General Meeting of Shareholders.

Pursuant to the Finnish Companies Act, only the shareholders who have been entered in the Company's shareholders' register maintained by Euroclear Finland eight working days before a General Meeting of Shareholders (the "**Record Date**") have the right to attend the General Meeting of Shareholders. A holder of nominee-registered shares has the right to participate in a General Meeting of Shareholders by virtue of such shares based on which he or she on the Record Date would be entitled to be registered in the shareholders' register of the company held by Euroclear Finland. The right to participate in a General Meeting of Shareholders requires, in addition, that the shareholder on the basis of such shares has been registered into the temporary shareholders' register of the company held by Euroclear Finland. The notification of temporary entry into the shareholders' register shall be made no later than on the date specified in the notice to the General Meeting of Shareholders, which must be after the Record Date.

A shareholder, whose shares are registered in the Company's register of shareholders maintained by Euroclear Sweden, shall, to fulfil the requirements to attend the General Meeting of Shareholders, be entered in the Company's register of shareholders maintained by Euroclear Sweden on the Record Date and request temporary registration of ownership in the shareholders' register maintained by Euroclear Finland by the date and in the manner announced in the notice to the General Meeting of Shareholders. Furthermore, a shareholder whose shares are nominee registered in the register of shareholders of the Company maintained by Euroclear Sweden shall temporarily register his/her shares under his/her name in the register. A shareholder who wishes such temporary registration must contact his/her custodian bank and ask the custodian bank to temporarily register the shareholder in the Company's register of shareholders maintained by Euroclear Sweden and procure that the custodian bank sends the abovementioned request for temporary registration in the shareholders' register maintained by Euroclear Finland on their behalf.

Pursuant to the Finnish Companies Act, a shareholder may participate in a General Meeting of Shareholders in person or by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his or her right to represent a shareholder at a General Meeting of Shareholders. When a shareholder participates in the General Meeting of Shareholders by means of several proxy representatives representing the shareholder based on shares at different securities accounts, the shares based on which each proxy representative represents the shareholder shall be identified in connection with the registration for the General Meeting of Shareholders. In addition, each shareholder or proxy representative may have an assistant present at the General Meeting of Shareholders.

Voting Rights

A shareholder may attend and vote at a General Meeting of Shareholders personally or by way of proxy representation. Each share confers the right to cast one (1) vote at a General Meeting of Shareholders. If a holder of a nominee-registered share wishes to attend a General Meeting of Shareholders and exercise the voting rights attached to such share, the holder must be notified for a temporary entry in the company's shareholders' register. The notification for temporary entry into the shareholders' register shall be made no later than on the date specified in the notice to the General Meeting of Shareholders, which must be after the Record Date. There are no quorum requirements for the General Meetings of Shareholders in the Finnish Companies Act or the Company's Articles of Association.

At a General Meeting of Shareholders, resolutions generally require the approval of the majority of the votes cast. However, certain resolutions, such as amending the Articles of Association, a directed share issue and, in certain cases, a resolution regarding a merger or demerger of the company, require a majority of two-thirds of the votes cast and of the shares represented at the General Meeting of Shareholders. In addition, certain resolutions, such as a mandatory redemption of the shares by a company in deviation from the shareholdings of the shareholders, require a consent of all shareholders.

Dividend and Other Distribution of Funds

Under the Finnish Companies Act, dividends on shares of a Finnish company may only be paid after the General Meeting of Shareholders has adopted the company's financial statements and resolved on the distribution of dividend. As a general rule, the General Meeting of Shareholders may not decide to distribute assets in excess of what the Board of Directors has proposed or accepted. Pursuant to the Finnish Companies Act, the distribution of dividends shall be based on the latest adopted and audited financial statements. A company may also pay an interim dividend based on the earnings of the ongoing financial year if an Extraordinary General Meeting of Shareholders adopts new audited financial statements. The payment of dividends requires the approval of the majority of the votes cast at a General Meeting of Shareholders. The General Meeting of Shareholders may also authorise the Board of Directors to resolve on the distribution of dividends. Pursuant to the Articles of Association of the Company, the shares of the Company entitle their holders to equal rights to dividend and other distributable funds (including the distribution of the Company's assets in dissolution) after the shares are entered in the Finnish Trade Register.

Pursuant to the Finnish Companies Act, the shareholders' equity is divided into restricted and unrestricted equity. The division has significance when determining the amount of distributable funds. Share capital and revaluation surplus, fair value reserve and revaluation reserve pursuant to the Finnish Accounting Act (1336/1997, as amended) are restricted equity. The premium fund and reserve fund established prior to the entry into force of the Finnish Companies Act are restricted equity as provided by the Act on the Implementation of the Companies Act (625/2006, as amended). Other reserves and the profit for the financial year and retained earnings from the previous financial years are unrestricted equity. The amount of any dividend or other distribution of assets is limited to the amount of distributable funds. However, no funds may be distributed if at the time of resolving on the distribution it is known or it should be known that the company is insolvent or that the distribution will result in insolvency. Distributable funds include the profit for the financial year, retained earnings from previous years and other unrestricted equity, less reported losses and the amount required by the company's Articles of Association to be left undistributed. The distributable funds shall be adjusted as appropriate by the amount of founding costs, research costs and certain development costs capitalised in the balance sheet pursuant to the Act on the Implementation of the Finnish Companies Act.

A dividend or other distribution of assets may not exceed the amount proposed or approved by the Board of Directors unless requested at the Annual General Meeting of Shareholders by shareholders representing at least ten percent of the issued shares of a company. If such a request is presented, and sufficient distributable funds are available as described above, the dividend paid shall equal at least one-half of a company's profit for the financial year, less the amount required by a company's Articles of Association to be left undistributed. The shareholders may request dividend for a maximum amount of eight percent of the total shareholders' equity of a company. Any dividend for the financial year distributed prior to the Annual General Meeting of Shareholders shall be deducted from the distributable amount.

Dividend and other distributions are paid to shareholders or their nominees that are included in the shareholders' register or the register of shareholders on the relevant dividend record date. The shareholders' register is maintained by Euroclear

Finland through relevant book-entry account operators. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register. For shareholders whose shares are registered in the Company's register of shareholders maintained by Euroclear Sweden, dividends will be forwarded by Euroclear Sweden by account transfers to the accounts of the shareholders appearing in the register. If the dividend is denominated in euro, Euroclear Sweden may exchange the relevant dividend amount into Swedish krona (SEK) prior to forwarding the amount to the accounts of the shareholders. All shares of the Company entitle their holders equal rights to dividend and other distributions of the Company (including in an event of dissolution of the Company). The date of expiry of the dividend is normally three years from the payment date of the dividend.

Under the Finnish Companies Act, a company may acquire or redeem its own shares. Decisions on the acquisition or redemption of a company's own shares must be made by the General Meeting of Shareholders and require at least two thirds of the votes cast and the shares represented at the meeting. The General Meeting of Shareholders may also authorise the Board of Directors to decide on an acquisition of a company's own shares using the unrestricted equity for a specific period of time, which cannot exceed 18 months. Own shares may be acquired in a proportion other than that of the shares held by the shareholders only if there is a weighty financial reason for the company to do so. As a general rule, own shares may be redeemed in a proportion other than that of the shares held by the shareholders only by the consent of all shareholders. In a public company, the decision to acquire or redeem own shares or to accept them as pledge may not be made if the treasury shares in the possession of, or held as pledges by, the company and its subsidiaries would exceed ten percent of all shares. Shares held by a company or its subsidiaries shall not be entitled to participate in the General Meeting of Shareholders or to dividend distribution.

Mandatory Tender Offer and Redemption Obligation

The Securities Markets Act requires that a shareholder whose holding in a company exceeds three-tenths or one-half of the total voting rights attached to the shares of the company, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company for fair value. For more information, see "*Adapteo and the Swedish and Finnish Securities Markets – Mandatory Bids*".

Under the Finnish Companies Act, a party holding more than nine-tenths of all the shares and votes attached to the shares in a company has the right to redeem the shares of the other shareholders of the company at fair value. The Finnish Companies Act provides detailed provisions for the calculation of the said shares and votes. In addition, any minority shareholder that possesses shares that may be so redeemed by the majority shareholder based on the Finnish Companies Act is entitled to require such majority shareholder to redeem its shares. If a shareholding constitutes the right and obligation for redemption, the company must immediately enter this in the Finnish Trade Register. The Redemption Committee of the Finland Chamber of Commerce appoints a requisite number of arbitrators to resolve disputes related to the redemption and the redemption price. The redemption price shall be determined on the basis of the fair market price preceding the initiation of the arbitration proceedings.

Treasury Shares

Pursuant to the Finnish Companies Act, a company can repurchase its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the General Meeting of Shareholders, unless the General Meeting of Shareholders has authorised the Board of Directors to resolve upon share repurchases using unrestricted equity. Any such authorisation with regard to a public limited liability company may remain in effect for no more than 18 months. A public limited liability company may not, directly or indirectly, own more than ten percent of all shares in the company. At the Effective Date, Adapteo will not hold any of its own shares in treasury.

Foreign Exchange Control

Shares in a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, but the company is generally required to withhold tax on the transfer of assets out of Finland unless an agreement for avoiding double taxation, whose provisions prevent the withholding of tax, applies. Non-residents having acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. Shares in a Finnish company may be sold in Finland by non-residents, and the proceeds of such sale may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

ADAPTEO AND THE SWEDISH AND FINNISH SECURITIES MARKETS

Adapteo will be a Finnish public limited liability company and Adapteo's shares are contemplated to be listed on the Swedish regulated market Nasdaq Stockholm. The following is an overview of the Swedish and Finnish securities markets, including a brief summary of certain Swedish and Finnish laws and regulations in effect on the date of this Demerger Prospectus and affecting Adapteo as a Finnish company with a listing on Nasdaq Stockholm. The summary is not intended to provide a comprehensive description of all laws and regulations affecting Adapteo and should not be considered exhaustive. Moreover, the laws, rules, regulations and procedures summarised below may be amended or reinterpreted.

Nasdaq Stockholm

Nasdaq Stockholm is the principal regulated market on which shares, bonds, derivatives and other securities are traded in Sweden and is operated by Nasdaq Stockholm AB. Nasdaq Stockholm is a part of Nasdaq Group, Inc. ("**Nasdaq**"). Nasdaq offers trading across multiple asset classes and its technology supports the operations of over 90 market places in 50 countries. Nasdaq also owns and maintains the exchanges inter alia in Helsinki, Copenhagen, Riga, Reykjavik, Tallinn and Vilnius. Each country has its own official list and country-specific listing requirements. Nasdaq's Nordic List (the "**Nordic List**") was launched in 2006 and consists of shares listed on the exchanges in Stockholm, Helsinki, Copenhagen and Reykjavik. Through the Nordic List, the listing requirements for companies, as well as the way of presenting the listed companies have been harmonised. In the Nordic List, issuers are presented first by their market capitalisation and then by their industry or sector irrespective of the domicile of the issuer. The markets capitalisation classification is divided into three categories: Large Cap, Mid Cap and Small Cap. Within each market capitalisation segment, issuers are sorted by their industry sector according to the ICB Company Classification Standard. Issuers belonging to the same industry sector are placed in the same industry sector segment in alphabetical order.

Trading in Securities and Clearing on Nasdaq Stockholm

Trading in and clearing of securities on Nasdaq Stockholm takes place in SEK. The minimum price increment in which prices are quoted (tick size) depends on the share price. Price information is produced and published in SEK. Trading on Nasdaq Stockholm is conducted on behalf of customers e.g. by duly authorised Swedish and foreign banks, clearing houses, securities firms and other securities brokers, as well as the Swedish Central Bank and other central banks. While banks and brokers are permitted to act as principals in trading both on and off Nasdaq Stockholm, they generally engage in transactions as agents. Nasdaq Stockholm uses the trading platform INET Nordic. INET Nordic is an order-based system in which orders are executed when price and volume information as well as other conditions match. INET Nordic continuously broadcasts trading information. The information is displayed in real time in the form of, inter alia, order books, concluded trades, index information and different kinds of reports.

Nasdaq Stockholm has three principal trading sessions: pre-open, continuous trading and post-trading. For shares, pre-open session begins at 8:00 a.m. (all times in this section are stated in Swedish time, i.e. CET) and ends at 9:00 a.m. Opening call begins at 8:00 a.m. and ends at approximately 9:00 a.m. Continuous trading begins sequentially after the opening call ends at approximately 9:00 a.m. when the first share is assigned its opening price and it then becomes subject to continuous trading. Continuous trading takes place from approximately 9:00 a.m. to 5:25 p.m. when the closing call is initiated during which there is no auto matching. The closing call ends at approximately 5:30 p.m. Post-trading, during which contract transactions for shares can be registered as dealings after trading hours mainly within the price limits based on the trading day, takes place from 5:30 p.m. to 6:00 p.m. During half days, continuous trading ends at 1:00 p.m. and post-trading takes place from 1:00 p.m. and ends at 1:30 p.m. In addition to official trading on Nasdaq Stockholm through automatic order matching in INET Nordic, shares may also be traded off Nasdaq Stockholm, i.e., outside INET Nordic, during, as well as after, the official trading hours (through so-called manual trading). All manual trades must normally be reported in INET Nordic as close to real time as possible (as regards equity instrument, no later than one minute from the time of the agreement), although trades outside the official trading hours must be reported during the pre-trading session on the following exchange day prior to the opening of the trading hours.

The round lot for all shares traded on Nasdaq Stockholm is one share. Clearing and settlement of trades take place through an electronic account-based securities system administered by Euroclear Sweden. Trades are normally cleared in Euroclear Sweden's automated clearing and settlement system on the second banking day after the trade date. However, the primary share register of the Company is maintained by Euroclear Finland as Adapteo is a Finnish public limited liability company (for further information, see "*–Securities Registration*" below).

Securities Market Regulation

Nasdaq Stockholm is regulated *inter alia* under EU directives and regulations, primarily Directive 2014/65/EU ("**MiFID II**"), which has been implemented mainly through the Swedish Securities Markets Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) and Regulation 2014/600/EU ("**MiFIR**"). Nasdaq Stockholm AB is authorised pursuant to the Swedish Securities Market Act to operate a regulated market under the supervision of the Swedish Financial Supervisory

Authority (Sw. *Finansinspektionen*) ("**SWE-FSA**"). The SWE-FSA is a governmental authority responsible for, among other things, supervising and monitoring the Swedish securities market and market participants. The SWE-FSA also issues regulations that supplement Swedish securities market laws. Furthermore, pursuant to the Swedish Securities Market Act, Nasdaq Stockholm is required to have rules of its own, governing the trading on Nasdaq Stockholm. The Rule Book for Issuers of Nasdaq Stockholm, based on European standards and EU directives and regulations such as MiFID II, Directive 2004/109/EC ("**Transparency Directive**") and Regulation 2014/596/EU (the "**Market Abuse Regulation**" or "**MAR**"), sets forth listing requirements and disclosure rules for companies listed on Nasdaq Stockholm.

Nasdaq Stockholm maintains a market supervision unit ("**Trading Surveillance**") that monitors trading on Nasdaq Stockholm on a "real time" basis, as described below. Trading Surveillance monitors trading data for indications of unusual market activity and trading behaviour, and continuously examines information disseminated by listed companies, such as earnings reports, acquisitions and other investment plans and changes in ownership structure on a daily basis. When Trading Surveillance becomes aware of non-public price sensitive information, it monitors trading in the shares concerned to identify unusual trading activity indicating that persons may be trading on that information.

MAR, the Swedish Act on Penalties for Market Abuse on the Securities Market (Sw. *lagen (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden*) and the Swedish Act on Supplementary Provisions to MAR (Sw. *lagen (2016:1306) med kompletterande bestämmelser till EU:s marknadsmissbruksförordning*) provide sanctions for insider trading and unlawful disclosure of inside information. These market abuse regulations also contain provisions prohibiting market manipulation, making illegal actions (in connection with trading on the securities market or otherwise) intended to unduly affect the market price or other conditions of trade in financial instruments, or otherwise mislead buyers or sellers of such instruments (such as through spreading false or misleading information). Further, market manipulation may also constitute fraud under Swedish criminal law. The SWE-FSA and the Trading Surveillance enforce compliance with these market abuse regulations and the SWE-FSA has the authority to impose administrative sanctions on legal as well as natural persons that breach such regulations. The SWE-FSA may, for example, issue a public warning, impose a ban from exercising management functions or impose administrative fines. Criminal offenses are enforced in court by the Swedish National Economic Crimes Bureau (Sw. *Ekobrottsmyndigheten*). Penal sanctions for such criminal offences may entail imprisonment of up to six years. The disciplinary board of Nasdaq Stockholm may give a warning or note or impose a disciplinary fine or order the company to be removed from the stock exchange list.

As Adapteo is domiciled in Finland, it is also subject to certain Finnish securities market laws and regulations. The securities market in Finland is supervised by the Finnish Financial Supervisory Authority (Fin. *Finanssivalvonta*) ("**FIN-FSA**"). The principal statute governing the Finnish securities market is the Finnish Securities Markets Act (Fin. *Arvopaperimarkkinalaki, 746/2012 as amended*), which contains regulations with respect to, among other matters, company and shareholder disclosure obligations, such as flagging obligation, prospectuses as well as public tender offers. In addition, the Market Abuse Regulation regulates insider dealing, unlawful disclosure of inside information, market manipulation, and public disclosure of inside information. MAR establishes a uniform regulatory framework for market abuse regime in the EU. The FIN-FSA and Nasdaq Helsinki have also issued more detailed regulations on the securities markets pursuant to the Finnish Securities Markets Act. The FIN-FSA monitors compliance with these regulations.

The Finnish Securities Markets Act specifies the minimum disclosure requirements for Finnish companies. The issuer of security subject to public trading is obliged to regularly provide financial information of the company and, pursuant to MAR, publicly disclose to the public as soon as possible the inside information which directly concerns that issuer. An issuer may delay disclosure of inside information to the public provided that all of the conditions set out in MAR are met. Information disclosed shall be sufficient to enable investors to make an informed assessment of the security and the issuer thereof.

The Finnish Penal Code (Fin. *Rikoslaki*, *39/1889 as amended*) contains provisions relating to the misuse of inside information, unlawful disclosure of inside information, market manipulation and breach of disclosure requirements. A breach of these provisions constitutes a criminal offence. Pursuant to MAR, the Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (Fin. *Laki Finanssivalvonnasta, 878/2008 as amended*), the FIN-FSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Penal Code. The FIN-FSA may, for example, issue a public warning or impose administrative fine or penalty payment for the breach of disclosure requirements or public tender offer, insider register or market abuse provisions.

Securities Registration

General

Adapteo is a Finnish public limited liability company. Adapteo's shares will be registered in dematerialised book-entry form in the account-based electronic securities system operated by Euroclear Finland, as well as the corresponding Swedish securities system operated by Euroclear Sweden. The Company and its shares will have its primary registration in the securities system operated by Euroclear Finland. To facilitate trading on Nasdaq Stockholm, the Company and its shares will also be registered with Euroclear Sweden. Nasdaq Stockholm has assessed that Adapteo fulfils the listing requirements of Nasdaq Stockholm, subject to certain conditions described in detail under "*Summary of the Demerger – General Description*". In accordance with Nasdaq Stockholm's listing process, Adapteo intends to apply for admission to trading on Nasdaq Stockholm at the latest on the business day preceding the first day of trading.

Euroclear Sweden will, if so requested by a shareholder or its intermediary, be recorded in Euroclear Finland's securities system as a holder on behalf of others (Sw. *innehavare för annans räkning*) of shares in the Company and will mirror the shares held by it in Euroclear Finland's securities system into the securities system operated by Euroclear Sweden. Shares registered in Euroclear Sweden's securities system will have the same ISIN as shares registered in Finland (see "*– Registration Procedure in Finland*" and "*– Registration Procedure in Sweden*" below).

Upon registration of the Demerger, all shareholders of Cramo will be credited shares in Adapteo in Euroclear Finland's securities system. Shareholders who have their shares in Adapteo in Euroclear Finland's securities system will need to transfer their shares to Euroclear Sweden's securities system in order to trade the shares on Nasdaq Stockholm. Furthermore, if an investor, who has its shares in Euroclear Finland's securities system, acquires shares in Adapteo through trading on Nasdaq Stockholm, such shareholder will need to transfer the shares acquired to Euroclear Finland's securities system in order to be owner-registered in Finland. Such cross-border transfers may be associated with additional costs and settlement time (see "*– Cross-border settlement*" below)."

Cross-border settlement

There are specific requirements for cross-border settlement (i.e. transfers of shares from Euroclear Finland to Euroclear Sweden or vice versa). Account operators/nominees in Euroclear Sweden input instructions in the Euroclear Sweden system for deliveries to or receipts from Euroclear Finland. The instructions can be entered either via file or the terminal using Euroclear Sweden's proprietary format. Account operators can also choose to send their instructions via an ISO15022-based format (SWIFT Net or file). The account operator will be charged a transfer fee by Euroclear Sweden and Euroclear Finland. Such fee, and any additional fees charged by a handling bank, will likely be passed on to the shareholder.

Registration procedure in Finland

The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains a central book-entry register for both equity and debt securities. The business address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki, Finland.

In order to hold entries in the book-entry system, a security holder or such holder's nominee must establish a book-entry account with an account operator or register its shares through a nominee registration process in order to effect share entries. Finnish shareholders are not allowed to hold his or her shares through nominee registration in Finland. Non-Finnish shareholders may deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's shareholders' register. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be registered in a book-entry account opened in the name of such foreigner, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's shareholders' register. For shareholders who have not transferred their shares into book-entries, a joint book-entry account shall be opened with the central securities depository and the issuer is entered as the account holder. All transactions in securities registered with the book-entry securities system are executed as computerised book-entry transfers. The account operator confirms book-entry transfers by sending notifications of all transactions to the holder of the respective book-entry account. The account holders also receive an annual statement of their holdings as of the end of each calendar year.

Each book-entry account is required to contain specified information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on an account operator administering the book entry account. In addition, the book-entry account shall contain information with respect to the type and number of book-entry securities registered and the rights and restrictions pertaining to the account and to the book-entry securities registered in the account. A nominee registration is identified as such upon entry. Euroclear Finland and the account operators are bound by strict confidentiality requirements, although certain information (for example the name and address of each account holder) contained in the register is public, except in the case of nominee registration. The FIN-FSA is entitled to receive certain information on nominee registrations upon request. However, a company must keep the shareholders' register accessible to everyone at the head office of the company or, if the company's shares are incorporated in the book entry system, at the registered office of the Central Securities Depository in Finland, except in the case of nominee registration.

Each account operator is strictly liable for errors and omissions on the registers maintained by it and for any unauthorised disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or an amendment to, or deletion of, rights in respect of registered securities and an account operator is unable to compensate for such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entry securities included in the book-entry securities system during the previous five years and, in any event, must at least equal to EUR 20 million. The compensation to be paid to an injured party shall be equal to the amount of damages suffered from a single account operator subject to a maximum amount of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each individual incident is limited to EUR 10 million.

Custody of the shares and nominee registration

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by central securities depository) to act as a custodial nominee account holder on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A holder of nominee-registered shares wishing to attend and vote at General Meetings of Shareholders must be registered temporarily in the shareholders' register no later than the date set out in the notice to convene the meeting, which date shall be subsequent to the Record Date of the relevant General Meeting of Shareholders. A holder of nominee-registered shares temporarily registered in the shareholders' register shall be deemed to have enrolled to the meeting and no further enrolment is required provided that such holder of nominee-registered shares on the Record Date would be entitled, by virtue of such shares, to be registered in the shareholders' register of the company held by Euroclear Finland. When the holder of nominee-registered shares is known, a custodial nominee account holder is required, on request, to disclose to the FIN-FSA and the relevant company the identity of the holder of any shares registered in the name of such custodial nominee, as well as the number of shares owned by such holder of nominee-registered shares. If the identity of the holder of nominee-registered shares is not known, the custodial nominee account holder is required to disclose the identity of the representative acting on behalf of the holder of nominee-registered shares and the number of shares held, and to submit a written declaration to the effect that the holder of the nominee-registered shares is not a Finnish natural person or a Finnish legal entity.

Shareholders wishing to hold their shares in the book-entry securities system in their own name but who do not maintain a book-entry account in Finland are required to open a book-entry account at an authorised account operator in Finland and a convertible euro account at a bank.

Registration procedure in Sweden

The Swedish book-entry securities system is centralised at Euroclear Sweden, a central securities depository and clearing organisation authorised under the Swedish Central Securities Depository and Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) and the Swedish Securities Markets Act. Among other things, Euroclear Sweden maintains the register of shareholders in Swedish companies listed on Nasdaq Stockholm. Shares administered by Euroclear Sweden are registered in book-entry form on securities accounts (Sw. *värdepapperskonto*) and no share certificates are issued. Title to shares is ensured exclusively through registration with Euroclear Sweden. All transactions and other changes to accounts are entered in the system of Euroclear Sweden through banks or other securities institutions that have been approved as account operators by Euroclear Sweden. The register maintained by Euroclear Sweden also contains information on other interests in respect of shares, such as those of a pledgee.

Shares may be registered on securities accounts, and consequently entered in the register of shareholders, either in the name of the beneficial owner (owner registered shares) or in the name of a nominee authorised by Euroclear Sweden (nominee registered shares), in which case a note thereof is made in the securities system. The relationship between the nominee and the beneficial owner is governed primarily by agreement. In order to exercise certain rights, such as participation at a General Meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names, see "*Description of the Shares and Share Capital – Shareholders' Rights*". Upon request by Euroclear Sweden, nominees are also required to disclose the name, company registration number or other identification number, postal address and holdings of underlying beneficial owners to Euroclear Sweden.

The rights attaching to shares that are eligible for dividends, rights issues or bonus issues accrue to those holders whose names are recorded in the register of shareholders as of a particular record date, and the dividends are normally distributed to bank accounts as specified by the holders registered with Euroclear Sweden. The relevant record date must be specified in the resolution declaring a dividend or capital increase, or any similar matter in which shareholders have preferential rights.

Where the registered holder is a nominee, the nominee receives, for the account of the beneficial owner, dividends and other financial rights attaching to the shares, such as subscription rights in conjunction with rights offerings, as well as new shares subscribed through the exercise of subscription rights. Dividends are remitted in a single payment to the nominee who is responsible for the distribution of such dividends to the beneficial owner. A similar procedure is applied for subscription rights and newly issued shares.

Ownership Disclosure Requirements

Since Adapteo is domiciled in Finland, the Swedish Financial Instruments Trading Act (Sw. *lagen (1991:980) om handel med finansiella instrument*) refers to corresponding Finnish rules to apply with respect to ownership disclosure requirements.

Adapteo's shareholder is required, without undue delay, to notify Adapteo and the FIN-FSA when its voting interest in, or its percentage ownership of, the total number of shares in Adapteo reaches, exceeds or falls below five percent, ten percent, 15 percent, 20 percent, 25 percent, 30 percent, 50 percent, two-thirds or 90 percent, calculated in accordance with the Finnish Securities Markets Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds or falls below any such threshold. If Adapteo receives information indicating that a voting interest or ownership interest has reached, exceeded or fallen below any of these thresholds, it must, without undue delay, publish such information and disclose it to Nasdaq Stockholm and to the main media. If a shareholder has violated its obligation to notify on voting interest or ownership, the FIN-FSA may due to a weighty reason prohibit the shareholder from using its right to vote and to be presented in the General Meeting of Shareholders for the shares to which the violation relates.

Mandatory Bids

Finnish laws and regulations on mandatory bids apply with respect to Adapteo. Pursuant to the Finnish Securities Markets Act, a shareholder whose proportion of voting rights in a listed company exceeds three-tenths (3/10) or exceeds one-half (1/2) of the total voting rights attached to the shares of the company, calculated in accordance with the Finnish Securities Markets Act, after the commencement of a public quotation of such shares must make a public tender offer for all the remaining shares and securities with an entitlement to its shares issued by the company for fair value. If the securities exceeding the thresholds referred to above have been acquired through a public tender offer on all shares and securities with an entitlement to the shares issued by the target company, no obligation to make a tender offer arises. If a company has two or more shareholders whose holdings of voting rights exceed the above mentioned limit, only the shareholder with the most voting rights is required to make a tender offer. If the proportion of votes described above is exceeded solely due to the measures taken by the target company or other shareholders, the shareholder will not be obligated to make a tender offer until he or she acquires or subscribes for more shares in the target company or otherwise increases his or her proportion of votes in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if acting in concert is limited only to such tender offer. There is no obligation to make a tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the above mentioned limit within one month after such limit was exceeded provided that the shareholder publishes its intention and voting rights are not used during such time.

Under the Finnish Companies Act, a shareholder holding shares representing more than nine-tenths of all the shares in a company and of the votes conferred by the shares has the right to redeem the shares of the other shareholders of the company at fair value. In addition, any minority shareholder that possesses shares that may be so redeemed by the majority shareholder in accordance with the Finnish Companies Act is entitled to require such majority shareholder to redeem its shares. The Finnish Companies Act includes detailed rules that apply to the calculation of the majority shareholder's proportion of shares and votes.

Under the Finnish Securities Markets Act, a Finnish listed company must directly or indirectly belong to an independent body, established in Finland, that broadly represents the business sector which has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public takeover bid (the "**Helsinki Takeover Code**"). Pursuant to the Finnish Securities Markets Act, a listed company must provide an explanation in case it is not committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradable on Nasdaq Stockholm must be disclosed to the SWE-FSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps. The obligation to disclose net short positions applies to all investors and market participants. A net short position regarding shares admitted to trading on a regulated market must be disclosed when the position reaches, exceeds or falls below 0.2 percent of the issued share capital of the target company. A new notification must be disclosed for each 0.1 percent exceeding the above threshold. The SWE-FSA publishes the notified net short positions on its website, if the net short position is 0.5 percent or more of the issued share capital of the target company.

Under the Swedish Act on Public Takeovers on the Securities Market (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) (the "**Swedish Takeover Act**"), offerors have a duty to undertake to comply with the takeover rules adopted by Nasdaq Stockholm (the "**Swedish Takeover Rules**"). By making this undertaking, the offeror agrees to comply not only with the Swedish Takeover Rules, but also to comply with statements and rulings by the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) on points of interpretation of the Swedish Takeover Rules, as well as to be subject to any sanctions that may be imposed by Nasdaq Stockholm.

TAXATION

The following summary is based on the tax laws of Finland and Sweden as in effect and applied as at the date of this Demerger Prospectus, as well as on the current case law and tax practice. Any changes in tax laws and their interpretation may also have a retroactive effect on taxation. The following summary is not exhaustive and does not take into account or discuss the tax laws, case law or tax practice of any country other than Finland or Sweden. Shareholders and prospective investors are advised to consult a tax adviser in order to obtain information about tax consequences resulting from the purchase, ownership and disposition of the shares in Finland, Sweden or elsewhere. Shareholders and prospective investors, whose taxation may be impacted by the tax laws of other countries, should consult their own tax advisers as to the tax implications related to their individual circumstances.

Finnish Taxation

Background

The following is a general description of Finnish income and transfer tax consequences that may be relevant in terms of the Listing. The description below is applicable to individuals and limited companies that are tax resident or tax non-resident in Finland, and it discusses the Finnish tax laws applicable to distribution of dividends and capital gains arising from the sale of the shares.

The following does not address the taxation of the Company itself or any tax consequences applicable to shareholders who are subject to special tax rules. Such shareholders include, among others, entities exempt from income tax, non-business carrying entities, individuals taxable under the Finnish Business Income Tax Act and general or limited partnerships. Furthermore, this description does not address the tax consequences of Finnish resident shareholders in controlled foreign corporations in Finland, different restructurings of corporations or Finnish inheritance tax or gift tax consequences.

This description is based on the following Acts:

- the Finnish Income Tax Act (1535/1992, as amended);
- the Finnish Business Income Tax Act (360/1968, as amended);
- the Finnish Act on the Taxation of Non-residents’ Income (627/1978, as amended);
- the Finnish Transfer Tax Act (931/1996, as amended); and
- the Finnish Tax Procedure Act (1558/1995, as amended).

In addition, case law and any decisions and statements made by the tax authorities in effect and available as at the date of this Demerger Prospectus have also been taken into account. Tax legislation, case law and statements given by tax authorities are subject to change, which could also have retroactive effects.

General

The scope of taxation in Finland is defined by the tax liability position of a taxpayer. Taxpayers with unlimited tax liability (resident for tax purposes) are subject to Finnish taxation on their worldwide income. Taxpayers with limited tax liability (non-resident for tax purposes) are taxed only on Finnish source income. In addition, all income of non-residents derived from a permanent establishment located in Finland is taxed in Finland. Tax treaties binding on Finland may restrict the applicability of Finnish internal tax legislation and prevent the Finnish taxation of income derived from Finland by a non-resident.

Generally, a natural person is deemed a resident of Finland for tax purposes if the person stays in Finland for more than six consecutive months or if the permanent home and abode of the person is in Finland. A Finnish citizen is deemed a resident of Finland for tax purposes during the year he or she has emigrated from Finland and three subsequent years unless he or she proves that no essential ties to Finland existed during the relevant tax year. Earned income is taxed at progressive tax rates. Capital income up to EUR 30,000 per calendar year is taxed at a rate of 30 percent and, if the overall capital income exceeds EUR 30,000 during a calendar year, the tax rate for the exceeding amount is 34 percent. Corporate entities established under the laws of Finland are regarded as residents of Finland and thus subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. The current corporate income tax rate is 20 percent.

Distribution of unrestricted equity (in accordance with Chapter 13, Section 1, Subsection 1 of the Finnish Companies Act) by a public listed company pursuant to Section 33a (2) of the Income Tax Act (“**Listed Company**”) is taxable as dividend. Hence, the description below addressing the tax implications of dividends is also applicable with respect to distribution of unrestricted equity.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposition of shares by Finnish resident and non-resident shareholders.

Tax implications of the Demerger

Cramo received a preliminary taxation decision from the Finnish Tax Administration according to which the Demerger will be treated as a partial demerger as defined in Section 52 c, Paragraph 1, Subsection 2 of the Finnish Business Income Tax Act.

A partial demerger is a corporate reorganisation in which a company transfers one or several business units to one or several companies and leaves at least one business unit in the demerging company. Such a partial demerger is tax neutral, which means that from a taxation viewpoint, the company does not dissolve. The shareholders of the demerging company will receive shares in the receiving company as demerger consideration, the number of which will be equal to their ownership in the demerging company.

A partial demerger completed according to Section 52c, Paragraph 1, Subsection 2 of the Finnish Business Income Tax Act, in which the demerger consideration is paid in shares in the receiving company, is not considered a transfer of shares from the viewpoint of the demerging company's shareholders and, therefore, such a demerger does not cause any direct income tax consequences for the shareholders.

As a main rule, the acquisition cost of shares in a demerging company is allocated between the shares in the demerging company and shares in the receiving company in accordance with the net assets of the respective companies calculated in accordance with the Act on Valuation of Assets for Tax Purposes (*Laki varojen arvostamisesta verotuksessa* 1142/2005, as amended). The acquisition cost of shares in the demerging company is such portion of the acquisition costs that represents the portion of the net assets that remain with the demerging company. The acquisition cost of shares in the receiving company is such portion of the acquisition costs that represents the portion of the net assets that are transferred to the receiving company.

However, if it is apparent that the proportion of the net assets remaining with the demerging company and transferring to the receiving company materially deviates from the market value of the shares in the demerging company and the receiving company, respectively, the acquisition cost of the shares will be divided proportionally according to the market values of the shares in the demerging company and the receiving company, respectively. The Finnish tax authorities have considered a deviation of at least approximately 20 percent to be material.

The allocation of the acquisition cost of shares in the Demerging Company and the Receiving Company, respectively, can be determined only after the calculations presenting the allocation of net assets between the Demerging Company and the Receiving Company as well as the weighted average price of the shares in the Demerging Company and the Receiving Company, respectively, on the first trading day and the corresponding average price of the shares on the first five trading days are known. Trading of shares in the Receiving Company on the official list of Nasdaq Stockholm is expected to commence on the first business day following the Effective Date or as soon as reasonably possible thereafter.

The Demerger will not affect the taxation of dividends, if any, to be paid to shareholders. A demerger that is considered tax neutral under Finnish tax legislation and that is carried out in accordance with Chapter 17 of the Finnish Companies Act will not cause any transfer tax consequences for the shareholders of the demerging or receiving company when the demerger consideration is paid in new shares of the receiving company.

The deductible expenses relating to the transferring business units will be deducted in the taxation of the receiving company as they would have been deducted in the taxation of the demerging company (principle of continuity). Following a demerger, the possible losses that have been confirmed as deductible in the taxation of the demerging company will transfer to the receiving company to the extent that it is apparent that those losses have occurred in the business of the transferring units. Other losses will be transferred proportionally with the net assets of the companies. A precondition for the transfer of losses is that the receiving company or the receiving company's shareholders have owned more than one-half of the demerging company's shares since the beginning of the year during which the loss occurred. Because the Demerger Consideration described in this Demerger Prospectus will only consist of shares in the Receiving Company, the Demerger will not cause substantial changes in the ownership structure of the Demerging Company or the Receiving Company and any possible loss confirmed as deductible in the taxation of the Demerging Company will be deductible in the taxation of the Receiving Company or the Demerging Company.

A demerger, as a general succession, is outside the scope of the Finnish Value Added Tax Act, which means that the Demerger will not have any immediate value added tax consequences. Furthermore, a demerger completed according to the Finnish Companies Act will not have any transfer tax implications for the receiving company.

Taxation of Finnish Corporations

Purchasing the shares

No income taxation is triggered by purchasing or owning the shares per se. For the dividends received based on the shares, please see below "– *Dividends received based on the shares*" and for Finnish transfer taxation, please see below "– *Transfer Tax*".

Dividends received based on the shares

The tax treatment of dividends distributed by a Listed Company varies depending on whether the Finnish company receiving the dividend is a Listed Company or a non-listed company.

Dividends received by a Listed Company from another Listed Company are generally exempt from tax. However, in the event that the underlying Finnish shares belong to the investment assets of such a shareholder, 75 percent of the dividend received by the Listed Company is taxable income and 25 percent is tax exempt income. Only financial, insurance and pension institutions may have investment assets. The actual tax rate in these situations is 15 percent.

If the recipient is a non-listed company, the dividends it receives are fully subject to corporate income tax if such a shareholder does not directly own at least 10 percent of the share capital of the distributing company. If the direct ownership is at least 10 percent when the dividend is distributed, the dividend received on such shares is tax exempt. However, if a non-listed company receives a dividend from shares of a Finnish company included in its investment assets, 75 percent of the dividend is taxable income and 25 percent is tax exempt regardless of the ownership threshold.

Disposal of the shares: capital gains and losses

Finnish corporations are subject to a national corporate income tax on their worldwide income. Any capital gains from the sale of the shares are generally regarded as taxable income arising either from business activities or other activities of Finnish resident corporations. The taxable income of a Finnish corporation is currently determined separately for business activities and for other activities. Income belonging to both baskets is taxed according to a fixed tax rate of 20 percent, but business activities are taxable under the Finnish Business Income Tax Act, whereas other activities are taxable under the Finnish Income Tax Act. Shares belonging to the business activities basket may be fixed assets, current assets, investment assets or financial assets of a Finnish corporation. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify. It should be noted that most corporations will be taxed exclusively within the business activities basket as of tax year 2020 due to amendments to Finnish tax laws.

Currently, the capital gain (as well as the capital loss) is calculated by deducting the total sum of the actual acquisition cost and selling costs from the sales price. The acquisition cost of the shares sold is thus deductible from the income in the basket to which the shares sold belonged and in which the sales price was recorded. Any capital loss arising from the sale of shares attributable to business activities is generally deductible from income in the business income basket. Confirmed tax losses from business activities can be carried forward and deducted against taxable income from business activities for 10 years following the loss making year. Capital losses attributable to other income can only be offset against capital gains arising in the same income basket in the loss-making year and the subsequent five tax years.

However, capital gains based on the disposal of shares in a limited liability company may be tax exempt for corporate entities provided, among other things, that the seller company has owned at least 10 percent of the company's share capital for at least one year continuously and that the shares belong to the seller's fixed assets attributable to business activities. Capital losses relating to the disposals of shares entitled to this tax exemption will not be tax deductible. Capital losses arising from the disposal of shares, which belong to the seller's fixed assets but do not qualify for tax exemption, are deductible only from capital gains arising from the disposal of shares, which belong to the seller's fixed assets, in the same tax year and the subsequent five tax years.

The income taxation of Finnish corporations (and certain other entities that are separate tax subjects) will be changed significantly as of tax year 2020. Under the amended rules, most Finnish corporations will be taxed exclusively within the business income source. The amended rules introduce a new asset type in the business income source called "other assets", which will be subject to specific limitations. A Finnish corporation should thus assess to which asset type the shares will belong as of tax year 2020. For example, in business income source capital losses arising from disposal of assets belonging to other assets may generally be utilized only against capital gains arising from disposal of assets belonging to other assets and be carried forward only for the subsequent five tax years.

Taxation of Finnish Resident Individuals

Purchasing the shares

No income taxation is triggered by purchasing or owning the shares per se. For the dividends received based on the shares, please see below "– *Dividends received based on the shares*" and for Finnish transfer taxation, please see below "– *Transfer Tax*".

Dividends received based on the shares

85 percent of dividends received by a natural person resident in Finland from a Listed Company is taxable as capital income, whereas 15 percent is tax exempt income. The current applicable tax rate is 30 percent for capital income of up to EUR 30,000 per calendar year and 34 percent for any amount exceeding EUR 30,000 per calendar year.

When a Listed Company distributes dividends to individuals, the Listed Company is obligated to withhold advance tax on the dividend payments. As at the date of this Demerger Prospectus, the tax withholding is 25.5 percent of the amount of the dividend. The advance tax withheld by the distributing company is credited against the final tax payable for the tax year by the recipient of the dividend. Finnish tax resident individuals must check from their pre completed tax return that the dividend information has been correctly reported, and, when necessary, correct the right amount of dividends and tax withholding into the tax return.

Disposal of the shares: capital gains and losses

Capital gains from the sale of shares are taxed as capital income of the Finnish resident individual. The current tax rate applied to capital gains is 30 percent for capital income of up to EUR 30,000 per calendar year and 34 percent for any amount exceeding EUR 30,000 per calendar year. However, capital gains from assets that do not belong to the person's business activities are exempt from tax if the total amount of the transfer prices of the person's sold assets does not exceed EUR 1,000 in a tax year (excluding sales prices of assets from which capital gains are tax exempt under Finnish tax laws).

Individuals may deduct capital losses arising from the sale of shares primarily from capital gains and secondarily from other capital income arising in the same tax year and the following five tax years. Capital losses will not be taken into account when calculating the capital income deficit for the tax year in question, and it does hence not entitle to a deficit credit. Capital losses will not, however, be tax deductible if the total amount of the acquisition costs (and also sales prices) of the assets sold by the individual does not exceed EUR 1,000 in a tax year (excluding sales prices of assets from which capital gains are tax exempt under Finnish tax laws).

Capital gains and losses are calculated as the difference between the transfer price and the aggregate of the actual acquisition cost and sales related expenses. Alternatively, individuals may choose to apply the presumptive acquisition cost instead of the actual acquisition cost for the shares. As the presumptive acquisition cost, 20 percent is deducted from the transfer price but, if the shareholder has held the shares for at least 10 years, the presumptive acquisition cost is 40 percent of the transfer price. If the presumptive acquisition cost is applied instead of the actual acquisition cost, all expenses arising from acquiring the gains are deemed to be included in the presumptive acquisition cost and, therefore, cannot be deducted separately from the transfer price.

Natural persons resident in Finland must enter information about any disposal of the shares during the tax year in their pre completed tax return.

Taxation of Investors not Resident in Finland

Purchasing the shares

No income taxation is triggered by purchasing or owning the shares per se. For the dividends received based on the shares, please see below "– *Dividends received based on the shares*" and for Finnish transfer taxation, please see below "– *Transfer Tax*".

Dividends received based on the shares

In connection with the payment of dividends from a Finnish company to a non-resident investor, the Finnish dividend payer is generally obliged to withhold withholding tax in connection with the payment of the dividend, and no other Finnish taxes are payable on the dividend.

The current withholding tax rate applicable to dividends paid to non-resident corporate entities is 20 percent, and that applicable to dividends paid to non-resident individuals and other non-corporate recipients is 30 percent. The withholding tax may be reduced or removed pursuant to tax treaty provisions applicable to the dividend.

However, no withholding tax shall be levied on dividends paid to such corporate entities residing within the European Union, as defined in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended), if the recipient company directly holds at least 10 percent of the share capital of the dividend distributing Finnish company.

Dividends paid to certain foreign corporate entities resident within the EEA may qualify for a complete exemption from Finnish withholding taxation or may be subject to withholding taxation at a reduced rate, based on how the dividend would have been taxed, had it been paid to a corresponding Finnish entity. No withholding tax shall be levied in Finland from dividends to a non-resident entity distributed by a Finnish company, if (i) the entity receiving dividend resides in the EEA; (ii) the Mutual Assistance Directive (2011/16/EU) or an agreement on mutual assistance and information exchange in tax matters applies to the home state of the recipient of the dividend; and (iii) the company receiving a dividend is equivalent to a Finnish entity defined in the Finnish Income Tax Act, Section 33d, Subsection 4, or Section 6a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax exempt if paid to a Finnish corresponding corporation or entity; and (v) the entity establishes (with a certificate from the home member state's tax authority) that in accordance with the agreement on avoiding double taxation concluded between Finland and the home state of the recipient of dividends, the withholding tax cannot de facto be credited in full.

Notwithstanding the aforementioned, the dividend is only partly tax exempt if the shares belong to the investment assets of the recipient corporate entity, and that corporate entity is not a corporate entity defined in the Parent Subsidiary Directive holding directly at least 10 percent of the capital of the distributing company. In this case, the applicable withholding tax rate is currently 15 percent. A prerequisite for this tax treatment is that the recipient corporate entity has its registered office in a state fulfilling the conditions (i) and (ii) above and that the entity fulfils the conditions set out under (iii) above. Depending on the applicable agreement on avoiding double taxation, the withholding tax rate may also be lower than 15 percent.

When the shares of a Finnish company are nominee registered, the Finnish company paying the dividend pays them to the nominee registered custodian account, whose custodian remits the dividends paid to the beneficial owners. If the recipient of the dividend paid to a nominee registered share is resident in a tax treaty state, withholding tax is always levied on the dividend at a rate of at least 15 percent, or a higher percentage provided for in the applicable tax treaty, provided that, pursuant to the information duly ascertained by the payer, the recipient qualifies under the tax treaty provisions applicable to dividends. The recipient of dividends may, prior to the payment, provide the payer with information on his or her domicile and the other requirements for the application of the tax treaty, in which case he or she may receive the dividend payable on the nominee registered share at a lower tax rate pursuant to the applicable tax treaty. This means that with respect to dividends on shares held through a nominee account, tax is withheld at the rate set in the applicable tax treaty, higher than 15 percent or 15 percent absent thorough clarification of the identity of the person beneficially entitled to the dividend. Such procedure, however, requires that the foreign custodian intermediary is registered in the Finnish tax authorities' register and that it is resident in a country with which Finland has a tax treaty. Also, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the shares. In such agreement, the foreign custodian intermediary must, among other things, commit to report the dividend receiver's residential country to the account operator and to provide additional information to the tax authorities, if needed. If these provisions are not fulfilled, a 30 percent withholding tax is withheld on the nominee account's dividends. The regulations concerning the taxation of a dividend based on a nominee registered share and the prerequisites on how the provisions of an international treaty could be applied to the dividend have been amended. The purpose of the amendments is to require more comprehensive information on beneficial owners and the amendments are applied as of 2021.

If the recipient of the dividends is a non-resident natural person residing in the EEA, he or she can claim, provided that certain preconditions are met, that the taxation of dividends paid by a Finnish company is carried out in accordance with the Tax Procedure Act instead of withholding tax. A precondition is that the mutual assistance in tax matters between Finland and the recipient's country of residence is organized in accordance with the Mutual Assistance Directive (2011/16/EU) or a tax treaty concerning executive assistance and exchange of information and, furthermore, that the Finnish withholding tax cannot, by virtue of provisions in the applicable tax treaty, be credited in its entirety in the country where the recipient is residing.

Recent rulings of the European Court of Justice (Joined Cases C-116/16 and C-117/16 and Joined Cases C-115/16, C-118/16, C-119/16, C-299/16) regarding the concept of beneficial owner for European Union law purposes may have implications on Finnish tax legislation going forward, which may result in i.a. additional criteria to obtain a preferred dividend withholding tax rate.

Disposal of the shares: Capital gains and losses

Investors that are not resident in Finland for tax purposes are not generally subject to Finnish tax on capital gains arising from the transfer of the shares, unless the transfer of the shares relates to business activities carried out in Finland by the investor (through a permanent establishment) or more than 50 percent of the total assets of the company in question consist of real estate properties located in Finland.

Transfer Tax

Transfer tax is generally not payable in Finland on issue of new shares or on the transfer of shares in Finnish companies subject to public trading on a regularly functioning regulated market or multilateral trading facility against fixed cash consideration on the condition that the broker or other party to the transaction is an investment firm, a foreign investment firm or other investment services provider as defined in the Finnish Act on Investment Services (747/2012, as amended) or the transferee has been approved as a trading party in the market where the transfer is executed. If the broker or other trading party is not a securities broker as defined in the Transfer Tax Act (i.e. the intermediary is a foreign broker that does not have a branch or office in Finland), the precondition for the tax exemption is that the transferee notifies the Finnish tax authorities of the transfer within two months of the transfer or that the intermediary submits an annual notification to the tax authorities pursuant to the Tax Procedure Act.

The exemption does not apply to certain specifically defined disposals, such as transfers of shares by means of a capital contribution or distribution, or transfers of shares in which the consideration consists partially or completely of employment or work. Also, the exemption does not apply to transfers of shares carried out in order to fulfil the provisions in the Companies Act concerning the purchase of minority shareholdings under squeeze-out rules. There are specific rules allowing the exemption to apply in the context of initial public offerings, subject to certain requirements, even though the exemption does not apply to a transfer of shares if it is based on an offer made after the public trading with the share in question has ended or before it has begun.

However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm, fund management company or EEA alternative investment fund manager, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither party to the transfer is tax resident in Finland or a Finnish branch or office of a foreign credit institution, foreign investment firm, fund management company or EEA alternative investment fund manager, the transfer of shares will be exempt from Finnish transfer tax, unless shares in real estate companies are transferred. No transfer tax is collected if the amount of the tax is less than EUR 10.

Certain Tax Considerations in Sweden

The following is a summary of certain tax consequences based on Swedish legislation that can arise in relation to the Listing. The summary is based on current Swedish legislation and is solely intended to provide general information to private individuals and Swedish limited liability companies (Sw. *aktiebolag*) with unlimited tax liability in Sweden that are considering to purchase, own or dispose of shares, unless stated otherwise. In this case, "unlimited tax liability" refers to holders of shares or other securities who are (i) a natural person who is resident or is permanently living in Sweden or who has an essential connection with Sweden, or (ii) any legal entity registered in Sweden or whose board of directors is domiciled in Sweden if registration has not taken place.

The summary is not exhaustive and will, for example, not cover:

- situations where shares have been acquired by means of shares in so called closely held companies;
- situations involving tax exempt dividends and capital gains on shares deemed to be held for business purposes under the Swedish participation exemption regime;
- situations where shares are held by a general partnership or a limited partnership;
- situations where shares are held as current assets in business operations;
- foreign companies conducting business through a permanent establishment in Sweden;
- situations where shares are held by investment companies, insurance companies or investment funds;
- situations where shares have been acquired by employees at a discounted rate (below fair market value), or
- situations where shares are held in an investments savings account (Sw. *investeringssparkonto*) or endowment insurance (Sw. *kapitalförsäkring*).

The tax consequences for each individual shareholder will ultimately depend on the holder's particular circumstances. Everyone considering to purchase, own or dispose of shares is therefore recommended to consult their tax advisors regarding the tax consequences which might arise in connection to the Listing, including the effects of foreign tax legislation (including regulations), tax treaties and other rules which may apply.

Private individuals

Capital gains taxation

When publicly traded shares (including shares that are traded on Nasdaq Stockholm) are sold, a taxable gain or a tax-deductible loss may arise for Swedish tax purposes. Capital gains are taxed in the category income from capital at a rate of 30 percent. The capital gain or the capital loss is normally calculated as the difference between the sale proceeds less expenses relating to the disposal, and the acquisition cost of the shares (Sw. *omkostnadsbeloppet*). The acquisition cost for all shares of the same series and type should generally be calculated jointly in accordance with the average method (Sw. *genomsnittsmetoden*).

The acquisition cost for publicly traded shares may alternatively be determined by using the standard method (Sw. *schablonmetoden*) under which the acquisition cost is calculated as 20 percent of the sale proceeds less expenses relating to the disposal.

Capital losses on publicly traded shares may be fully offset against taxable capital gains on shares and other publicly traded securities, except for units in investment funds containing only Swedish receivables (Sw. *räntefonder*). Capital losses not absorbed by these set off rules are deductible at 70 percent in the capital income category. Should a net loss arise in the capital income category, a reduction is granted of the municipality and state income tax, property tax and municipality property fee with 30 percent of the net loss that does not exceed SEK 100,000 and at 21 percent of any remaining net loss. Any excess net loss cannot be carried forward to future tax years.

Taxation of dividends

Private individuals are taxed on dividends received on listed shares in the category income from capital at a rate of 30 percent. The tax on dividends to private individuals from companies listed in Sweden is normally withheld by Euroclear Sweden (unless the shares are nominee-registered) so that the total tax withheld (including any foreign withholding tax) equals 30 percent of the gross dividend. Hence, in case of foreign withholding tax, the Swedish tax withheld by Euroclear will not amount to the full 30 percent that is due. The withheld tax can usually be offset against the final tax.

For withholding taxes, please see "*– Finnish Taxation*".

Transfer taxes

In Swedish taxation, there is no stamp duty or transfer tax on security transactions.

Swedish limited liability companies

Taxation of capital gains and dividends

Swedish limited liability companies will be taxed on all income, including capital gains and dividend payments at the ordinary corporate income tax rate of 21.4 percent as of January 2019 (to be lowered to 20.6 percent in January 2021). Capital gains and capital losses shall be calculated in accordance with the rules applicable to private individuals (please see "*– Private individuals – Capital gains taxation*"). Deductible capital losses on shares may only be offset against taxable capital gains on shares and other securities taxed as shares. Capital losses may in certain cases be utilised against capital gains in other group companies, presuming that the criteria for group contributions are fulfilled. A capital loss that cannot be utilised may be carried forward and utilised against future capital gains on shares and other securities taxed as shares, without any limitation in time.

For withholding taxes, please see "*– Finnish Taxation*".

Transfer taxes

In Swedish taxation, there is no stamp duty or transfer tax on security transactions.

Shareholders with limited tax liability in Sweden

Capital gains taxation

Non-resident holders of shares are generally not subject to Swedish capital gains taxation at the disposal of such securities, provided the holding cannot be allocated to a Swedish permanent establishment.

However, in accordance with a special tax rule, private individuals not resident in Sweden may be subject to Swedish capital gains taxation upon disposal of certain securities (e.g. shares), if they have been domiciled in Sweden or have had a habitual abode in Sweden at any time during the same calendar year or the 10 preceding calendar years. However, in regard to foreign securities, e.g. shares in Finnish companies, this rule applies only to securities acquired when the individual was still subject to unlimited tax liability in Sweden (please note that the rules can also apply to securities acquired though rollover of such securities). Further, the applicability of this rule may be limited by the tax treaty.

DOCUMENTS ON DISPLAY

Copies of the following documents are on display during the period of validity of this Demerger Prospectus on weekdays during normal business hours between 9 a.m. and 4 p.m. at the registered office of Cramo at Kalliosolantie 2, 01740 Vantaa, Finland and on the website of Cramo at www.cramogroup.com:

(a) the Demerger Plan, including the proposed Articles of Association of Adapteo and other appendices;

(b) the audited carve-out financial statements of Adapteo as at and for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 and the related auditor's report;

(c) the unaudited carve out financial information of Adapteo for the three months period ended 31 March 2019 and the related independent auditor's review report;

(d) the audited consolidated financial statements of NMG as at and for the years ended 31 December 2018, 31 December 2017 and 31 December 2016 and the related auditor's report;

(e) Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus;

(f) this Demerger Prospectus; and

(g) the decision of the FIN-FSA regarding the Finnish Demerger Prospectus.

FINANCIAL STATEMENTS

1. Adapteo's audited carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016 as well as the related auditor's report
2. Adapteo's unaudited carve-out financial information as at and for the three months ended 31 March 2019 as well as the related independent auditor's review report
3. NMG's audited consolidated financial statements as at and for the years ended 31 December 2018, 2017 and 2016 as well as the related auditor's report

Adapteo

Carve-out Financial Statements as at and for the years ended 31 December 2018, 2017 and 2016

Contents

Combined income statement

In thousands of EURO	Note	2018	2017	2016
Net sales	**2,3**	**151 988**	**126 638**	**118 332**
Other operating income	4	1 569	2 229	2 277
Materials and services	5	-57 004	-50 366	-46 892
Employee benefit expenses	7	-19 819	-15 611	-13 574
Other operating expenses	6	-19 531	-14 212	-11 610
Depreciation, amortisation and impairments	8	-27 890	-21 770	-18 345
Share of profit of joint ventures	14	-13		
Operating profit (EBIT)		**29 301**	**26 908**	**30 189**
Finance income		1 657	210	72
Finance costs		-5 066	-2 882	-2 233
Finance costs, net	9	**-3 410**	**-2 672**	**-2 160**
Profit before taxes		**25 891**	**24 236**	**28 028**
Income taxes	10	-4 978	-5 327	-6 056
Profit for the year		**20 913**	**18 909**	**21 973**
Attributable to owners of Adapteo		20 913	18 909	21 973

Combined statement of comprehensive income

In thousands of EURO	2018	2017	2016
Profit for the year	**20 913**	**18 909**	**21 973**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Translation differences	2 002	-723	-632
Other comprehensive income for the year, net of tax	2 002	-723	-632
Total comprehensive income for the year	**22 915**	**18 186**	**21 341**
Attributable to owners of Adapteo	22 915	18 186	21 341

The notes are an integral part of the carve-out financial statements.

Combined balance sheet

In thousands of EURO	Note	**31 Dec 2018**	**31 Dec 2017**	**31 Dec 2016**
ASSETS				
Non-current assets				
Property, plant and equipment	11	423 334	298 149	264 656
Goodwill	13	173 891	32 651	31 908
Other intangible assets	13	28 025	2 459	700
Investments in joint ventures	14	1 241		
Deferred tax assets	10	3 109	2 514	1 567
Finance lease receivables	21	5 478		
Loan receivables	14	224		
Other receivables	16	345	360	116
Total non-current assets		**635 647**	**336 132**	**298 945**
Current assets				
Inventories	15	6 838	2 012	1 313
Finance lease receivables	21	5 244		
Trade and other receivables	16	55 585	36 206	33 220
Income tax receivables		3 044	151	104
Cash and cash equivalents	20	2 377	159	434
Total current assets		**73 089**	**38 528**	**35 072**
TOTAL ASSETS		**708 735**	**374 660**	**334 017**
INVESTED EQUITY AND LIABILITIES				
Total invested equity	22	**214 627**	**210 409**	**200 654**
Non-current liabilities				
Borrowings	19	350 093	76 463	40 222
Deferred tax liabilities	10	43 138	23 618	23 028
Provisions	18	50		
Pension liabilities		372		
Other liabilities	17		704	456
Total non-current liabilities		**393 653**	**100 784**	**63 707**
Current liabilities				
Borrowings	19	30 468	24 780	35 526
Trade and other payables	17	68 330	37 794	34 034
Income tax liabilities		1 318	349	97
Provisions	18	338	544	
Total current liabilities		**100 455**	**63 467**	**69 657**
Total liabilities		**494 108**	**164 251**	**133 363**
TOTAL INVESTED EQUITY AND LIABILITIES		**708 735**	**374 660**	**334 017**

The notes are an integral part of the carve-out financial statements.

Combined statement of changes in invested equity

	Attributable to owners of Adapteo		
In thousands of EURO	Invested equity and retained earnings	Translation differences	Total invested equity
At 1 Jan 2018	**212 270**	**-1 862**	**210 409**
IFRS 9 transition	-12		-12
IFRS 15 transition	255		255
IFRS 2 transition	384		384
At 1 Jan 2018 adjusted	**212 897**	**-1 862**	**211 036**
Profit for the year	20 913		20 913
Other comprehensive income			
Translation differences		2 002	2 002
Total comprehensive income	20 913	2 002	22 915
Share-based payments	200		200
Equity transactions with Cramo Group	-19 523		-19 523
At 31 Dec 2018	**214 487**	**140**	**214 627**
At 1 Jan 2017	**201 793**	**-1 139**	**200 654**
Profit for the year	18 909		18 909
Other comprehensive income			
Translation differences		-723	-723
Total comprehensive income	18 909	-723	18 186
Share-based payments	347		347
Equity transactions with Cramo Group	-8 779		-8 779
At 31 Dec 2017	**212 270**	**-1 862**	**210 409**
At 1 Jan 2016	**149 830**	**-507**	**149 323**
Profit for the year	21 973		21 973
Other comprehensive income			
Translation differences		-632	-632
Total comprehensive income	21 973	-632	21 341
Share-based payments	208		208
Equity transactions with Cramo Group	29 782		29 782
At 31 Dec 2016	**201 793**	**-1 139**	**200 654**

The notes are an integral part of the carve-out financial statements.

Combined cash flow statement

In thousands of EURO	Note	2018	2017	2016
Cash flow from operating activities				
Profit before taxes		25 891	24 236	28 028
Adjustments:				
Depreciation, amortisation and impairment	8	27 890	21 770	18 345
Share of profit of joint ventures	14	13		
Other non-cash adjustments		-1 886	-2 144	-2 086
Net gain on sale of property, plant and equipment	4	-847	-776	-1 739
Share-based payments	7	369	347	208
Finance costs, net	9	3 410	2 672	2 160
Cash generated from operations before changes in working capital		54 840	46 105	44 916
Change in working capital				
Change in inventories		2 511	-719	-258
Change in trade and other receivables		-1 262	-3 897	-5 834
Change in trade and other payables		6 212	3 306	3 553
Change in working capital		7 460	-1 311	-2 538
Change in finance lease receivables		922		
Cash generated from operations before financial items and tax		63 222	44 794	42 378
Interest paid		-2 307	-1 824	-1 240
Interest received		29	66	62
Other financial items, net		-967	-266	-783
Income taxes paid		-1 957	-3 141	-3 628
Net cash inflow from operating activities		**58 020**	**39 628**	**36 789**
Cash flow from investing activities				
Payments for property, plant and equipment		-68 057	-55 021	-55 641
Payments for intangible assets		-280	-158	-62
Proceeds from sale of property, plant and equipment and intangible assets		11 565	3 591	5 944
Acquisition of subsidiaries and business operations, net of cash acquired	12	-139 001	-7 725	
Net cash (outflow) from investing activities		**-195 773**	**-59 314**	**-49 759**
Cash flow from financing activities				
Proceeds from bank loans	23	209 637		
Repayment of bank loans	23	-63 655		
Change in other current borrowings		1 911		
Net proceeds from / repayment of (-) in loans from Cramo Group	23	15 156	27 647	-16 501
Finance lease payments	23	-561	-263	-1 846
Equity financing with Cramo Group, net		-22 519	-7 959	31 538
Net cash inflow from financing activities		**139 970**	**19 425**	**13 191**
Change in cash and cash equivalents		**2 216**	**-260**	**221**
Cash and cash equivalents at beginning of the year	20	159	434	199
Exchange differences		2	-15	13
Cash and cash equivalents at year end		**2 377**	**159**	**434**

The notes are an integral part of the carve-out financial statements.

Notes to the carve-out financial statements

BACKGROUND AND BASIS OF PREPARATION

1. Background and basis of preparation

1.1 Background

Cramo Plc ("Cramo" or "Cramo parent company") with its subsidiaries ("Cramo Group"), is a service company specialising in equipment rental services, as well as the rental of modular space.

The Board of Directors of Cramo, having assessed the strategic alternatives for Cramo's Modular Space business, has on 18 February 2019 approved a demerger plan concerning a partial demerger of Cramo. According to the demerger plan, Cramo will demerge so that all the assets, debts and liabilities belonging to Cramo's Modular Space business ("MS") are transferred to a new independent company named Adapteo Plc to be established in the partial demerger (the "Demerger"). The planned registration date of the completion of the Demerger is 30 June 2019. An application is intended to be made to admit the shares of Adapteo Plc for trading on the main market of Nasdaq Stockholm ("Stockholm Stock Exchange") and the public trading for the new Adapteo Plc shares on Stockholm Stock Exchange is expected to commence on the completion date or as soon as reasonably possible thereafter. The transaction is subject to the approval from the Extraordinary General Meeting of Cramo which will be held on 17 June 2019. After the Demerger, Cramo's Equipment Rental business would remain in Cramo, which would continue to operate under the Cramo name. Cramo's shareholders will receive one share in Adapteo Plc for each share owned in Cramo as demerger consideration. The final aggregate number of shares in Adapteo Plc to be issued as demerger consideration will be determined on the basis of the number of shares in Cramo (excluding own shares held by Cramo) on the effective date. The domicile of Adapteo Plc, a new company to be incorporated in the Demerger, will be Vantaa, Finland and the address Äyritie 12 B, 01510 Vantaa.

The purpose of the Demerger is to execute the spin-off of Cramo's Modular Space business, which mainly consists of modular space solution leases and related services thereto. As a result of the Demerger, this business would form a separate group of legal entities. Adapteo has not formed a separate legal group in the past. As a part of the proposed Demerger Cramo will carve out and transfer the relevant entities' assets and liabilities to Adapteo Plc. The carve-out financial statements presented herein reflect the relevant entities' results of operations, assets and liabilities and cash flows that will be carved out from Cramo in the demerger process. Collectively these entities will form a separate legal group after the Demerger and in these carve-out financial statements are referred to as ("Adapteo" or "Adapteo business").

The carve-out financial statements have been prepared in accordance with the basis of preparation and Adapteo's accounting policies set out below.

The carve-out financial statements have been prepared for the inclusion in the demerger prospectus of Adapteo prepared by Cramo in connection with the Extraordinary General Meeting approving the Demerger and the listing of the Adapteo Plc shares on the Stockholm Stock Exchange. These carve-out financial statements were authorised for issue by the Cramo Board of Directors on 2 June 2019.

1.2 Adapteo's business

Adapteo offers premium modular space rental and rental related services. Adapteo's solutions are high quality, flexible, cost-effective, energy-efficient and sustainable, and they deliver a user experience comparable to that with permanent buildings. They are especially designed to meet the demanding needs and requirements that apply to temporary space solutions for schools, daycares, offices and accommodation, but are also used for events, exhibitions, shops and other application areas, to name a few.

Adapteo serves both the public and private sector and delivers comprehensive temporary space solutions as turn-key projects, including needs analysis, design, planning, assembly, maintenance and other services during the rental period as well as disassembly. Adapteo has operations in five geographical areas: Finland, Sweden, Norway, Denmark and Germany.

On 31 October 2018, Cramo completed the acquisition of Nordic Modular Group Holding AB ("NMG"), a well-respected player within the modular space business. The acquired NMG business has been included in Adapteo's carve-out financial statements from the acquisition date. For more information on the acquisition, see note 12 Acquisitions.

1.3 Basis of preparation

The carve-out financial statements of Adapteo for the year ended 31 December 2018, 2017 and 2016 have been prepared on a carve-out basis from the Cramo's consolidated financial statements using the historical income and expenses, assets and liabilities and cash flows attributable to Adapteo business. The carve-out financial statements also include certain Cramo parent company's and Cramo Services AB's income, expenses, assets, liabilities and cash flows which will either be transferred to Adapteo or which have been allocated to Adapteo for the purpose of preparation of these carve-out financial statements.

The carve-out financial statements do not necessarily reflect what the combined results of operations, and financial position would have been had Adapteo existed as a separate independent legal group from 1 January 2016 and had it therefore presented stand-alone consolidated financial statements during the years 2016-2018. Further, these may not be indicative of Adapteo's future performance, financial position or cash flows.

The carve-out financial statements have been prepared on a going concern basis and under the historical cost convention, except otherwise mentioned in relevant accounting policy.

The carve-out financial statements of Adapteo have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, under consideration of the principles for determining which assets and liabilities, income and expenses as well as cash flows are to be assigned to Adapteo as described under "Principles applied in preparing the carve-out financial statements" below.

IFRS does not provide guidance for the preparation of carve-out financial statements, and accordingly in preparing the carve-out financial statements certain accounting conventions commonly used for the preparation of historical financial statements for inclusion in prospectus have been applied. The application of these conventions has been described below.

The carve-out financial statements are presented in thousands of euros, except when otherwise indicated. All figures presented have been rounded which may cause, for example, the sum of individual figures to deviate from the presented sum total.

Carve-out financial statements include the financial information of the following legal entities and business units ("Adapteo entities") forming Adapteo business:

- Adapteo Holding AB (formerly Nordic Modular Group Holding AB) and its subsidiaries (together "Nordic Modular Group", "NMG")) as from 31 October 2018
- Adapteo GmbH (formerly Cramo Adapteo GmbH)
- Adapteo AB (formerly Cramo Adapteo AB)
- Adapteo Finland Oy (formerly Cramo Adapteo Oy) as from 1 June 2018, and Adapteo business included in Cramo Finland Oy from 1 January 2016 to 31 May 2018
- Adapteo AS (formerly Cramo Adapteo AS) as from 1 July 2018, and Adapteo business included in Cramo AS from 1 January 2016 to 30 June 2018
- Adapteo A/S (formerly Cramo A/S) as from 1 September 2017, and Adapteo business included in Cramo A/S from 1 January 2016 to 31 August 2017 (equipment rental business included in the legal entity Cramo A/S was divested on 31 August 2017)
- Assets, liabilities, income and expenses and cash flows from the demerging Cramo Plc and Cramo Services AB that are attributable to Adapteo business.

The following section describes how the carve-out financial statements for Adapteo have been prepared.

1.4 Principles applied in preparing the carve-out financial statements

The following summarises the accounting and other principles applied in preparing these carve-out financial statements.

Carve-out financial statements include the allocations of income, expense, assets, liabilities and cash flows which are based on management judgement, assumptions and estimates as described below. The most significant estimates, judgements and assumptions relate to the allocation of costs of certain centrally provided services, cash management and financing related allocations, determination of current and deferred income taxes and invested equity.

Accordingly, Cramo's management considers that the carve-out allocations have been made on a reasonable basis but are not necessarily indicative of the revenues and expenses that would have been incurred if Adapteo had been a stand-alone entity preparing consolidated financial statements for the periods presented.

1.4.1 Intercompany transactions and transactions with related parties

Intercompany transactions, including assets and liabilities between Adapteo entities have been eliminated from these carve-out financial statements. The carve-out financial statements include Adapteo's transactions and balance sheet items. Intercompany transactions and balance sheet items with other Cramo Group companies previously considered as intercompany transactions in Cramo reporting have been treated as transactions with related parties.

Cramo Plc's intercompany receivables and liabilities due to or due from Adapteo entities, other than intercompany loan balances due from Adapteo entities as described under "Cash management and financing" below, have been allocated to Adapteo, including finance income and costs relating to these receivables and liabilities.

Carrying values for subsidiary shares of Adapteo subsidiaries previously owned by Cramo's parent company have been allocated to Adapteo. The acquisition method has been used to eliminate the acquisition cost of subsidiaries.

1.4.2 Invested equity

Adapteo has not in the past formed a separate legal group nor presented any stand-alone consolidated financial statements, and accordingly it is not feasible to present share capital or an analysis of equity reserves. The net assets of Adapteo are represented by capital invested in Adapteo and shown as "Invested equity" in the combined balance sheet comprising of cumulative translation differences as well as invested equity and retained earnings.

Changes in net assets allocated to Adapteo are presented separately in the combined statement of changes in invested equity through line "Equity transactions with Cramo Group" and in the cash flow statements through the line-item "Equity financing with Cramo Group, net", reflecting the internal equity financing between Cramo Group and Adapteo during the presented periods. The amount of which is affected by the net assets allocated to Adapteo entities consisting of allocation of income and expenses and assets and liabilities of Cramo Plc, Cramo Services AB and other Cramo Group entities comprising of both Adapteo and equipment rental businesses.

These carve-out financial statements are presented in euros, which will be Adapteo's parent company's functional and reporting currency. Adapteo entities have also other functional currencies. Translation differences arising from translating the results for the period and equity are recognised in the separate cumulative translation differences within total invested equity and their changes are presented in other comprehensive income.

1.4.3 Centrally provided services

Cramo Group has historically provided services to its subsidiaries, such as Group management, finance and accounting, Modular Space management, human resources, sustainability, information technology, communications, fleet management and group projects & development. Centrally provided services have historically been recharged from Cramo Group companies for costs that have arisen from services conducted on behalf of the Cramo Group companies. These historically recharged costs have been allocated to Adapteo entities and are included in the carve-out financial statements.

Cramo's parent company and Cramo Services AB have also been responsible for the management and general administration of Cramo Group. For the purposes of the preparation of the carve-out financial statements a portion of Cramo's parent company's and Cramo Service AB's shared income and expense items relating to Cramo Group management and general administration which have historically not been allocated to subsidiaries are allocated to Adapteo. Allocations of the income and expense items are based on the sales or specific identificators such as project and users or based on number of employees, which the management believes to be an appropriate allocation principle.

These allocated income and expense items were affected by the arrangements that existed in Cramo Group and are not necessarily representative of the position that may prevail in the future for Adapteo.

1.4.4 Share-based payments

Adapteo key personnel have historically participated in Cramo's share-based incentive plans. The carve-out financial statements include employee cost allocations related to these participations based on the actual number of Adapteo employees over the cost recorded at Cramo. In addition, as part of the allocation of the centrally provided services as described under item 1.4.3 above, a portion of share-based payments related to Cramo group's top management has been allocated to the carve-out financial statements. The historical cost allocations may not be indicative of the future expenses that will be incurred through incentive schemes that will be established for Adapteo's key personnel following the Demerger.

1.4.5 Cash management and financing

Cash management is centralised and Cramo Group's liquidity needs are mainly managed through cash pool arrangements. Adapteo's cash and cash equivalents comprise of cash held by Adapteo legal entities. In the Demerger, Adapteo Plc receives a portion of cash and cash equivalents of Cramo Plc that represents an amount appropriate for Adapteo's operations and working capital needs at the time of completion of the Demerger. No portion of Cramo Plc's cash and cash equivalents has been allocated to these carve-out financial statements.

Cramo Group's external financing is centralised and managed by the Cramo parent company. Subsidiaries' working capital needs have historically been funded mainly by intercompany loans in addition to cash pool arrangements. In order to show the impacts of the historical intercompany financing of Adapteo entities (other than acquired NMG entities in October 2018), the intercompany loan balances including cash pool arrangements due to Cramo parent company have been included as financial liabilities in these carve-out financial statements and are presented as related party transactions. The intercompany loan balances for those Adapteo entities which have historically been part of Cramo legal entities have been allocated to Adapteo based on the respective entity's historical capital employed ratio. The related interest income and expense in these carve-out financial statements have been determined based on the interest charges recorded directly by Adapteo legal entities or allocated to Adapteo entities. In connection with the Demerger, Cramo Plc's intercompany loan receivables from Adapteo entities will be transferred to new Adapteo Plc. Accordingly, these intercompany balances will be fully eliminated from Adapteo's consolidated financial statements after the Demerger.

The external debt financing of the demerging Cramo parent company and the related interest expenses that are directly attributable to Adapteo's operations are included in the carve-out financial statements in accordance with the demerger plan, consisting of financing arrangements related to the acquisition of NMG in October 2018. In addition, carve-out financial statements comprise the existing external funding arrangements and the related interest expenses of other Adapteo entities.

In connection with the Demerger, in addition to external debt amounts directly attributable to Adapteo, a certain amount of Cramo's external debt will be transferred to Adapteo Plc in accordance with the demerger plan. Cramo has been negotiating with the primary financers and has obtained financing commitments for Adapteo consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility, which will be used for refinancing of interest-bearing liabilities transferred to Adapteo in the Demerger and financing general corporate purposes. The carve-out financial statements have not been adjusted to reflect the additional portion of Cramo Plc's external debt to be transferred to Adapteo in the Demerger or the effects of the obtained financing commitments.

In addition, the finance costs included in the carve-out financial statements may not necessarily represent what the finance costs would have been, had Adapteo historically obtained financing on a stand-alone basis. These costs may not be indicative of the cost of financing that will arise for Adapteo in the future.

1.4.6 Derivatives

External derivative financial contracts entered into by Cramo have been allocated to Adapteo if those are directly attributable to Adapteo. The derivative financial instruments allocated to the carve-out financial statements comprise of foreign currency option, swap and currency forwards agreements related to the acquisition of NMG. These arrangements were settled during 2018 and related income and costs are included in these carve-out financial statements.

1.4.7 Income tax

During the periods presented in these carve-out financial statements, the legal entities in Adapteo have operated as separate taxpayers. For these entities the tax charges and the tax liabilities and tax receivables in the carve-out financial statements are based on actual taxation.

Some of Adapteo entities have historically been included in Cramo legal entities including operations other than operations of Adapteo. During the periods presented, these Adapteo entities did not file separate tax returns. Tax charges in these carve-out financial statements have been determined based on the separate return method, as if Adapteo entities were separate taxpayers in the jurisdiction of their primary operations. The current tax provision is the amount of tax payable or refundable based on Adapteo entity's hypothetical, current-year separate return and has been recorded as current income tax expense and as a shareholder transaction through invested equity in the carve-out financial statements. After computing its current tax payable or refund, Adapteo entity has provided deferred taxes on its temporary differences and on any tax loss carry forwards that it could claim on its hypothetical return. Deferred taxes on temporary differences are recognised where such temporary differences exist.

In these carve-out financial statements any changes in deferred tax assets relating to Adapteo legal entity's tax loss carry forwards in Denmark arisen from sold ER business prior its disposal in 2017 have been recognised through invested equity as they are deemed to be contributions from or distributions to Cramo Group.

The line item "income taxes paid" in the combined cash flow statement reflects current taxes for all carve-out entities as they are deemed to be paid by the respective tax filing group. To the extent that historically there has been no settlement through cash, such tax payments are deemed to be contributions from or distributions to Cramo Group and deemed to be settled immediately through equity. Such settlement through equity is reflected in the line item "Equity financing with Cramo Group, net" in the financing section of the combined cash flow statement.

The tax charges recorded in the combined income statement are not necessarily representative of the tax charges that may arise in the future.

1.4.8 Earnings per share

As the carve-out financial statements have been prepared on a carve-out basis, it is not possible to measure earnings per share for any of the periods presented. Adapteo has not had share capital during the periods presented nor can a portion of Cramo's outstanding shares be allocated to it. Additionally, the combined income statement information included in the carve-out financial statements does not include the finance costs on the planned debt structure after the Demerger. Also the results of the acquired NMG business have been included in the carve-out financial statements for the year ended 31 December 2018 from the acquisition date, i.e. only for the two month period. Therefore, management considers that presenting an earnings per share ratio calculated on the carve-out information would not accurately reflect the historical earnings per share. Accordingly, the requirement of IAS 33 "Earnings per share" to disclose earnings per share is not met.

1.5 Critical accounting estimates and judgements

The preparation of these carve-out financial statements has required management to make estimates and judgements affecting the amounts reported in these carve-out financial statements and the accompanying notes. These estimates and judgements, based on historical evidence and plausible future scenarios, have been evaluated at each balance sheet date. Actual results may differ from these estimates and judgements.

The following areas include a high degree of management estimates and assumptions:

Key judgement and estimates	**Note**
Carve-out principles	1.4
Share-based payments	7
Recognition of deferred tax assets and liabilities	10
Useful lives and valuation of property, plant and equipment	11
Fair values of contingent consideration and net assets acquired in business	12
Key assumptions used in impairment testing	13
Determining the lease term on finance leases where Adapteo is a lessor	21

PERFORMANCE

This section focuses on the results and performance of Adapteo. It includes disclosures that explain the different components of Adapteo's performance, employee benefits, operating expenses, finance items as well as information about taxes.

2. Segment information

Adapteo offers premium modular space rental and rental related services. Adapteo's operations and profitability is reported as a single operating segment 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 Cramo's group management team as Cramo's chief operating decision maker at Adapteo level.

Adapteo's businesses are present in 5 countries. The main market areas are Sweden and Finland, accounting for over 73 percent of net sales in 2018, 74 percent in 2017 and 76 percent in 2016.

Net sales* by geographical area

In thousands of EURO	**2018**	**2017**	**2016**
Finland	36 963	34 337	33 146
Sweden	74 461	59 636	56 980
Norway	7 350	7 531	7 076
Denmark	18 725	13 810	11 982
Germany	14 489	11 325	9 148
Total	**151 988**	**126 638**	**118 332**

*Net sales are presented based on the location of clients.

Assets* by geographical area

In thousands of EURO	**2018**	**2017**	**2016**
Finland	93 062	90 239	89 004
Sweden	441 290	156 191	144 927
Norway	16 037	13 071	12 337
Denmark	47 100	42 606	31 889
Germany	34 825	31 512	19 223
Total	**632 314**	**333 619**	**297 380**

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

3. Sources of revenue

Net sales

The following table summarises the net sales breakdowns:

In thousands of EURO	**2018**	**2017**	**2016**
Rental sales	99 966	84 627	77 460
Assembly and other services	45 824	40 050	40 486
Sales, new modules	6 198	1 960	386
Total net sales	**151 988**	**126 638**	**118 332**

Timing of revenue recognition:

In thousands of EURO	**2018**
Products and services transferred at point in time	6 825
Services transferred over time	45 196
Total	**52 022**

Adapteo provides modular space solutions that are either rented or sold to public sector customers, such as municipalities and private sector customers, such as industrial companies and private enterprises. Net sales include the rental of modular space solutions, assembly and other services and the sale of new modules. Rental sales are recognised in accordance with IAS 17 and assembly and other services as well as sale of new modules are recognised in accordance with IFRS 15.

Rental sales

The majority of revenue in Adapteo consists of rental sales generated from leases of temporary modular space 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 modular space solutions and accessories.

Assembly and other services

Assembly and other services include short-term services related to on- and off- site transportations, assembly and disassembly of modules, 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 modular space varies from a few days to several months. Other revenue-generating services include repair and maintenance services.

Sales, new modules

Sales, new modules consist of sale of new modular space solutions. Adapteo provides tailor-made turnkey modular space 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 modular space solution after the lease period. Sales, new modules also include the sale recognised in connection with these long-term rental agreements fullfilling the criteria for finance leasing. Interest income related to finance leasing is presented as other operating income, which are disclosed further in note 4.

Accounting policy

Revenue recognition 2018

IAS 17 Leases

Rental revenue derived from operational leases is recognised on a straight-line basis during the rental period.

A part of Adapteo's operations include manufacturer/lessor arrangements. Lease agreements that transfer substantially all of the risks and rewards of ownership to the lessee are classified as finance leases. A finance lease of an asset by a manufacturer/lessor gives rise to two types of income: finance income over the lease term (see accounting policy from note 21); and a profit or loss equivalent to that arising on a sale of the leased asset. The sale is recognised when the risks and rewards of ownership of the asset have transferred to the customer. The revenue recognised is the lower of the asset's fair value or the present value of the minimum lease payments computed at a market rate of interest. The cost of sale is the cost of the leased asset (or carrying amount of the asset, if different) less the present value of any unguaranteed residual value. The finance income derived from finance lease agreements is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the asset and presented as operating income.

IFRS 15 Revenue from Contracts with Customers

The IFRS 15 standard – Revenue from Contracts with Customers has been applied in these financial statements from 1 January 2018. The standard replaced the old revenue recognition standard IAS 18. Implementation of the new standard has led to slightly earlier revenue recognition for service revenues related to assembly and disassembly services. As a result of the new standard, contract assets and liabilities of a contract are presented on the balance sheet according to their net position.

Adapteo's leases include both leasing and service components. Leasing related services are accounted for as revenue under IFRS 15. Judgements made in applying IFRS 15 include the allocation of the transaction price between rental sales and assembly and other services based on relative stand-alone prices.

Assemblies of modular spaces or other items and their related transports are generally viewed as a combined customer promise, i.e. as one performance obligation, as well as disassembly and related transportation are one performance obligation. Other rental related services are separate performance obligations.

Transaction price is total amount of consideration to which an entity expects to be entitled to in exchange of transferring goods or services to a customer, excluding amounts collected on behalf of third parties (VAT). The total consideration may include variable consideration e.g. annual discounts, which are considered as part of the total consideration only to the extent that is highly probable that revenue is not reversed later. In some customer agreements a delay due to Adapteo is sanctioned by a penalty fee which constitutes a variable consideration. However, the penalty fee is not initially included in the transaction price as a variable consideration as it is highly improbable at the inception of the contract that a penalty fee due to delay will arise. In baked-in contracts the transaction price is also adjusted with a financing component i.e. the timing of payments provides a significant financing benefit either to the vendor or to the customer when it is seen as significant. In general, these financing components are seen as immaterial over time and not allocated to the transaction price. In baked-in contracts, assembly and disassembly invoicing is included in the monthly rental charge invoicing for the total contract duration and separated as distinct contract assets and liabilities due to the fact that they each relate to different performance obligations.

Transaction price is mainly allocated to each performance obligation by their observable stand-alone selling prices. Adapteo's business is based on combined pricing and delivery, thus, discount is evenly allocated on all items.

Revenue from assembly and other services is recognised over time when Adapteo satisfies the performance obligation by transferring the service to the customer. As a main rule, Adapteo satisfies performance obligations over time during which the services are rendered. Revenue from assembly and disassembly services are in the beginning and at the end of modular space leasing contracts are recognised over time. Measure of progress is determined by comparing incurred costs to total costs. Other short-term rental related services are recognised at a point in time upon completion of the services as the time of transferring the control to the customer is relatively short.

Revenue from sales, new modules is recognised when control over the goods or services to a customer are transferred either over time or at a point in time. Sale of new and used equipment constitutes a single performance obligation, containing either a single component or several components such as planning and customisation activities.

Revenue recognition 2016-2017

IAS 18 Revenue / IAS 11 Construction Contracts

Adapteo's revenues mainly comprise of rental sales of modular space and assembly and other services. Assembly and other services include especially assembly, disassembly and transportation services, as well as construction site circumstance control and maintenance services. Product and service sales are recognised at fair value net of indirect taxes, discounts and exchange rate impacts arising from sales in foreign currencies.

Adapteo's business includes rental of modular space solutions and rental related services. The revenue is recognised according to IAS 17 (lease standard) for rental of modules. Rental of modules is recognised on a straight-line basis over the rental period. Assembly and other services (assembly, customisation, transport) are recognised according to IAS 18 standard, when the company transfers control of services to a customer either over time or at a point in time.

The projects may be offered to the customer as one package price or separately as services and rental. In any case the project revenue needs to be allocated to service (assembly, customisation, transport) and rental based on arms-length market prices. The target margin for services are different compared to rental since rental sales require capital to be employed. The service components of the business usually operate on smaller margins compared to the rental components by nature (return on investment equal).

Effects of IFRS 15 in FY2018 compared to previous standards

The impacts of initial application of IFRS 15 is disclosed in note 29. The transition method chosen in applying IFRS 15 was the cumulative effect approach and thus, comparative information has not been restated. Adapteo's sales mainly comprise of, in addition to rental sales recognised under IAS 17, assembly and other services and sale of new modules.

The following table summarises the impact of adopting IFRS 15 on Adapteo's financial statements:

In thousands of EURO	As reported at 31 Dec 2018	Impact of IFRS 15	Amounts in accordance with previous standards
Combined balance sheet			
Trade and other receivables	55 585	3 202	58 787
Invested equity	214 627	-255	214 372
Trade and other payables	68 330	-2 947	65 383
Combined income statement			
Net sales	151 988	2 947	154 935
Materials and services	-57 004	-2 947	-59 951
Profit before taxes	25 891		25 891
Profit for the year	20 913		20 913

Contract balances as required in IFRS 15

The following table provides information about receivables, contract assets and liabilities from contracts with customers. The contract liabilities consist of advances arising from customer agreements, as invoicing is often done in advance compared to when the performance obligations of the contracts are satisfied.

In thousands of EURO	31 Dec 2018
Trade receivables	33 350
Contract assets	14 280
Contract liabilities	24 429

Trade receivables contain receivables from revenue recognised in accordance with IAS 17 and IFRS 15. Contract liabilities contain advances received from contracts accounted for in accordance with IAS 17 and IFRS 15. Contract assets include accrued income from partially completed assembly performance obligations and accrued income from partially completed self-manufacturing projects. These balances are specified in notes 16 and 17.

Significant changes in receivables, contract assets and contract liabilities during the financial year are as follows:

In thousands of EURO	Contract assets	Contract liabilities
At 1 Jan 2018	11 497	17 250
Revenue recognised that was included in the contract liability balance at the beginning of the period		-8 699
Increases due to new customer agreements including payment schedule arrangements, net of revenue recognised during the period	9 898	15 878
Transfers from contract assets recognised at the beginning of the period to receivables	-10 534	
Increases as a result of changes in the measure of progress	2 947*	
Business combinations	472	
Impairment of a contract asset		
At 31 Dec 2018	**14 280**	**24 429**

*The amount of revenue recognised in 2018 from performance obligations satisfied (or partially satisfied) in previous periods, is mainly due to changes in the estimate of the measure of progress of rental related assembly.

The customer is typically invoiced with payment term of 14 to 60 days when the service or product is delivered. Part of the service revenue arising from assembly and disassembly services is invoiced in advance. Rental revenues are usually invoiced during the same month as the performance obligation is satisfied or one month in advance. Contract assets primarily relate to customer agreements partially completed performance obligations or payment arrangements. According to them, the customer is permitted to pay completed assembly services during the rental period as monthly amortisations. Contract liabilities consist of prepayments from customers. A net contract asset is recognised when the agreed payment schedule for a completed assembly performance obligation and advances from a future disassembly performance obligation relate to the same customer agreement.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date, including revenue in accordance with IAS 17.

In thousands of EURO	**2019**	**2020 & subsequent**
Rental sales	111 429	89 141
Assembly and other services	28 123	22 139
Total	**139 552**	**111 280**

All consideration from contracts with customers is included in the amounts presented above, except for the practical expedient in paragraph 121 of IFRS 15. Therefore, Adapteo does not disclose information about remaining performance obligations that have original expected durations of one year or less.

4. Other operating income

Other operating income mainly includes net gains on sale of used modular space and interest income from finance lease receivables.

In thousands of EURO	**2018**	**2017**	**2016**
Net gains on sale of used modular space	847	776	1 739
Interest income from finance lease receivables	200		
Insurance compensation	130	154	30
Service charge income		1 182	204
Other income	392	116	304
Total	**1 569**	**2 229**	**2 277**

5. Materials and services

Materials and services include costs incurred related to rental of fleet such as leased furniture and accessories, maintenance and repair costs. Materials and services include also assembly and disassembly cost related to the rental fleet. In addition, materials and services include costs of goods sold related to manufacturing of new modular space solutions.

In thousands of EURO	**2018**	**2017**	**2016**
Cost of sub-rental	-3 318	-2 262	-1 951
Production related costs*	-2 465	-1 277	-2
Repair and maintenance cost	-7 972	-8 127	-7 824
Cost of external services**	-43 249	-38 701	-37 114
Total	**-57 004**	**-50 366**	**-46 892**

* Employee benefit expenses not included
**Include mainly assembly and disassembly costs.

6. Other operating expenses

Other operating expenses include the following costs:

In thousands of EURO	**2018**	**2017**	**2016**
Premises expenses	-3 687	-3 122	-2 347
Sales and marketing	-795	-829	-821
Administrative costs	-12 821	-9 650	-7 947
Other costs	-2 227	-610	-494
Total	**-19 531**	**-14 212**	**-11 610**

In 2018, administrative costs included EUR 2.6 million direct transaction and integration costs related to the acquisition of NMG and expenses of EUR 1.4 million relating to the ongoing preparations of the spin-off of the Modular Space business.

Audit fees included in other operating expenses are specified in note 28.

7. Employee benefit expenses

Employee benefit expenses and other personnel costs are as follows:

In thousands of EURO	**2018**	**2017**	**2016**
Salaries and fees	-14 348	-11 780	-10 226
Termination benefits [1)]	-517	-321	-63
Share-based payments [2)]	-369	-535	-520
Social security costs	-2 624	-1 872	-1 726
Pension costs - defined contribution plans	-1 961	-1 103	-1 040
Total	**-19 819**	**-15 611**	**-13 574**

[1)] Termination benefits relating to share-based payments, EUR 196 thousand in 2017 and EUR 38 thousand in 2016 are presented in the line item "Termination benefits".
[2)] Share-based payments include both the costs recognised for the share-based compensation plans related to Adapteo's personnel and a portion of Cramo Group management's share-based payments costs which have been allocated to the carve-out financial statements based on centrally provided services allocation. This breakdown is disclosed further below in the share-based payments section.

	2018	**2017**	**2016**
Average number of personnel	187	158	140

Employee benefit expenses comprise mainly of salaries, social costs, share-based payments and other fees, pension costs and fringe benefits. Fringe benefits consist employee health care services, car benefits, phone benefits and other fringe benefits.

Information on key management compensation is presented in note 27.

Accounting policy – Employee benefits

Short-term benefits

Short-term employee benefits include wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date. Short-term benefits are recognised in other payables based on the accrued employee benefit expenses up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Post-employment benefits

Adapteo has retirement benefit plans in accordance with local conditions and practices in the countries in which it operates.

Pension plans are classified as defined benefit or defined contribution plans. In defined contribution plans, Adapteo makes fixed payments to separate entities. Adapteo has no legal or constructive obligation to make additional payments if the party receiving them is unable to pay the beneficiaries. All arrangements that do not fulfil these conditions are considered defined benefit pension plans. All Adapteo's pension benefit plans are considered as defined contribution plans.

Share-based payments

Below is the description of the share-based incentive plans implemented by Cramo and the related expenses for the periods presented in these carve-out financial statements.

Performance share plans and One Cramo share savings plan

During the periods presented, Cramo had the following share-based compensation plans and One Cramo share savings plan. The purpose of Cramo's performance share plan directed to Cramo Group management and key personnel is to combine the goals of the owners and key employees to increase the company's long-term value and to commit key personnel to the company and to offer them a competitive reward plan based on earnings and the accumulation of Cramo's shares. One Cramo Share plan is directed to the whole personnel. In order to participate in the performance share plan, the participants must also participate in the One Cramo Share plan.

The performance share plan established in 2012 covers the discretionary periods of 2012, 2013 and 2014 and the performance share plan established in 2015 covers discretionary periods of 2015, 2016 and 2017. In addition, in 2018, a new performance share plan has been decided with one discretionary period 2018. Each discretionary period is immediately followed by a two-year vesting period before rewards are paid out. The objectives of the key management's share plans relate to the Cramo Group's earnings per share (EPS) and return on equity (ROE).

One Cramo share plans have been established to encourage Cramo employees to become shareholders in Cramo and reward the employees for their efforts in working towards company's goals. Another objective is to strengthen the tie between Cramo's shareholders and employees. The sixth period of One Cramo share savings plan was initiated on 2 October 2017. During the 12 months' plan period the employees can save 2-5% of their monthly gross salaries. The total amount of all savings from each plan period may not exceed EUR 4 million. Savings are automatically used to purchase company shares for the participants quarterly after each publication date of the interim result. The participant will receive one free matching share for every two acquired savings shares, if the participant holds the acquired shares until the end of the designated holding period. An additional requirement for receiving the matching shares is that the participant's employment has not been terminated before the end of the designated holding period. The matching shares are paid partly in cash to cover tax and other tax related costs arising from the reward.

The main features of Cramo's share-based compensation plans

The table below presents the key information on Cramo's share-based compensation plans and shares granted to Adapteo personnel for all periods presented:

	Performance Share Plan 2012		Performance Share Plan 2015			Performance Share Plan 2018	One Cramo Share Savings, 6 plans
Type of the plan	Shares		Shares			Shares	Share savings
Maximum number of shares	1 000 000		1 000 000			238 500	
Vesting period	2013	2014	2015	2016	2017	2018	2012-2018
Grant dates	15-Apr-13	17-Mar-14	14-Apr-15	5-Jul-16	19-May-17	15-Aug-18	24-Feb-15 *) 24-Feb-16 24-Feb-17 24-Feb-18
Fair value of share reward at grant date, EUR	9.21	13.82	16.47	17.25	24.28	15.15	18.90
Grant date share price, EUR	9.64	15.59	17.67	18.61	25.67	16.70	22.62
Vesting period starts	1-Jan-13	1-Jan-14	1-Jan-15	5-Jul-16	19-May-17	15-Aug-18	*) respective days
Vesting period ends	15-Jan-16	31-Jan-17	31-Dec-15	31-Jan-19	31-Dec-20	16-Jan-21	3 years
Restriction period ends	15-Jan-16	31-Jan-17	31-Jan-18	31-Jan-19	31-Jan-20	16-Jan-21	3 years
Changes in share allocation:							
2016:							
Amount of share incentives at 1 Jan 2016	20 000	22 000	30 000				2 726
Granted during 2016				27 000			1 403
Shares forfeited during 2016							-182
Shares released during 2016	-20 000						
Amount of share incentives at 31 Dec 2016		22 000	30 000	27 000			3 947
2017:							
Amount of share incentives at 1 Jan 2017		22 000	30 000	27 000			3 947
Granted during 2017					14 800		1 470
Shares forfeited during 2017				-2 000	-2 000		-73
Shares released during 2017		-22 000					
Amount of share incentives at 31 Dec 2017			30 000	25 000	12 800		5 344
2018:							
Amount of share incentives at 1 Jan 2018			30 000	25 000	12 800		5 344
Granted during 2018						14 500	2 284
Shares forfeited during 2018							-523
Shares released during 2018			-30,000				
Amount of share incentives at 31 Dec 2018				25 000	12 800	14 500	7 105
Number of participants							
At 31 Dec 2016		2	4	6			91
At 31 Dec 2017			4	5	4		124
At 31 Dec 2018				5	4	5	96
Estimated realisation of earnings criteria, %	30.00%	14.0%	56.30%	87.50%	63.30%	73.45%	100.00%

Costs recognised for the share-based compensation plans

The table below represents the historical costs incurred related to the share-based compensation plans related to Adapteo's personnel[1)] on the basis of shares granted as presented above and the total share-based payment costs allocated to Adapteo in these carve-out financial statements. The total costs include a portion of share-based payments related to Cramo's group management, which have been allocated to Adapteo as part of the centrally provided services costs as described in note 1.4.

In thousands of EURO	Performance Share Plan 2012		Performance Share Plan 2015			Performance Share Plan 2018	One Cramo Share Savings, 6 plans	**Total**
	2013	2014	2015	2016	2017	2018	2012-2018	
2016:								
Costs for Adapteo personnel[1)]		4	25	22			4	**55**
Total costs allocated to Adapteo	1	54	253	200			49	**558**
2017:								
Costs for Adapteo personnel[1)]			18	43	7		7	**75**
Total costs allocated to Adapteo			185	388	107		51	**731**
2018:								
Costs for Adapteo personnel[1)]			-4	13	14	3	8	**34**
Total costs allocated to Adapteo			-44	122	197	46	49	**369**

[1)] Adapteo personnel relates to such persons that will be transferred to new Adapteo in the Demerger.

The estimated amount of cash to be paid out from the plans as at 31 December 2018 is EUR 169 thousand.

Accounting policy

Cramo Group has the following share-based compensation plans: performance share plans and share savings plans. In performance share plans the target group has an opportunity to earn company shares as a reward on the basis of achievement of targets established for the performance criteria for each calendar year. Part of the reward is paid in cash to cover taxes and tax-related costs arising from the reward. The rewards are paid to the target group approximately two years after the confirmation of the reward, if the service conditions are met. The fair value of both the equity-settled and cash-settled payment is determined at grant date and expensed during the vesting period, the corresponding amount being charged to equity. The total amount to be expensed over the vesting period is determined based on the Cramo Group's estimate on the number of the shares that are expected to be vested by the end of the vesting period. The impact of any non-market vesting conditions (EPS target) has been excluded, but they are included in the assumptions about the number of shares that are expected to be distributed. On each reporting date Cramo revises its estimate on the number of shares that are expected to be distributed. The impact of the revision of the original estimates is recognised in the combined income statement.

In share savings plans the employees can save 2-5% of their monthly gross salaries during the 12 months plan periods and the savings are automatically used to purchase company shares for the participants quarterly after each publication date of the interim results during the plan period. The participant will receive one free matching share for every two acquired savings shares, if the participant holds the acquired shares until the end of the designated holding period. An additional requirement for receiving the matching shares is that the participant's employment has not been terminated before the end of the designated holding period.

The first savings period started on 1 October 2012 and the corresponding matching shares were paid during 2016. The matching shares are paid partly in cash to cover tax and other tax related costs arising from the reward. Both the fair value of the equity-settled and the cash-settled payment is determined at the date of acquisition of the savings shares and recognised against the retained earnings. The expenses of the share savings plan are recognised during the vesting period.

The amendment of IFRS 2 Share-based payments - Clarification and Measurement of Share-based payment transactions was adopted from the beginning of 2018. The amendment changed the accounting treatment of the cash-settled payment for both arrangements. Previously the cash-settled payment had been valued at the period end fair value and recognised as liability but from the beginning of 2018, both arrangements are treated as equity settled and the cost is recognised based on gross amount of the shares despite the fact that the employee receives net amount of the shares and the Cramo pays the portion needed to cover withholding tax in cash to tax authorities. At the transition as at 1 January 2018, the liability related to the cash-settled payments were recognised against the retained earnings in the invested equity.

Key judgement and estimates – Share-based payments

The fair value of reward shares in the performance share plan is based on the share price on the grant date and the valuation does not involve high degree of estimation. Instead, the determination of the fair value of matching shares in the One Cramo Share savings plan includes certain assumptions relating to expected dividend yield and cost of equity and debt. These variables include estimation uncertainty.

8. Depreciation, amortisation and impairment

Intangible assets and property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses.

In thousands of EURO	**2018**	**2017**	**2016**
Depreciation on buildings	-319	-97	-173
Depreciation on rental equipment	-20 546	-17 586	-14 551
Depreciation on rental accessories	-4 154	-3 178	-2 750
Depreciation on other machinery and equipment	-372	-312	-584
Depreciation of property, plant and equipment	**-25 391**	**-21 174**	**-18 058**
Amortisation on software and other intangible assets	-365	-298	-235
Amortisation of intangible assets resulting from acquisitions*	-741	-166	-48
Amortisation of intangible assets	**-1 106**	**-464**	**-283**
Total depreciation and amortisation	**-26 498**	**-21 638**	**-18 341**
Impairment of property, plant and equipment	-1 392	-132	-4
Total impairment losses	**-1 392**	**-132**	**-4**
Total depreciation, amortisation and impairment losses	**-27 890**	**-21 770**	**-18 345**

*Amortisation of intangible assets recognised in connection with the business acquisitions consisted of brand, customer relationships and non-competition agreements.

For the year ended 31 December 2018, as a result of restructuring measures, Adapteo incurred impairment losses related to rental equipment totaling EUR 1 392 thousand.

During the periods presented Adapteo has not recognised any impairment losses on goodwill or intangible assets. Depreciation and amortisation periods are presented in notes 11 and 13.

9. Finance income and costs

The following outlines the components of finance income and finance costs included in the combined income statement.

In thousands of EURO	2018	2017	2016
Interest income	29	66	62
Exchange rate gains[1)]	1 346	2	10
Other finance income[2)]	282	142	
Finance income	**1 657**	**210**	**72**
Interest expenses on loans from Cramo Group	-1 821	- 1 781	-1 167
Interest expenses on bank loans, convertible loan and collateralised loan[3)]	-1 450	-730	-829
Interest expenses on finance leases	-16	-20	-56
Exchange rate losses[1)]	-1 602	-80	-10
Other finance costs	-178	-270	-171
Finance costs	**-5 066**	**-2 882**	**-2 233**
Finance costs, net	**-3 410**	**-2 672**	**-2 160**

[1)] In 2018, exchange rate gains include EUR 1.2 million of gains and exchange rate losses include EUR -1.6 million of losses related to the foreign exchange hedging of NMG acquisition's purchase price.

[2)] Other finance income consists of EUR 282 thousand in 2018 and EUR 142 thousand in 2017 as a result of a prolonged contract terms and changes in residual value guarantee of the collateralised loan.

[3)] Interest expenses on bank loans, convertibe loan and collateralised loans costs include EUR -591 thousand in 2018, EUR -730 thousand in 2017 and EUR -829 thousand in 2016 reflecting the unwinding the effect of discounting related to the collateralised loan.

Accounting policy

Transaction costs related to loans are expensed in profit or loss using effective interest rate method. The effective interest rate is the rate that discounts the estimated future payments during the expected maturity of a loan to the net carrying amount of the financial liability. The calculation includes transaction costs and all fees directly attributable to the transaction paid by the contracting parties. Interest income is recognised using the effective interest rate, unless the receipt of interest is uncertain. In such cases the interest income is accounted for on a cash basis. Foreign exchange gains and losses on financing activities are recognised within finance income or costs.

10. Taxes

This note explains Adapteo's income tax expense and other balances presented as tax items in the carve-out financial statements. The deferred tax section provides information on expected future tax payments.

Income taxes

Income taxes in the combined income statement comprise of current income tax expense and change in deferred taxes and are recognised as follows:

In thousands of EURO	2018	2017	2016
Current year tax	-1 189	-3 342	-3 781
Adjustment for prior years	-455		-1
Change in deferred taxes	-3 335	-1 985	-2 274
Total	**-4 978**	**-5 327**	**-6 056**

Reconciliation of effective tax rate

The difference between income taxes at the Finnish domestic tax rate 20% (during all periods presented) and income taxes recognised in the combined income statement is reconciled as follows:

In thousands of EURO	2018	2017	2016
Profit before tax	**25 891**	**24 236**	**28 028**
Tax calculated with domestic corporate tax rate	-5 178	-4 847	-5 606
Foreign subsidiaries divergent tax rate +/-	-170	-123	-370
Tax from the previous financial periods	-455		-1
Change in tax rates	545		
Non-taxable income		155	10
Non-deductible expenses	-65	-178	-30
Share-based payments		6	-27
Utilisation of previously unrecognised tax losses	301	16	43
Recognition of previously unrecognised tax losses	45		
Current year losses for which no deferred tax assets was recognised		-267	
Other items		-88	-76
Taxes in income statement	**-4 978**	**-5 327**	**-6 056**
Group's effective tax rate, %	**19.2**	**22.0**	**21.6**

Deferred taxes

Deferred tax assets and liabilities as presented in the combined balance sheet at 31 December:

In thousands of EURO	2018	2017	2016
Deferred tax assets	3 109	2 514	1 567
Deferred tax liabilities	43 138	23 618	23 028
Deferred tax liabilities, net	**40 030**	**21 104**	**21 461**

Movements in deferred tax assets and liabilities during 2018:

In thousands of EURO	1 Jan 2018	Recognised in income statement	Acquisitions	Exchange differences	31 Dec 2018
Deferred tax assets					
Tax losses carried forward	1 698	268		6	1 972
Depreciation difference, negative		-93	816	-85	638
Finance leases	63	-111		48	
Elimination of internal profit	547	-114			433
Other temporary differences	206	-140			66
Total	**2 514**	**-190**	**816**	**-31**	**3 109**
Deferred tax liabilities					
Depreciation difference	22 067	3 039	5 228	-1 093	29 241
Finance leases	1 201	115		-13	1 303
Valuation of assets to fair value in business combinations	350	-253	12 101	277	12 475
Other temporary differences	0	244	15	-141	118
Total	**23 618**	**3 145**	**17 344**	**-970**	**43 138**
Deferred tax liabilities, net	**21 104**	**3 335**	**16 528**	**-938**	**40 030**

Movements in deferred tax assets and liabilities during 2017:

In thousands of EURO	1 Jan 2017	Recognised in income statement	Recognised in invested equity	Exchange differences	31 Dec 2017
Deferred tax assets					
Tax losses carried forward	799	-794	1 695	-2	1 698
Finance leases	95	-32			63
Elimination of internal profit	674	-127			547
Other temporary differences		206			206
Total	**1 568**	**-747**	**1 695**	**-2**	**2 514**
Deferred tax liabilities					
Depreciation difference	21 551	1 100		-584	22 067
Finance leases	1 064	182		-45	1 201
Valuation of assets to fair value in business combinations	414	-64			350
Other temporary differences		20		-20	
Total	**23 029**	**1 237**		**-648**	**23 618**
Deferred tax liabilities, net	**21 461**	**1 984**	**-1 695**	**-647**	**21 104**

Movements in deferred tax assets and liabilities during 2016:

In thousands of EURO	1 Jan 2016	Recognised in income statement	Recognised in invested equity	Exchange differences	31 Dec 2016
Deferred tax assets					
Tax losses carried forward	1 453	-637	-17		799
Finance leases	126	-31			95
Elimination of internal profit	786	-112			674
Total	**2 365**	**-780**	**-17**		**1 567**
Deferred tax liabilities					
Depreciation difference	20 871	1 416		-736	21 551
Finance leases	906	215		-58	1 064
Valuation of assets to fair value in business combinations	459	-46			414
Other temporary differences	5	-91		85	-1
Total	**22 241**	**1 494**		**-709**	**23 028**
Deferred tax liabilities, net	**19 877**	**2 274**	**17**	**-709**	**21 461**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Adapteo's legal entity in Denmark, Cramo A/S, has tax loss carryforwards mainly arisen from the losses generated by ER business prior its disposal in 2017. Any changes in recognised deferred tax assets relating to Cramo A/S tax loss carry-forwards arisen from the disposed ER business have been recognised through invested equity as they are deemed to be contributions from Cramo Group.

Adapteo has not recognised deferred tax assets of EUR 545 thousand in year 2018, EUR 329 thousand in 2017 and EUR 1 464 thousand in 2016 of the tax loss carry-forwards in respect of Cramo A/S. These tax loss carry forwards do not expire.

Accounting policy

Tax expense consists of the taxes based on taxable income and deferred taxes for the current accounting period. Taxes are recognised through profit and loss, except when they relate directly to equity or the items recognised in the other comprehensive income items. In such cases, tax is also charged to these items. Taxes based on taxable income for the current period are calculated based on the effective tax rate of each country.

Deferred taxes are calculated for temporary differences between the book values of assets and liabilities and the tax basis of assets and liabilities. Deferred tax liabilities are not recognised, however, if they are attributable to the initial recognition of an asset or liability in a transaction other than business combination and the transaction, at the time it occurs, does not affect the accounting profit or taxable profit. The deferred tax for investments in subsidiaries and joint ventures is recognised, except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. The most significant temporary differences arise from the depreciation of property, plant and equipment items; unutilised tax losses and fair value adjustments made in connection with acquisitions.

Deferred taxes are calculated using the tax rates enacted by the last day of the reporting period or those which have, in practice, been accepted by the last day of the reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Key judgement and estimates – Recognition of deferred tax assets and liabilities

Adapteo is subject to tax in several countries. Determining Adapteo's income tax requires significant assessment and judgement. Adapteo estimates tax positions in accordance with tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If necessary, the amounts recorded are adjusted to amounts expected to be paid to the tax authorities.

Management judgement is required in assessing whether certain deferred tax assets and deferred tax liabilities are recognised on the balance sheet. Deferred tax assets are recognised only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Estimates of these future cash flows are dependent on the management's estimates that relate among others to the amount of future net sales, operating costs, finance costs and taxes. In addition, Adapteo's ability to generate taxable income depends on factors related to general economy, finance, competitiveness and regulations that Adapteo is unable to control. These estimates and assumptions are subject to risk and uncertainty, hence it is possible that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of temporary differences.

PROPERTY, PLANT AND EQUIPMENT, ACQUISITIONS, INTANGIBLE ASSETS AND INVESTMENTS IN JOINT VENTURES

This section presents the information on Adapteo's property, plant and equipment, business acquisitions, intangible assets and investments in joint ventures.

11. Property, plant and equipment

Adapteo's property, plant and equipment mainly consists of rental equipment including modules used in modular space leases and rental accessories. Other property, plant and equipment assets comprise of buildings including offices and production facilities, capitalised costs of leasehold improvements, other machinery and equipment including mainly production machinery, office equipment and leased assets as well as assets under construction.

In thousands of EURO	**Land**	**Buildings**	**Rental equipment**	**Rental accessories**	**Other machinery and equipment**	**Assets under construction**	**Total property, plant and equipment**
Acquisition cost							
At 1 Jan 2018		**1 621**	**395 540**	**55 202**	**6 958**	**929**	**460 251**
Exchange differences		16	-6 024	-1 815	-145	-4	-7 973
Additions		507	59 584	5 553	623	3 230	69 497
Business acquisitions	831	3 793	85 336	4 794	2 263	1 541	98 557
Disposals		-265	-18 726		-3	-401	-19 395
Reclassification between asset categories		208	-19	2 961	-2 359	-631	160
At 31 Dec 2018	**831**	**5 879**	**515 691**	**66 695**	**7 336**	**4 664**	**601 097**
Accumulated depreciation and impairment							
At 1 Jan 2018		-1 168	-118 945	-36 999	-4 989		-162 100
Exchange differences		-14	2 477	1 365	88		3 915
Disposals		250	6 587	525	3		7 365
Depreciation		-319	-20 546	-4 154	-372		-25 391
Impairments			-1 392				-1 392
Reclassification between asset categories		-27	-685	-483	1 035		-160
At 31 Dec 2018		**-1 278**	**-132 505**	**-39 746**	**-4 235**		**-177 763**
Net book value at 31 Dec 2018	**831**	**4 602**	**383 186**	**26 949**	**3 101**	**4 664**	**423 334**

In thousands of EURO	Buildings	Rental equipment	Rental accessories	Other machinery and equipment	Assets under construction	Total property, plant and equipment
Acquisition cost						
At 1 Jan 2017	**2 126**	**347 684**	**51 591**	**7 118**	**-144**	**408 376**
Exchange differences	-54	-6 721	-1 443	-122	-4	-8 344
Additions	3	51 095	5 011	190	1 188	57 487
Business acquisitions		5 388	67			5 455
Disposals	-455	-2 140	-18		-111	-2 724
Reclassification between asset categories		234	-7	-227		
At 31 Dec 2017	**1 621**	**395 540**	**55 202**	**6 958**	**929**	**460 251**
Accumulated depreciation and impairment						
At 1 Jan 2017	**-1 172**	**-102 814**	**-34 898**	**-4 837**		**-143 721**
Exchange differences	52	2 059	1 061	70		3 243
Disposals	49	-385	17			-318
Depreciation	-97	-17 586	-3 178	-312		-21 174
Impairments		-128	-1	-2		-132
Reclassification between asset categories		-92		92		
At 31 Dec 2017	**-1 168**	**-118 945**	**-36 999**	**-4 989**		**-162 100**
Net book value at 31 Dec 2017	**453**	**276 595**	**18 203**	**1 970**	**929**	**298 149**

In thousands of EURO	Buildings	Rental equipment	Rental accessories	Other machinery and equipment	Assets under construction	Total property, plant and equipment
Acquisition cost						
At 1 Jan 2016	**2 032**	**297 833**	**46 908**	**17 478**	**132**	**364 383**
Exchange differences	37	-5 118	-1 584	-550		-7 215
Additions	57	51 039	6 313	296	80	57 785
Disposals		-6 067	-45	-108	-356	-6 577
Reclassification between asset categories		9 997		-9 997		
At 31 Dec 2016	**2 126**	**347 684**	**51 591**	**7 118**	**-144**	**408 376**
Accumulated depreciation and impairment						
At 1 Jan 2016	**-968**	**-87 465**	**-33 398**	**-9 178**		**-131 008**
Exchange differences	-31	1 769	1 237	246		3 221
Disposals		2 011	13	105		2 128
Depreciation	-173	-14 551	-2 750	-584		-18 058
Impairments		-4				-4
Reclassification between asset categories		-4 574		4 574		
At 31 Dec 2016	**-1 172**	**-102 814**	**-34 898**	**-4 837**		**-143 721**
Net book value at 31 Dec 2016	**954**	**244 871**	**16 693**	**2 281**	**-144**	**264 656**

Assets acquired through finance lease contracts are included in the other machinery and equipment as at 31 December 2018, 2017 and 2016 as follows:

In thousands of EURO	2018	2017	2016
Acquisition cost	716	2 488	2 841
Accumulated depreciation	-34	-1 071	-1 117
Net book value	**682**	**1 417**	**1 724**

Investment commitments are presented in note 25.

Accounting policy

Property, plant and equipment is measured at cost less accumulated depreciation and any impairment losses. This cost includes expenditure that is directly attributable to the acquisition. Property, plant and equipment acquired in the business combinations are measured at fair value at the date of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset when it is probable that it will generate future economic benefits, and the cost can be measured reliably. The expenditure on repairs and maintenance of property, plant and equipment are recognised as expense when incurred.

Depreciation of an asset is started when the asset is available for use or rental, i.e. in the location and condition necessary to operate in a manner intended by the management. Residual values, depreciation methods and useful lives of the assets are reviewed at the end of each reporting period and, if necessary, adjusted to reflect any changes in expectations of economic value.

Property, plant and equipment assets are depreciated on a straight-line basis over the estimated economic useful lives as follows:

Buildings	10-35	years
Rental equipment	10-20	years
Rental accessories	3-10	years
Other machinery and equipment	3-10	years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount of the disposed asset and are recognised within other operating income or other operating expenses in the combined income statement when the asset is disposed.

Impairment of assets

Property, plant and equipment and other intangible assets (see note 13) and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Key judgement and estimates – Useful lives and valuation of property, plant and equipment

Depreciation is based on management's estimates of the residual value of the assets, depreciation methods and the useful life of assets. The estimates may change due to technological development, the competitive situation, changes in market conditions and other factors, and this may lead to changes in the estimated useful lives and the amount of depreciation recognised in the combined income statement.

The useful lives of property, plant and equipment are reviewed periodically considering the factors mentioned above and all other relevant factors.

Optimal rental fleet's utilisation levels are managed centrally at Adapteo's group level. Testing of the value of the rental fleet is based on calculations of value in use, taking into account the possibility of transferring it to another entity of the group. The preparation of these calculations requires management estimate.

12. Acquisitions

2018 Nordic Modular Group Holding

As announced on 26 June 2018, Cramo signed an agreement to acquire 100 percent of Nordic Modular Group Holding AB ("NMG") from Strukturfonden HC11 AB, a subsidiary of Nalka Invest AB, and certain minority shareholders. The transaction was subject to merger control clearance from the Swedish Competition Authority, which was approved by them on 4 October 2018. Cramo completed the transaction at the end of October 2018. The enterprise value of the transaction was approximately SEK 2.725 billion. Alongside the goodwill, the intangible assets identified in the purchase price allocation were related to customer relationships and trademarks. The table below summarises the total consideration for NMG and amounts for the fair value of the acquired assets and liabilities as at the acquisition date.

NMG, well established player in the modular space market in the Nordics, was founded in 1956. NMG's main market is Sweden with operations also in Norway, Denmark and Finland and it employs 230 persons. NMG serves municipal customers, county councils and private companies with a primary focus on schools, pre-schools, elderly housing solutions and offices. It develops, manufactures, sells and rents relocatable buildings through its three subsidiaries Temporent AB, Nordic Modular Leasing AB and Flexator AB. Temporent rents out modular solutions with a fleet consisting of approximately 6 500 modules, serving primarily municipalities and large private companies. Nordic Modular Leasing leases out modular units with a primary focus on longer term contracts. Flexator designs, manufactures and sells professional modular buildings based on standardised building systems from site huts to advanced solutions.

The acquisition strengthens the existing modular space business and expands Adapteo's business model to include inhouse development and production of modular solutions.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

In thousands of EURO	**2018**
Cash	108 523
Convertible loan	52 877
Repayment of shareholder loans	32 574
Total purchase consideration	**193 974**
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Identifiable assets	
Non-current assets	
Intangible assets (excl. goodwill)	
Customer relationships	23 285
Brands	2 744
Total intangible assets	26 029
Property, plant and equipment	
Rental equipment	85 336
Other property, plant and equipment	13 221
Total property, plant and equipment	98 557
Other non-current assets	
Investments in joint ventures	1 236
Deferred tax assets	816
Loan receivables	221
Finance lease receivables	5 662
Total other non-current assets	7 935
Total non-current assets	**132 521**
Current assets	
Inventories	3 497
Finance lease receivables	5 469
Trade and other receivables	18 993
Income tax receivables	421
Cash and cash equivalents	2 007
Total current assets	**30 387**
Total identifiable assets	**162 908**
Non-current liabilities	
Borrowings	65 826
Deferred tax liabilities	17 344
Other non-current liabilities*	1 340
Total non-current liabilities	**84 511**
Current liabilities	
Trade and other payables	22 981
Income tax liabilities	1 064
Provisions	221
Total current liabilities	**24 266**
Total liabilities	**108 777**
Total identifiable net assets	**54 131**
Goodwill	**139 843**

*Include EUR 50 thousand non-current provisions.

The acquired businesses contributed sales of EUR 13 million and operating profit of EUR 2 million to Adapteo for the period from 1 November to 31 December 2018. Adapteo's net sales would have increased by EUR 69 million and operating profit (EBIT) would have increased by EUR 13 million, if the acquisition had been completed on 1 January 2018. These amounts have been calculated using NMG's results and adjusting them for differences in the accounting policies between Adapteo and NMG, as well as the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets would have been applied from 1 January 2018.

Purchase consideration and cash out flow

The acquisition was financed with a convertible loan from the sellers as well as bank financing.

SEK 550.0 million (EUR 52.9 million at the acquisition date) of the purchase consideration was paid by entering into a convertible loan agreement whereby the sellers may at Cramo's discretion reinvest this amount to the shares issued by Adapteo Plc after the Demerger. If Adapteo is not separated from Cramo or a minority owner holding a part of the convertible loan has been given notice of termination of employment before the spin-off is made, Cramo shall repay each holder's loan in cash. In case the convertible loan holder declines the offer of Adapteo Plc's shares, they will receive a reduced amount of the convertible loan. The contingent reduction of the convertible loan of EUR 4.8 million (SEK 50.0 million) is considered to be contingent consideration under IFRS. The contingent consideration is recognised in full and Cramo expects to settle the whole convertible note of EUR 52.9 million.

Cramo has agreed a contingent upwards adjustment to the purchase consideration up to EUR 8.7 million (SEK 90.0 million) if there is a disposal of NMG or the combined business of NMG and Adapteo within eighteen months following the closing date and certain other criteria is met. Cramo expects that this contingent consideration will not materialise.

The table below represents the details of the purchase consideration and outflow of cash to acquire NMG.

In thousands of EURO	
Cash consideration*	141 097
Convertible loan	52 877
Total consideration	193 974
Convertible loan	-52 877
Cash and cash equivalents acquired	-2 007
Withheld cash related to purchase price	-257
Adjustment to the preliminary purchase consideration	-504
Net outflow of cash - investing activities	**138 330**

*Including repayment of shareholder loans.

The cash consideration was financed by bridge financing, which was also used to refinance the bank loans of NMG. The bridge loan amounted to EUR 210 million. Cash flows related to financing of the acquisition and refinancing of NMG's loans are reported in net cash flow from financing activities in combined cash flow statement.

The fair value of the acquired trade receivables was EUR 10.5 million and finance lease receivables EUR 11.4 million. The gross trade receivables amount for trade receivables EUR 10.5 million of which EUR 48 thousand is expected to be uncollectable. The finance lease receivable is expected to be collectable in full.

The goodwill amounted to EUR 139.8 million. The goodwill consists of workforce, synergies and strong market position in Sweden. None of the goodwill is expected to be deductible for tax purposes.

Acquisition related costs of EUR 1.8 million are included in other operating expenses in the combined income statement and in net cash flow from operating activities in the combined statement of cash flows.

2017 Just Pavillon A/S

Cramo signed an agreement to acquire the assets of Just Pavillon A/S in June 2017. The acquisition included the modular space rental fleet, customer contracts and other assets of Just Pavillon A/S. The acquisition strenghtens Cramo's Modular Space offering in Denmark. During the financial year 2016, Just Pavillon's sales amounted to DKK 27 million. The acquisition did not have material impact on Adapteo's sales and earnings in 2017.

Just Pavillon's offering is a complement to Cramo's existing business in Denmark and its product range consists of 360 modular units mainly used in the school and office segments.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

In thousands of EURO	
Total purchase consideration	**8 731**
Identifiable assets	
Non-current assets	
Intangible assets	
Customer relationships	1 990
Non-competition agreements	86
Total intangible assets	2 076
Property, plant and equipment	
Machinery and equipment	5 455
Total property, plant and equipment	5 455
Total non-current assets	**7 531**
Total identifiable assets	**7 531**
Total identifiable net assets	**7 531**
Goodwill	**1 199**

Purchase consideration - cash outflow

In thousands of EURO	
Outflow of cash to acquire the business, net of cash acquired	
Total consideration	8 731
Non-cash settlement	-335
Consideration to be paid in following years	-671
Net outflow of cash - investing activities	**7 725**

During the financial year 2016 there were no acquisitions.

Accounting policy

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is the fair value of the assets transferred, the liabilities incurred, and the equity instruments issued at the acquisition date. Any contingent consideration is recognised at fair value at the acquisition date and classified as a liability or equity. Contingent considerations classified as a liability are measured at fair value on each reporting date with changes recognised in the combined income statement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the combined income statement.

Key judgement and estimates – Fair values of contingent consideration and net assets acquired in a business combination

The purchase consideration transferred and net assets acquired in business combinations are measured at fair value. The fair value of the contingent consideration included in the purchase consideration for an acquisition has been estimated on the basis of the present value of the expected cash flows. The measurement of fair value of acquired net assets is based on fair values of similar assets (property, plant and equipment), estimated future cash flow (intangible assets, such as customer relationships and brands) or an estimate of the payments required for fulfilling an obligation.

With regard to property, plant and equipment, the management makes comparisons to the market prices of corresponding assets, as well as estimates of the decrease in value attributable to the age, wear and tear and other similar factors of acquired assets. The determination of the fair value of intangible assets is based on assessments concerning the cash flows of assets, because information on the sales of similar assets has not been available. Therefore, the valuation exercise, which is based on repurchase values, expected cash flows or estimated payments requires management's judgments and assumptions. Management believes that the estimates and assumptions used are sufficiently reliable for determining fair values.

13. Goodwill and other intangible assets

Intangible assets comprise of goodwill and other intangible assets consisting of brand, customer relationships, software and other intangibles. Other intangibles mainly include non-competition agreements.

In thousands of EURO	**Goodwill**	Brand	Customer relationships	Software	Other intangibles	**Other intangible assets total**
Acquisition cost						
At 1 Jan 2018	**33 266**		**2 526**	**1 581**	**1 772**	**5 879**
Exchange differences	1 398	38	325	-36	-7	321
Additions				358		358
Business acquisitions	139 843	2 744	23 285			26 029
Disposals				-14		-14
At 31 Dec 2018	**174 506**	**2 782**	**26 136**	**1 889**	**1 766**	**32 573**
Accumulated amortisation and impairment						
At 1 Jan 2018	**-615**		**-574**	**-1 162**	**-1 684**	**-3 420**
Exchange differences		1	2	25	6	34
Disposals				-56		-56
Amortisation		-103	-610	-359	-35	-1 106
At 31 Dec 2018	**-615**	**-102**	**-1 182**	**-1 552**	**-1 712**	**-4 548**
Net book value at 31 Dec 2018	**173 891**	**2 680**	**24 955**	**337**	**53**	**28 025**

In thousands of EURO	**Goodwill**	Customer relationships	Software	Other intangibles	**Other intangible assets total**
Acquisition cost					
At 1 Jan 2017	**32 523**	**521**	**1 463**	**1 692**	**3 676**
Exchange differences	-457		-26	-6	-32
Additions		15	143		158
Business acquisitions	1 199	1 990		86	2 076
At 31 Dec 2017	**33 266**	**2 526**	**1 581**	**1 772**	**5 879**
Accumulated amortisation and impairment					
At 1 Jan 2017	**-615**	**-421**	**-885**	**-1 671**	**-2 977**
Exchange differences		-4	15	10	21
Amortisation		-149	-292	-23	-464
At 31 Dec 2017	**-615**	**-574**	**-1 162**	**-1 684**	**-3 420**
Net book value at 31 Dec 2017	**32 651**	**1 952**	**419**	**88**	**2 459**

In thousands of EURO	**Goodwill**	Customer relationships	Software	Other intangibles	**Other intangible assets total**
Acquisition cost					
At 1 Jan 2016	**33 133**	**521**	**1 455**	**1 677**	**3 654**
Exchange differences	-610		-31	-8	-39
Additions			39	23	62
At 31 Dec 2016	**32 523**	**521**	**1 463**	**1 692**	**3 676**
Accumulated amortisation and impairment					
At 1 Jan 2016	**-615**	**-377**	**-705**	**-1 671**	**-2 753**
Exchange differences		4	50	5	59
Amortisation		-48	-230	-5	-283
At 31 Dec 2016	**-615**	**-421**	**-885**	**-1 671**	**-2 977**
Net book value at 31 Dec 2016	**31 908**	**100**	**579**	**21**	**700**

Goodwill

Accounting policy

Goodwill represents the consideration that has been paid when acquiring a business in excess of the fair value of the assets and liabilities acquired.

Goodwill is not amortised but it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. Goodwill is carried at cost less any accumulated impairment losses. Previously recognised impairment loss of goodwill is not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Basis for impairment testing

From the beginning of 2017 Cramo has changed its operating segments from geographical segments to a divisional structure. Since then, Adapteo's business has been reported as one segment separately from the equipment rental business related segments. As a result of the new segment structure, Cramo reallocated the goodwill to the new CGU's in accordance with IFRS. The Modular Space segment has been determined as one CGU in Cramo's reporting as of 1 January 2017 and the goodwill has been tested for impairment at that level only from 2017 onwards. As these financial statements have been prepared on a carve-out basis from historical Cramo's consolidated financial statements, the goodwill impairment testing results presented below is based on the historical impairment tests performed by Cramo for its Modular Space CGU and is therefore disclosed only for the years 2018 and 2017.

Goodwill is tested for impairment annually, or on a more frequent basis should there be an indication of a potential impairment. The impairment test is done annually based on the balance sheet as at 31 October. Due to NMG acquisition the goodwill impairment test for the year 2018 was performed based on the balance sheet as at 31 December 2018. Adapteo's business is considered as one cash generating unit reflecting the lowest level at which the goodwill is monitored for internal management purposes. In the impairment testing the assets of the CGU are compared to its recoverable amount. The recoverable amount is the higher of CGU's fair value less costs of disposal and value in use. The recoverable amount of the CGU has been determined based on value in use which is calculated by using the discounted cash flow method. The cash flow projections used in the calculations are based on the next year's financial budget and the forecasts for the subsequent four years. The cash flow projections, covering altogether a period of five years, are based on actual results and management's estimates on future sales, cost development, applicable tax regulations and management's expectations of market development as well as the future development of the markets. The projections are in line with the external information to the extent such information is available. Cramo's Board and Group Management have approved cash flow forecasts upon which the impairment tests are based

Key assumptions used in impairment testing

The key assumptions related to impairment test for the years 2018 and 2017 are presented in the tables below:

Modular Space / Adapteo	EBITA%	Compound annual growth rate five-year period	Growth rate beyond the five-year period	Discount rate before tax, %	Discount rate after tax, %
2018	22.7%-23.2%	0.3%-0.6%	1.0%	7.77%	6.36%
2017	22.1%-25.4%	0.7%-0.9%	1.0%	7.5%	6.0%

Management has determined the values assigned to each of the above key assumptions as follows:

EBITA margin

EBITA is defined as operating profit (EBIT) less amortisation and impairment on intangible assets resulting from acquisitions.

Adapteo's profitability slightly decreased in 2018 and 2017 and the profitability level used in terminal value calculation reflects moderate historical level.

Growth rate for the five-year period

Future growth estimates are mainly based on moderate utilisation rates and moderate price development in the CGU. Growth investments and their impact have been excluded. The overall sales is expected to reach an annual average growth rate of 0.3-0.6 percent during the forecasted period in 2018 testing and 0.7-0.9 percent during the forecasting period in 2017 testing.

Growth rate beyond the five years

The growth rate beyond five years is estimated to be one percent per year. This is predicted to reflect a moderate long-term inflation forecast.

Discount rate

Forecasted cash flows are discounted with a specific discount rate. Cramo Group's weighted average cost of capital (WACC) constitutes the basis for the determination of the discount rate. Cost of capital includes assumptions for capital structure, risk-free interest rate, risk premium, cost of debt and equity and equity beta. In determining the discount rates, the weighted average cost of capital is increased by specific risk factor, which includes assumptions for country, currency and price risks inherent to the CGU.

Sensitivity analysis of the main assumptions

The figures below represent the changes of the main assumptions, for each assumption separately, after which the carrying amount of the Adapteo equals its recoverable amount. In the sensitivity analysis, each parameter is adjusted independently whilst holding the other parameters constant.

Adapteo	Change in EBITA margin Max. decrease in %-units	Compound annual growth rate, five-year period Max. decrease in %-units	Growth rate beyond five-year period Max. decrease in %-units	Discount rate Max. increase in %-units	The amount by which the recoverable amount exceeds the carrying amount EUR million	The amount by which the recoverable amount exceeds the carrying amount %
2018	-4.4	-5.2	-1.8	1.3	138	22
2017	-10.8	-11.9	-6.2	3.8	211.6	63

Test results

Based on the impairment test results, no impairment was recognised in 2018 and 2017.

Key judgement and estimates – Key assumption used in goodwill impairment testing

The management makes significant estimates and judgements in determining the level at which the goodwill is tested and whether there are any indications of impairment.

The recoverable amount of cash generating unit is determined based on value in use calculations which require the use of estimates. Cash flow forecasts are based on Adapteo's actual results and the management's best estimates on future sales, cost development, general market conditions and applicable tax rates. Cash flow forecasts include budgets and forecasts approved by the board of Cramo for a period of five years and cash flows for the periods after five years are extrapolated using the estimated growth rates mentioned in this note under key assumptions used in impairment testing. The growth rates are based on the management's estimates on future growth in the CGU.

Management tests the impacts of changes in significant estimates used in forecasts by sensitivity analyses as described above in this note under key assumptions used in impairment testing.

Other intangible assets

Accounting policy

Other intangible assets are recorded in the balance sheet initially at cost, when it is probable that the assets will generate future economic benefits and the cost can be measured reliably. Other intangible assets include brands, customer relationships, software and other intangibles comprising mainly of non-competition agreements.

Adapteo's brands, customer relationships and non-competition agreement are recognised in connection with the business acquisitions. Brands, customer relationships and non-competition agreements acquired in the business combinations are measured at fair value on the date of the acquisition and subsequently amortised on a straight-line basis over the estimated useful lives.

Intangible assets that are separately identifiable or arising from contractual or other legal rights relate to IT systems. The capitalised cost related to IT systems consist of external service expenses and fees paid for licenses.

Amortisation periods for other intangible assets are:

Brands	3-15	years
Customer relationships	3-15	years
Software and other intangibles	2-10	years

Research costs are expensed as incurred. Development costs are capitalised when it is probable that a development project will generate future economic benefits, and the cost can be measured reliably. Other development costs are expensed.

Currently the development projects of Adapteo do not fulfil the criteria of capitalisation and thus the development costs are expensed as incurred.

14. Investments in joint ventures

Ungabostäder Haninge AB, a Swedish company and owned and controlled jointly by Adapteo with 50% ownership, has been part of Adapteo since the acquisition of NMG in October 2018.

The financial information on Adapteo's joint venture Ungabostäder Haninge AB is summarised as follows:

In thousands of EURO	**Nov-Dec 2018**
Carrying amount of investment at 31 October	1 236
Profit/loss for the period	-13
Other comprehensive income items	18
Carrying amount of investment at 31 December	**1 241**

The table below provide summarised financial information for Ungabostäder Haninge AB. The information disclosed reflects the amounts presented in the financial statements of Ungabostäder Haninge AB and not Adapteo's share of those amounts.

Summarised balance sheet

In thousands of EURO	**31 Dec 2018**
Rental equipment	3 106
Total non-current assets	**3 106**
Cash and cash equivalents	162
Other current assets (excluding cash)	77
Total current assets	**239**
Borrowings	1 875
Total non-current liabilities	**1 875**
Total current liabilities	**736**
Net assets	**734**

Loan receivable from joint venture

Adapteo's subsidiary Nordic Modular Leasing AB has granted loan to Ungabostäder Haninge AB and the book value of the loan was EUR 224 thousand as at 31 December 2018. In 2018 the loan receivable was not amortised.

Accounting policy

Investments in entities which Adapteo has a joint control are accounted for under the equity method of accounting. Adapteo's share of the profit or the loss from joint ventures is presented as a separate line item before operating profit in the combined income statement. Adapteo's investments in the joint ventures are presented in the combined balance sheet under "Investments in joint ventures". Investments in the joint ventures are initially recognised on the balance sheet at the acquisition cost and subsequently, the value of investment is adjusted in accordance with changes in the net assets of the investee in proportion to Adapteo's ownership. Investments in the joint ventures are derecognised when Adapteo no longer has joint control over the investee.

NET WORKING CAPITAL

This section describes components of net working capital of Adapteo. Adapteo defines net working capital as a net of non-current other receivables, non-current other liabilities, non-current and current provisions, inventories, trade and other receivables and trade and other payables. Net working capital as at 31 December 2018, 2017 and 2016 consist of the following:

In thousands of EURO	Note	**2018**	**2017**	**2016**
Non-current:				
Other receivables	16	345	360	116
Other liabilities	17		-704	-456
Provisions	18	-50		
Current:				
Inventories	15	6 838	2 012	1 313
Trade and other receivables	16	55 585	36 206	33 220
Trade and other payables	17	-68 330	-37 794	-34 034
Provisions	18	-338	-544	
Total net working capital		**-5 950**	**-464**	**158**

15. Inventories

Adapteo has in-house production of modules. Inventories mainly consist of materials and supplies, which include raw materials and spare parts. Work in progress relates to unfinished modular space solutions. Inventories as at 31 December 2018, 2017 and 2016 are presented in the following table.

In thousands of EURO	**2018**	**2017**	**2016**
Materials and supplies	6 838	1 805	1 313
Work in progress	0	206	0
Total	**6 838**	**2 012**	**1 313**

Write-downs of inventories recognised during the financial years 2018, 2017 and 2016 were immaterial.

Accounting policy

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of inventories shall comprise all costs of purchase including transportation, handling and other costs directly attributable to the acquisition. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling.

If the net realisable value of inventory is deemed lower than the cost, then allowance is established for inventory obsolescence. The amount to be allocated to inventory obsolescence is based on an estimation of the net realisable value of inventory.

16. Trade and other receivables

Trade and other receivables as at 31 December 2018, 2017 and 2016 are presented in the following table.

In thousands of EURO	2018	2017	2016
Non-current:			
Other receivables	345	360	116
Non-current other receivables	**345**	**360**	**116**
Current:			
Trade receivables	33 350	18 517	23 216
Accrued income on assembly	9 706	11 497	6 655
Accrued income on self-manufactured projects	4 574		
Other accrued income	599		
Other prepaid expenses	5 900	5 856	2 770
VAT receivables	108		
Other receivables	1 348	336	579
Current trade and other receivables	**55 585**	**36 206**	**33 220**
Total trade and other receivables	**55 931**	**36 566**	**33 335**

Trade receivables comprise of the following provisions for impairment as at 31 December during the periods presented:

In thousands of EURO	2018	2017	2016
Trade receivables	33 540	18 766	23 391
Provision for impairment	-191	-249	-175
Total	**33 350**	**18 517**	**23 216**

Provisions for 2016 and 2017 are calculated in accordance with IAS 39, while the provision for 2018 is calculated in accordance with IFRS 9. Refer also to note 24 Financial risk management.

A total amount of EUR 184 thousand in 2018, EUR 74 thousand in 2017 and EUR 88 thousand in 2016 of trade receivables has been recognised in the combined income statement as impairment losses.

Accounting policy

Trade and other receivables represent amounts that Adapteo expects to collect from other parties. Trade receivables are non-interest-bearing and are generally on 14-60 days payment terms.

The classification of trade receivables is based on the business model's objective and on the contractual cash flow characteristics. Cash flows of trade receivables consist solely of payments of principal and interest. Adapteo holds the trade receivables with the objective to collect the contractual cash flows. Trade receivables are initially recognised at their transaction price as they do not have significant financing component. Subsequently, they are measured at amortised cost. Credit loss allowance is deducted from the receivables. The credit loss allowance is recognised using the simplified approach, under which allowance equal to lifetime expected credit losses is recognised. Trade receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Trade receivables are derecognised when the rights to receive cash flows from the investment have expired or have been transferred, and Adapteo has substantially transferred all risks and rewards of ownership.

Under IAS 39 trade receivables were classified as loans and receivables. There were no change in measurement principles due to adoption of IFRS 9. For credit risk disclosures including ageing of trade receivables and description of the expected credit loss model, please see note 24.

17. Trade and other payables

Trade and other payables as at 31 December 2018, 2017 and 2016 are presented in the following table.

In thousands of EURO	2018	2017	2016
Non-current:			
Advances received		320	112
Liability for cash settled share-based payments		384	345
Non-current other liabilities		**704**	**456**
Current:			
Trade payables	18 196	9 763	11 117
Advances received	24 429	16 930	14 638
Accrued expenses	21 143	8 796	5 376
VAT liability	2 419	2 091	2 436
Other payables	2 143	215	468
Current trade and other payables	**68 330**	**37 794**	**34 034**
Total trade and other payables	**68 330**	**38 498**	**34 491**

Material items included in accrued expenses relate mainly to personnel expenses and advances received. Advances received consist of advances arising from customer agreements. Accrued expenses include also accrued interests.

Accounting policy

Trade and other payables mainly consist of amounts owed to suppliers, employees and customers. Trade and other payables represent liabilities for goods and services provided to Adapteo prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Accounting policy for share-based payments is presented in note 7 Employee benefit expenses.

18. Provisions

Movements in each class of provisions during the years presented are set out below.

In thousands of EURO	Guarantee provision	Other provisions	Total provisions
At 1 Jan 2018		544	544
Additions		87	87
Acquisitions	271		271
Unused provisions reversed		-514	-514
At 31 Dec 2018	**271**	**117**	**388**
of which			
current	221	117	338
non-current	50		50
Total	**271**	**117**	**388**

In thousands of EURO	Other provisions	**Total provisions**
At 1 Jan 2017		
Additions	544	544
At 31 Dec 2017	**544**	**544**
of which		
current	544	544
non-current		
Total	**544**	**544**

Other provisions include provisions related to onerous contracts and renovation. As at 31 December 2016, Adapteo had no provisions.

Accounting policy

Provisions are recognised when Adapteo has a present legal or constructive obligation as a result of past events, it is probable that a cash outflow will be required to settle the obligation and the amount can be estimated reliably. The unwinding of the discount to present value is included as interest expense within finance cost. Provisions are split between amounts expected to be settled within 12 months of the balance sheet date (current) and amounts expected to be settled later (non-current).

Guarantee provisions are made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provisions based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. Provisions are booked for onerous contracts when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the contract. Provisions are not recognised for any estimated future operating losses.

FINANCING AND CAPITAL MANAGEMENT

This section summarises Adapteo's net debt and how Adapteo manages its capital including liquidity management.

Adapteo's capital consists of equity and borrowings as shown on the balance sheet. Adapteo's capital has been managed as part of Cramo Group's capital management. Please refer to chapter 1.4 Principles applied in preparing the carve-out financial statements.

Adapteo's net debt items as at 31 December 2018, 2017 and 2016 are presented in the following table:

In thousands of EURO	Note	2018	2017	2016
Borrowings	19	380 561	101 243	75 748
Loan receivables	23	-224		
Finance lease receivables	21	-10 721		
Cash and cash equivalents	20	-2 377	-159	-434
Net debt		**367 238**	**101 084**	**75 314**

The following sets out an analysis of net debt and the movements in net debt for each of the periods presented.

				Borrowings				
In thousands of EURO	Cash and cash equivalents	Finance lease receivables	Loan recei-vables	Bank loans	Loans from Cramo Group	Finance lease liabili-ties	Other borro-wings	Total
Net debt at 1 Jan 2018	**-159**			**228**	**91 592**	**541**	**8 883**	**101 084**
Cash flows	-2 216	922*		145 982	15 156	-561	1 911	161 194
Acquisitions		-11 132	-221	63 655		704	54 518	107 525
Exchange differences	-2	-152	-3		-218		757	382
Other changes		-359		-202			-2 385	-2 946
Net debt at 31 Dec 2018	**-2 377**	**-10 721**	**-224**	**209 663**	**106 529**	**684**	**63 685**	**367 238**
Net debt at 1 Jan 2017	**-434**			**228**	**64 259**	**824**	**10 438**	**75 314**
Cash flows	260				27 647	-263		27 644
Exchange differences	15				-315	-20		-319
Other changes							-1 555	-1 555
Net debt at 31 Dec 2017	**-159**			**228**	**91 592**	**541**	**8 883**	**101 084**

*Included in the net cash inflow from operating activities.

19. Borrowings

Adapteo's borrowings during the years 2018, 2017 and 2016 consisted of related party financing loans from Cramo Group, finance lease liabilities and a collateralised loan. In addition, as at 31 December 2018 Adapteo had bank loan and convertible loan related to the financing of the NMG acquisition.

The carrying values of Adapteo's borrowings as at 31 December 2018, 2017 and 2016 are presented in the following table:

In thousands of EURO	2018	2017	2016
Non-current:			
Bank loans	209 663		202
Convertible loan	53 633		
Loans from Cramo Group	86 327	71 860	31 351
Collateralised loan		4 298	8 112
Finance lease liabilities	469	304	558
Total non-current borrowings	**350 093**	**76 463**	**40 222**
Current:			
Bank loans		228	26
Credit facility	3 577		
Loans from Cramo Group	20 202	19 731	32 908
Collateralised loan	6 475	4 584	2 326
Finance lease liabilities	215	237	266
Total current borrowings	**30 468**	**24 780**	**35 526**
Total borrowings	**380 561**	**101 243**	**75 748**

Bank loan and convertible loan

The acquisition of Nordic Modular Group in October 2018 was financed with a new EUR 210 million bridge loan and a SEK 550 million (EUR 52.9 million) convertible loan, refer to note 12 Acquisitions. The bridge loan has a maturity of two years and the interest is Euribor + 0.8% (0.8% interest rate floor).

The convertible loan has a maturity of 18 months and 5% fixed interest rate which is capitalised into loan principal. Adapteo measures the convertible instrument at amortised cost.

Covenants on bridge loan are monitored quarterly. The covenants are calculated from Cramo Group's consolidated financials.

The convertible loan agreement allows sellers of NMG, at Cramo's discretion, subscribe shares of Adapteo at the contemplated spin-off. If Adapteo is not span-off or an employee holder of the convertible loan has been given notice of termination of employment before the spin-off is made, Cramo shall repay each holder's loan in cash. In case of the contemplated spin-off, the number of shares will depend on the fair value of Adapteo share at the intended spin-off.

Loans from Cramo Group

Loans from Cramo Group represent loan balances owed by Adapteo entities to Cramo Plc that have been separately negotiated for Adapteo to meet its financing needs including cash pooling liabilities representing cash owed to Cramo as part of the centralised cash pool arrangements. These loan balances are considered as related party loans in these carve-out financial statements. All loans from Cramo Group are at floating rate and the weighted average interest rate of these related party loans was at a 2% level during 2018, 2017 and 2016.

At the date of the Demerger, these related party liability balances will be settled through the corresponding balances transferring from Cramo Plc to a new Adapteo parent company. In addition, pursuant to the demerger plan a portion of Cramo Plc's external debt will be transferred to Adapteo parent company in connection with the Demerger. These carve-out financial statements have not been adjusted to reflect such additional portion of Cramo Plc's external debt.

Please refer to note 27 Related party transactions.

Collateralised loan

In 2010, Adapteo entered into an arrangement whereby Adapteo received an advance payment for future lease payments related to a number of lease contracts, together with financing which is collateralised by a guaranteed residual value of the leased modules at the end of the lease terms. The arrangement has been recognised as a liability consisting of the received advance payments and the present value of the guaranteed residual value. The remaining portion of the contractually guaranteed residual value will be settled during 2019 either in cash or against the underlying leased modules.

Credit facility

At 31 December 2018 Adapteo's drawn down overdraft facility amounted to EUR 3.6 million. Available undrawn committed credit facilities amounted to EUR 6.0 million. Adapteo did not have credit facility arrangements in place during 2017 and 2016.

Finance lease liabilities

Adapteo has finance leases on certain vehicles and items of machinery. The length of these leases vary between three and five years. Finance lease liabilities mainly have floating rates based on market rates between one and three months. Adapteo's finance lease arrangements are located in Sweden and denominated in SEK. Table below reconciles the future minimum lease payments under finance leases by maturity as at 31 December 2018, 2017 and 2016 to the present value of the total future minimum lease payments.

Gross finance lease liabilities - minimum lease payments are:

In thousands of EURO	**2018**	**2017**	**2016**
Within one year	215	241	272
Later than one year but not later than five years	469	305	563
Total	**684**	**546**	**836**
Future finance charges on finance leases	2	5	12
Present value of minimum future finance lease payments	**682**	**541**	**823**

Accounting policy

Financial liabilities

Borrowings are recognised initially at fair value. Transaction costs are included in the initial measurement of the borrowings. Subsequently, borrowings are measured at amortised cost using the effective interest method. In the effective interest method, transaction costs related to borrowings are amortised over the term of the borrowings and recognised as finance costs as part of interest expense. Borrowings are derecognised when loan has been repaid or liability has been extinguished for example in connection with refinancing.

Adapteo classifies a liability as current if it the liability is due to be settled within twelve months after the reporting period; or it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Fees related to loan commitments are recognised as transaction costs to the extent that it is probable that the total loan commitment or a part of it will be raised. This means that the fee is recognised in the balance sheet until the loan is raised. In connection with the drawdown, the fee related to loan is recognised as part of the transaction costs against the loan balance. To the extent there is no evidence that it is probable that the loan will be raised, the fee is recognised as prepaid expense in respect of the liquidity related services and is accrued over the term of the commitment.

For the measurement policies of the fair values of all financial assets and liabilities, please see note 23.

Finance lease liabilities

The rental agreements concerning property, plant and equipment where Adapteo carries a significant share of the risks and rewards incidental to ownership are classified as finance lease contracts. Assets acquired through finance lease are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Property, plant and equipment acquired under finance leases are depreciated over the economic useful life of the asset or the lease term, if there is uncertainty about the acquisition of ownership at the end of the rental period. Lease payments are allocated between the liability and finance costs so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities are included in financial liabilities.

20. Cash and cash equivalents

Cash and cash equivalents amounted to EUR 2 377 thousand on 31 December 2018, EUR 159 thousand on 31 December 2017 and EUR 434 thousand on 31 December 2016.

Accounting policy

Cash and cash equivalents include cash in hand and demand deposits available at call. Cash and cash equivalents have original maturities of three months or less. Cash at banks earns interest at floating rates based on daily bank deposit rates. Cash and cash equivalents are measured at amortised cost.

21. Finance lease receivables

Cramo acquired NMG as at 31 October 2018. NMG offers long-term leasing as an alternative to buying. These leases are classified as finance leases. The customers consist mainly of Swedish municipalities. The following table shows how the amount of the net investment in a finance lease (finance lease receivable) is determined:

In thousands of EURO	**31 Dec 2018**
Minimum lease payments	10 623
Unguaranteed residual value	2 969
Gross investment	**13 592**
Unearned finance income	-2 871
Net investment (finance lease receivable)	**10 721**

The following table presents the maturity of the gross investment amounts and the present value of minimum lease payments as at 31 December 2018:

In thousands of EURO	**Gross payments**	**Present value of lease (finance lease receivables)**
Within 1 year	5 388	5 243
1-5 years	6 354	4 913
After 5 years	1 850	565
Total	**13 592**	**10 721**

During the financial year 2018, the impact of change in lease terms due to lessees exercising extension options resulted as an increase of EUR 178 thousand in net sales.

Accounting policy

For those lease agreements of property, plant and equipment where Adapteo acts as lessor, that transfer to the lessee substantially all the risks and rewards of ownership are classified as finance leases and recognised as receivable in the balance sheet. The receivable is measured initially at an amount equal to the present value of the minimum lease payments. The rental income derived from these finance lease agreements is recognised on a straight-line basis for each period during the lease term so as to produce a constant periodic rate of interest on the asset. The interest income is presented as other operating income in the income statement.

Key judgement and estimates – Determining the lease term for finance leases where Adapteo is a lessor

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

22. Invested equity

Share capital and number of shares

As Adapteo Plc will be established as a result of the Demerger and carve-out financial statements are prepared with the principles described in note 1, no share capital is presented separately for historical periods. Cramo's shareholders will receive as demerger consideration one (1) share in Adapteo Plc for each owned Cramo share. The outstanding number of shares in Cramo at the date of this carve-out financial statements was 44 682 697 shares. Adapteo Plc's share capital of EUR 10,000,000 will be registered on the effective date of the Demerger.

Translation differences

Translation differences arise from the consolidation of the financial statements of subsidiaries outside the Euro zone.

23. Classification of financial assets and liabilities

Adapteo's financial assets consist of trade receivables, finance lease receivables and cash and cash equivalents. Financial liabilities consist of trade payables and borrowings described earlier. Fair values of financial assets and liabilities corresponds to their carrying values. Adapteo's borrowings and receivables are measured at amortised cost.

The following table presents Adapteo's financial assets and liabilities at 31 December during the years presented:

In thousands of EURO	Note	**2018**	**2017**	**2016**
Non-current financial assets at amortised cost:				
Finance lease receivables	21	5 478		
Loan receivables	14	224		
Total		**5 702**		
Current financial assets at amortised cost:				
Finance lease receivables	21	5 244		
Trade receivables	16	33 350	18 517	23 216
Cash and cash equivalents	20	2 377	159	434
Total		**40 971**	**18 676**	**23 650**
Total financial assets		**46 673**	**18 676**	**23 650**
Non-current financial liabilities at amortised cost:				
Borrowings	19	350 093	76 463	40 222
Total		**350 093**	**76 463**	**40 222**
Current financial liabilities at amortised cost:				
Borrowings	19	30 468	24 780	35 526
Trade payables	17	18 196	9 763	11 117
Total		**48 664**	**34 543**	**46 642**
Total financial liabilities		**398 757**	**111 005**	**86 865**

Determination of fair values

For borrowings, when the fair value is calculated for disclosure purposes, the fair value is based on discounted cash flows. The rate used for measurement is the rate which would apply for the Adapteo's new external financing and investments. The overall rate consists of a risk-free rate and the risk premium for the company. The fair value of lease contracts is computed by discounting the cash flows with a rate corresponding to similar contracts at the measurement date.

The fair value of trade receivables and trade payables corresponds to the cost. The effect of discounting is immaterial due to short maturity of these items. 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.

24. Financial risk management

Adapteo has historically been part of Cramo Group and its financial risks have been managed centrally by Cramo Group's central treasury function in accordance with Cramo Group Treasury policy. The objective of the financial risk management is to minimise the negative effects on Adapteo's financial performance caused by changes in financial markets. In connection of the Demerger, Adapteo will set its own treasury function and develop its own financial risk management policies in order to maintain an effective risk management function.

Interest rate risk

Fluctuations in market interest rates have an effect on interest outflows and the fair value of interest-bearing receivables and loans payable. The objective of interest rate risk management is to mitigate the impact of interest rate changes on the combined income statement, balance sheet and cash flow, while also taking into account the market value of net debt.

Majority of Adapteo's borrowings are with variables interest rate which expose Adapteo to cash flow interest rate risk. Finance lease liabilities and receivables as well as convertible loan are at fixed rates and expose Adapteo to fair value interest rate risk.

If interest rates had been 1 percentage points higher with all other variables held constant, the impact to pre-tax profit for the year would have been EUR 1 284 thousand lower on 31 December 2018, EUR 157 thousand lower on 31 December 2017 and EUR 175 thousand lower on 31 December 2016. Interest rate level is so low that the decrease in interest rates would not have had any material impact on Adapteo's profit.

Adapteo's borrowings and their average interest rates are presented in note 19 Borrowings.

Currency risk

Adapteo operates internationally and is exposed to risks arising from foreign exchange rate fluctuations, primarily from exposures with respect to the Swedish krona. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations.

The objective of the foreign exchange risk management is to limit the uncertainties associated with foreign exchange rate fluctuations and their effect on Adapteo's combined profit, cash flows and balance sheet. Net sales of local entities are mainly carried out in the functional currency of those entities. Purchases are carried out both in euros and local currencies. The currency risk arising from sales and purchases is considered insignificant. Hence, according to the Treasury Policy, future purchase commitments are not hedged.

Related to the acquisition of NMG, Cramo entered in to a currency option agreement during July 2018, based on which it has option to purchase 1 500 million SEK with fixed rate. This amount corresponded the estimated consideration related to the acquisition. This arrangement ended as at 2 November 2018. Cramo Group entered into a swap and currency forward agreements with total amount of SEK 2 725 million. These arrangements were related to NMG acquisition and settled during 2018. There were no outstanding derivatives as at 31 December 2018.

At 31 December 2018, if the EUR had strengthened/weakened by 10% against SEK with all other variables held constant, the recalculated pre-tax profit for the year would have been EUR 4 million lower/higher mainly resulting from EUR 54 million SEK-nominated convertible loan (SEK 550 million) and Cramo Plc's EUR 98 million SEK-nominated internal loan receivable (SEK 1 001 million) from acquired NMG entities, allocated to Adapteo and eliminated in the consolidated financial statements. The loan and the receivable create offsetting risk positions. During 2016 and 2017 Adapteo did not have any significant SEK nominated receivables or liabilities that would cause transaction risk.

Translation risk is caused by the parent company's foreign currency denominated net investments in foreign subsidiaries. Translation differences are recognised in equity on consolidation. The most significant foreign currency net investments are denominated in Swedish krona. Other currencies do not create significant translation risk. Adapteo does not hedge translation risk.

Credit risk

Cramo Group's Treasury policy identifies counterparty credit rating requirements and principles of selling at credit to clients and investment transactions. Credits are granted to companies and private persons, which have proper credit information. Adapteo constantly monitors the credit status of its clients. Most of Adapteo's clients are municipalities and other public sector, low credit entities in stable economies.

The balance sheet values of receivables and cash and cash equivalents best correspond to the amount which is the maximum credit risk exposure without taking into account of value of any collateral. The manner Adapteo operates does not require obtaining of collateral in respect of trade and loan receivables. As at 31 December 2018, finance lease receivables amounting to EUR 11 million are considered as partly collateralised financing due to underlying leased modules. Trade receivables or finance lease receivables do not contain any significant concentration of credit risk.

The maturity structure of trade receivables, credit losses and change of provision for bad debt are presented below. Trade receivables are arising from large number of customers and are mainly denominated in EUR, SEK, NOK and DKK and therefore considered mitigating the concentration of risk.

Movements in the provision for impairment of trade receivables:

In thousands of EURO	**2018**	**2017**	**2016**
At 1 Jan – calculated under IAS 39	249	175	115
Amounts restated through opening retained earnings	12		
Opening loss allowance as at 1 January 2018 – calculated under IFRS 9	261	175	115
Increase in loan loss allowance recognised in profit or loss during the year	184	74	88
Receivables written off during the year as uncollectible	-301		-28
Business acquisitions	48		
At 31 Dec	**191**	**249**	**175**

Impairment of trade receivables 2018

Adapteo applies the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped on shared credit risk characteristics based on geographical areas and the days past due.

The loss allowance as at 31 December is determined based on excpected credit losses ("ECL) as a combination of statistical model (collective assessment) and specific review (case-by-case analysis). The collective assessment applied uses external Probability of Default factors taking into consideration statistical data and forward-looking macroeconomic factors. Allowances in past due trade receivables relatively reflect the age of the receivable and applied Probability of Default factors. Allowances in ageing categories are followed-up on a statistical basis where indications of material changes exist. Secondly, Adopteo conducts a specific review, which is takes into account local, client specific consideration of collectability of the receivable.The specific review focuses on the expected credit losses on material trade receivables taking into consideration all relevant indications known.

Credit losses are recognised as an expense in other operating expenses.

Ageing analysis of trade receivables at 31 December 2018:

In thousands of EURO	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	**Total**
Trade receivables, not due at reporting date	0.01%	26 924	-1	26 922
Due 1-30 days	0.04%	3 220	-1	3 219
Due 31-60 days	0.05%	21	0	21
Due 61-90 days	1.13%	2 366	-27	2 340
Due 91-120 days	4.89%	435	-21	414
Due 121-180 days	5.02%	88	-4	84
Due 181-365 days	17.98%	211	-38	173
Due over 365 days	35.56%	274	-97	177
Total		**33 540**	**-191**	**33 350**

Ageing analysis of trade receivables at 31 December 2017 and 2016:

In thousands of EURO	2017	2016
Not due at reporting date	14 792	19 654
1 – 30 days overdue	2 967	1 716
31 – 60 days overdue	400	1 358
61 – 90 days overdue	134	253
91 – 180 days overdue	195	53
More than 180 days overdue	29	180
Total	**18 517**	**23 216**

Trade receivables are written off as uncollectible when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the debtor's insolvency, bankruptcy, liquidation or a failure to make contractual payments. If there are such indicators, Adapteo analyses the collectability of trade receivables case by case.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Before adoption of IFRS 9, impairment was recognised when there was objective evidence suggesting that impairment loss has been incurred. Impairment was recognised in other operating expenses.

Impairment of loan receivables, finance lease receivables and cash and cash equivalents

Adapteo uses general model to assess impairment loss for loan receivables, finance lease receivables and cash and cash equivalents.

Adapteo recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, Adapteo measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Despite the foregoing, Adapteo assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Adapteo has assessed that loan receivables, finance lease receivables and cash and cash equivalents have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider instruments to be 'low credit risk' when they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. To be concluded to be 'low credit risk' the counterparty should have a strong financial position and there should not be past due amounts. Based on the management assessment, the credit loss allowance for loan receivables, finance lease receivables and cash and cash equivalents is insignificant. For that reason, no credit loss allowance for them is recognized. The credit loss allowance need is followed-up on a regular basis.

Adapteo regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due. Adapteo considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess that Adapteo compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Regardless of the above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery.

Adapteo has not historically had loan receivables, finance lease receivables or cash and cash equivalents with increased credit risk or which would have been written off due to events of default.

Refinancing risk and liquidity risk

Cramo Group Treasury manages the liquidity risk and ensures flexibility in funding by maintaining availability under committed credit lines. Cramo Group uses diverse financing sources and borrowings are primarily long-term.

Cramo Group has committed borrowing facilities or other lines of credit that it can access to meet liquidity needs. In order to decrease the refinancing risk the Cramo Group aims to diversify the maturity structure of its interest-bearing debt and negotiates new committed credit lines well in advance of need. Adapteo's cash management and financing is described in note 1.4.5 as part of the principles applied in preparing these carve-out financial statements.

At 31 December 2018, Adapteo had undrawn committed credit facilities related to NMG that amounted to EUR 5 980 thousand.

The table below analyses Adapteo's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Maturities of financial liabilities at 31 Dec 2018	Less than 1 year	1-2 years	2-5 years	**Total**	**Carrying value**
Bank loans	1 677	211 341		213 018	209 663
Convertible loan		57 656		57 656	53 633
Credit facility	3 605			3 605	3 577
Loans from Cramo Group	22 503	18 018	73 727	114 248	106 529
Collateralised loan	6 657			6 657	6 475
Finance lease liabilities	215	235	235	684	684
Trade payables	18 196			18 196	18 196
Total	**52 853**	**287 249**	**73 962**	**414 063**	**398 757**

Maturities of financial liabilities at 31 Dec 2017	Less than 1 year	1-2 years	2-5 years	**Total**	**Carrying value**
Bank loans	228			228	228
Loans from Cramo Group	21 623	15 456	60 416	97 494	91 591
Collateralised loan	5 175	4 480		9 655	8 882
Finance lease liabilities	241	305		546	541
Trade payables	9 763			9 763	9 763
Total	**37 030**	**20 241**	**60 416**	**117 686**	**111 005**

Maturities of financial liabilities at 31 Dec 2016	Less than 1 year	1-2 years	2-5 years	**Total**	**Carrying value**
Bank loans	26			26	228
Loans from Cramo Group	34 261	9 452	22 918	66 631	64 258
Collateralised loan	3 056	4 404	4 480	11 941	10 438
Finance lease liabilities	272	249	314	836	824
Trade payables	11 117			11 117	11 117
Total	**48 732**	**14 106**	**27 713**	**90 550**	**86 865**

OTHER NOTES

This section of the notes includes other information that must be disclosed to comply with accounting standards and pronouncements.

25. Collaterals and contingent liabilities

Adapteo has the following off–balance sheet commitments as at 31 December 2018, 2017 and 2016:

In thousands of EURO	2018	2017	2016
Collateral given on own behalf			
Debts, secured by collateral			
Finance lease liabilities	684	541	824
Collateralised loan	5 806	6 487	6 119
Collateral given			
Pledges, finance lease	682	1 417	1 724
Pledges, collateralised loan	4 727	7 476	7 910
Other commitments			
Investments	17 559	8 084	18 921
Other contingent liabilities	843	800	800

Operating lease commitments

Adapteo has entered into commercial lease agreements on rental machinery and vehicles with the maximum maturity of five years, and premises with the maximum maturity of 20 years.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows as at 31 December 2018, 2017 and 2016:

In thousands of EURO	2018	2017	2016
Within one year	2 608	1 256	924
Later than one year but not later than five years	12 113	9 577	8 343
Later than five years	1 080	1	1
Total	**15 801**	**10 834**	**9 268**

Accounting policy

Leases in which a significant part of the risks and benefits of ownership are retained by the lessor are classified as operating leases. Operating lease and rental payments are recognised as an expense in profit and loss over the lease on a straight-line basis.

A contingent liability is a possible obligation, incurred as a result of earlier events, whose existence is confirmed only when an uncertain event outside the control of Adapteo is realised. An existing liability that is not likely to require the fulfilment of the payment obligation or whose amount cannot be reliably measured is also considered a contingent liability.

26. Adapteo entities and foreign currency translation

Adapteo legal entities as at 31 December 2018 are as follows.

Company name		Domicile		Holding, %
Subsidiaries owned by parent company				
Adapteo Holding AB (formerly Nordic Modular Group Holding AB) ("NMG"):	1)	Upplands Väsby	Sweden	100%
Temporent AB		Upplands Väsby	Sweden	100%
Temporent Oy		Porvoo	Finland	100%
Temporent AS		Skedsmokorset	Norway	100%
Temporent A/S		Valby	Denmark	100%
Flexihus Rent i Sverige AB		Stockholm	Sweden	100%
Flexator AB		Nässjö	Sweden	100%
Flexator Leasing AB (formerly Nordic Modular Leasing AB)		Nässjö	Sweden	100%
Adapteo Services AB (formerly Nordic Modular Group AB)		Upplands Väsby	Sweden	100%
Adapteo Finland Oy (formerly Cramo Adapteo Oy)	2)	Vantaa	Finland	100%
Adapteo AB (formerly Cramo Adapteo AB)		Solna	Sweden	100%
Adapteo AS (formerly Cramo Adapteo AS)	3)	Hokksund	Norway	100%
Adapteo A/S (formerly Cramo A/S)	4)	Greve	Denmark	100%
Adapteo GmbH (formerly Cramo Adapteo GmbH)		Frankfurt	Germany	100%

1) NMG was acquired on 31 October 2018.

2) Cramo Adapteo Oy as from 1 June 2018, and Adapteo business included in Cramo Finland Oy from 1 January 2016 to 31 May 2018.

3) Cramo Adapteo AS as from 1 July 2018, and Adapteo business included in Cramo AS from 1 January 2016 to 30 June 2018.

4) Cramo A/S as from 1 September 2017, and Adapteo business included in Cramo A/S from 1 January 2016 to 31 August 2017 (equipment rental business included in the legal entity Cramo A/S was divested on 31 August 2017).

Adapteo entities has ownership in the following joint venture as at 31 December 2018. See more in note 14. Adapteo has no associated companies.

Joint venture	Domicile		Holding, %
Ungabostäder Haninge AB	Stockholm	Sweden	50%

Accounting policy

Subsidiaries

The carve-out financial statements include the allocated portion of the parent company Cramo Plc, and those subsidiaries over which Adapteo has control. Adapteo has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and Adapteo has ability to affect those returns through its power over the investee. All the facts and circumstances shall be considered when assessing the control. The investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes of the elements of control. Control means that the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's return. Acquired subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. Adapteo has 100 percent control over all its subsidiaries.

Intercompany items

All Adapteo's intercompany transactions, receivables, liabilities and unrealised gains, as well as its internal profit distribution are eliminated; unrealised losses are also eliminated unless the costs cannot be recovered.

Foreign currency translation

Items concerning the performance and financial position of Adapteo entities are measured using the currency of the primary economic environment in which the entities operate i.e. the functional currency. The combined financial information is presented in euros, which is the functional and presentation currency of the parent company.

Foreign currency transactions are recorded in the functional currency using the rate of exchange prevailing at the transaction date. In practice, it is often necessary to use a rate that is close to the rate of the transaction date. Foreign currency monetary items are translated into the functional currency using the rates of the last trading day of the reporting period. Foreign currency non-monetary items, which have been recognised at fair value, are translated into the functional currency using the rate of fair value measurement date. Otherwise, non-monetary items are translated using the rate of the transaction date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the combined statement of comprehensive income. The foreign exchange gains and losses from operating activities are included in the respective items above operating profit. The foreign exchange gains and losses related to financing items are included in the finance income and finance costs.

Translating the financial statements of foreign entities

Income statements of foreign entities are translated into euros at the weighted average exchange rates for the year, while balance sheets are translated using the exchange rates of the last trading day of the reporting period. The translation of the profit (loss) for the period using different rates in the combined income statement and the balance sheet causes a translation difference, which is recognised in equity and whose adjustment is recognised in other comprehensive income items. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and the translation of the accumulated equity items after the acquisition are recognised in other comprehensive income items. When the control over a subsidiary changes, the accumulated translation differences are recognised as part of gain or loss. Fair value adjustments and goodwill arising from acquisitions of foreign entities are treated as assets and liabilities of the foreign entities in their functional currency. They are translated into euros at the rate of the last trading day of the reporting period.

27. Related party transactions

Adapteo’s related parties include the parent company Cramo Plc, Cramo Group companies other than Adapteo entities and a joint venture. Related parties also include key management personnel and their close family members as well as entities controlled by these persons.

The key management personnel include Cramo’s management team and the members of the Board of Directors. As Adapteo has not had separate management team and separate Board of Directors during the periods presented a share of employee benefits of Cramo’s key management has been allocated to Adapteo and recognised in these carve-out financial statements.

Adapteo’s transactions with Cramo Group companies

Transactions and balance sheet items with other Cramo Group companies previously considered as intercompany transactions and eliminated in Cramo reporting have been treated as transactions with related parties in these carve-out financial statements.

Related party transactions in the combined income statement:

In thousands of EURO	2018	2017	2016
Net sales	1 053	558	518
Purchases	457	29	
Interest expenses	-1 821	- 1 781	-1 167

Adapteo's sales to Cramo Group companies comprise of sales of modular buildings. Adapteo's purchase from Cramo Group companies in its ordinary course of business comprise of purchase of modular buildings and leasing of centrally owned fleet. Trade and other receivables and trade and other payables comprise of items arising in the ordinary course of business.

In addition to above, Cramo Plc have equity and financing transactions with Adapteo which have led into the recognition of receivables and payables with Cramo Group as presented in the table below. Short-term and long-term borrowings represent loan balances owed by Adapteo to Cramo Plc that have been arranged for Adapteo to meet its financing needs. Interest expenses comprise of interest on Cramo's financing to Adapteo.

Related party transactions as at 31 December:

In thousands of EURO	2018	2017	2016
Loans from Cramo Group	106 529	91 591	64 259
Receivables	361	160	22
Payables	1 150	357	182

Equity transactions made with Cramo Group has been presented in the statement of changes in invested equity.

Loans to related parties

At 31 December 2018 Adapteo had a EUR 224 thousand loan receivable from a joint venture Ungabostäder Haninge AB. In 2018 no amortisation has been made from this loan. At 31 December 2016 and 2017 Adapteo had no joint ventures. More information on joint ventures is presented in note 14.

Key management remuneration

Since Adapteo has not had separate management team during the periods presented the following table presents the share of employee benefits of Cramo's key management allocated to Adapteo and recognised in these carve-out financial statements:

Key management remuneration:

In thousands of EURO	2018	2017	2016
Salaries, bonuses and fringe benefits	350	353	408
Termination benefits	77	66	84
Post-employment benefits	42	42	17
Share-based payments	116	128	110
Total	**585**	**590**	**618**

As Adapteo has not had separate Board of Directors, no remuneration of the Board of Directors has been presented. As Adapteo did not operate as a stand-alone public company during the historical periods, the amounts presented above are not indicative of Adapteo's key management compensation in the future.

28. Audit fees

In thousands of EURO	2018	2017	2016
Authorised Public Accountants KPMG			
Audit fees	117	87	77
Tax consultation	4	20	5
Other services	55	35	14
Total	**177**	**142**	**96**
Other audit companies			
Audit fees	8	6	5
Tax consultation			1
Other services	1	1	
Total	**8**	**7**	**6**
Total audit fees	**185**	**148**	**102**

29. New and forthcoming accounting standards

New and amended standards applied in the financial year end 2018

Adapteo has applied as from 1 January 2018 the following new and amended standards that have come into effect.

- IFRS 15 Revenue from Contracts with Customers. The new standard replaced current IAS 18 and IAS 11 standards and related interpretations. IFRS 15 is applied for the assembly and other services in Adapteo, which represent approximately a quarter of Adapteo revenue. In IFRS 15 a five-step model is applied to determine when to recognise revenue, and at what amount. The standard introduced also extensive new disclosure requirements.

  The transition into IFRS 15 did not have material effects on Adapteo's result or financial position.

  Reallocation of transaction price lead to larger relative share of assembly and other services compared to the previous accounting standards. The changes also lead to assembly and other services to be recognised in somewhat earlier stage than before. In accordance with the IFRS 15 requirements, Adapteo presents the contract balances related to sales agreements as netted. IFRS 15 also increased the amount of disclosures.

  Adapteo has applied the cumulative effect approach of IFRS 15 standards transition option, meaning that open contracts at 1 January 2018 were restated into IFRS 15 and cumulative effect of the change was recorded against retained earnings. The impact increased the retained earnings as at 1 January 2018 by EUR 0.3 million, decreased trade and other receivables by EUR 3.2 million and increased trade and other payables by EUR 2.9 million. For more information on impacts of IFRS 15 standard, see note 3 Sources of revenues.

- IFRS 9 Financial Instruments and its amendments (effective for financial years beginning on or after 1 January 2018). IFRS 9 replaced the existing guidance in IAS 39. The new standard includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The guidelines for calculation of amortised cost of modified financial liabilities according to IFRS 9 was clarified in the fall of 2017. The clarification states that the amortised cost of modified financial liabilities shall be done by discounting the contractual cash flows using the original effective interest rate.

  The application of IFRS 9 had slight impact on the credit loss accounting of Adapteo by increasing credit loss allowance and decreasing the retained earnings at 1 January 2019 by EUR 12 thousand. For more information on the credit loss accounting, see note 24 Financial risk management.

- Amendments to IFRS 2 Share-based payments - Clarification and Measurement of Share-based Payment Transactions* (effective for financial years beginning on or after 1 January 2018). The amendments clarify the accounting for certain types of arrangements. Three accounting areas are covered: measurement of cash-settled share-based payments; classification of share-based payments settled net of tax withholdings; and accounting for a modification of a share-based payment from cash-settled to equity-settled. The cash-settled share-based payments are valued at grant-date fair value and recognised against the retained earnings. Previously the cash-settled share-based payments have been valued at the period end-fair value and recognised as liabilities.

  The impact increased the retained earnings and decreased non-current other liabilities as at 1 January 2018 by EUR 0.4 million.

Other new or amended standards and interpretations have no impact on Adapteo's carve-out financial statements.

Adoption of new and amended standards and interpretations applicable in future financial years

Adapteo has not yet adopted the following new and amended standards and interpretations already issued by the IASB. Adapteo will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

- IFRS 16 Leases – effective since 1 January 2019. The new standard replaces the current IAS 17 standard and related interpretations. IFRS 16 requires the lessees to recognise the lease agreements on the balance sheet as right-of-use assets and lease liabilities. The accounting model is mostly similar to current finance lease accounting according to IAS 17. There are two exceptions available; these relate to either short-term contracts in which the lease term is 12 months or less, or to low value items. The lessor accounting remains mostly similar to current IAS 17 accounting. The impact of IFRS 16 on Adapteo’s carve-out financial statements was analysed both from lessee’s and lessor’s perspective. The impact for lessee accounting is considered to be immaterial, sligthly increasing balance sheet assets and liabilities.

  As lessor, the accounting remains materially unchanged compared to the current IAS 17 standard. However, from the date of IFRS 15 adoption as described above, the relative stand-alone selling price allocation between lease revenue and rental-related service sales of customer contracts will change the amount of revenue recognised between these components. This change is not expected to be material over time.

  Adapteo estimates that IFRS 16 has an insignificant impact on its balance sheet as lessees are required to recognise a lease liability reflecting future lease payments and a right-of-use-asset for virtually all lease contracts. Adapteo has several types of operative lease contracts according to current IAS 17. These include among others depot and premises contracts with varying non-cancellable lease periods, operative car lease contracts, and different types of machines financed through operative lease contracts. Depot and premises lease contracts brought to the balance sheet cause the largest impact at IFRS 16 transition.

  Profit for the year of Adapteo will not be materially affected over time, and changes impacting the presentation of Adapteo’s income statement between lines as e.g. other operating expenses will slightly decrease while depreciation of property, plant and equipment will slightly increase and interest on lease liabilities will slightly increase. These changes will slightly increase EBITDA and have a lesser impact on EBITA and EBIT. The cash flow statement will be affected by change between operating and financing cash flows.

  As a lessee, Adapteo will apply the two exceptions of IFRS 16: for the short-term contracts in which the lease term is 12 months or less (except land and buildings which are still activated on the balance sheet although short-term), and to low value items. Adapteo has decided to apply the non-retrospective transition rule of IFRS 16, according to which the cumulative effect of IFRS 16 will be recognised as an adjustment to opening balance at the transition date, 1 January 2019.

  As at 31 December 2018, Adapteo has non-cancellable operating lease commitments of EUR 15.8 million, as disclosed in note 25 Collaterals and contingent liabilities. Adapteo estimates that approximately five to ten percent of these relate to payments for short-term and low-value leases that will be recognised on a straight-line basis as an expense in profit or loss, with the exception of short-term leases of depots and premises that will be activated on the balance sheet based on their land and buildings asset classes. Agreements treated as commitments, however, differ from the lease agreements determined by IFRS 16, and thus the amount of agreements that will be booked on the balance sheet differs from these commitments caused by different factors explained below.

There are differences between definitions of formerly reported off-balance sheet commitments and IFRS 16 lease liabilities. Adapteo has identified the most material differences to consist of discounting of lease liabilities compared to nominal amounts in commitments, definition of lease term including especially treatment of open-end contracts and extension options mostly outside commitments and utilising the two IFRS 16 exemptions mostly recognised in commitments. Discounting of IFRS 16 liabilities decreases the impact compared to commitments that are reported as nominal values, and similarly, utilising the two IFRS 16 exemptions basically out-scopes many agreements from IFRS 16 lease liabilities that are reported in commitments, these differences decreasing materially the amount of IFRS 16 lease liabilities compared to off-balance sheet commitments. On the other hand, the accounting treatment in IFRS 16 for lease term is different than off-balance sheet liabilities where only unconditional liabilities are reported, and these do not then include IFRS 16 items such as expected use of extension or purchase options and open-end lease contracts. These differences in accounting rules increase IFRS 16 lease liability compared to former off-balance sheet commitments.

IFRS 16 entries will be booked to opening balance as of 1 January 2019. The preliminary amounts of right-of-use assets and lease liabilities to be booked to opening balance sheet amount to EUR 16 million. Lease liabilities opening balance will be slightly lower compared to right-of-use assets because of the prepayments before the standard effective date that only decrease opening balance lease liability. Deferred tax assets and liabilities are not initially recognised as in IAS 17 finance leases as they will be recognised over time when lease agreements run out causing temporary differences between right-of-use assets and lease liabilities.

- IFRIC 23 Uncertainty over income tax treatments (effective for financial years beginning on or after 1 January 2019). The interpretation clarifies the accounting treatment in situations where the tax treatment is not yet approved by the tax authorities. The essential question is to evaluate whether the tax authorities will accept each tax treatment that is used or planned to be used in the income tax filing. The interpretation will not have material impacts on Adapteo's financial statements.

- Amendments to IFRS 9 Prepayment Features with Negative Compensation (effective for financial years beginning on or after 1 January 2019). The changes will allow instruments with symmetric prepayment to qualify for amortised cost or fair value through other comprehensive income. The interpretation will not have material impacts on Adapteo's financial statements.

- Annual Improvements to IFRSs (2015-2017 cycle) (effective for financial years beginning on or after 1 January 2019). The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The cycle contains amendments to the following standards: IFRS 3, IFRS 11, IFRS 2, IAS 12 and IAS 23. The standards will not have material impact on Adapteo's financial statements.

30. Events after the balance sheet date

On 18 February 2019 Cramo Plc announced that its Board of Directors, having assessed the strategic alternatives for Cramo's Modular Space business, has approved a demerger plan concerning a partial demerger of Cramo. The purpose of the Demerger is to execute the spin-off of Cramo's Modular Space business, which mainly consists of modular space rental and rental-related service operations, so that it will form a new independent group of companies.

On 29 March 2019 Cramo Plc announced that it has signed a new EUR 500,000,000 loan agreement for Adapteo Plc with OP Corporate Bank plc, Danske Bank A/S and Nordea Bank Abp acting as mandated lead arrangers. The loan 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 loan agreement shall be transferred to Adapteo Plc upon the completion of the demerger, which is expected to take place on or about 30 June 2019.

The convertible loan amounting to EUR 53 million with the accrued interests was repaid in April 2019 and at the same time, a new loan with the same amount was withdrawn.

Cramo will hold the EGM concerning the demerger on 17 June 2019. The EGM shall resolve on the demerger and other Board proposals based on the demerger plan.

The Board of Directors of Cramo proposes to Extraordinary General Meeting of Shareholders, that Peter Nilsson be elected as the Chairman and Carina Edblad, Leif Gustafsson, Outi Henriksson, Andreas Philipson and Joakim Rubin as members of the Board of Directors of Adapteo.

The Board of Directors of Cramo has appointed Philip Isell Lind af Hageby the President and CEO of Adapteo and Executive Vice President, Rental Space Business Area upon the completion of demerger. Furthermore, the following persons have been appointed to constitute Adapteo’s Group Management Team together with the President and CEO, with effect upon the completion of the Demerger: Timo Pirskanen as the CFO, Björn Kölerud as Interim Executive Vice President, Permanent Space Business Area, Simon Persson as Senior Vice President, HR Development, Teemu Saarela as Senior Vice President, Corporate Development and Hanna Wennberg as Senior Vice President, Marketing and Communications.

31. Signing of the Carve-out Financial Statements

THE BOARD OF DIRECTORS AND CEO

In Vantaa 2 June 2019

Veli-Matti Reinikkala *Andrew P. Studdert* *AnnaCarin Grandin* *Peter Nilsson*

Joakim Rubin *Raimo Seppänen* *Christian Bubenheim*

Leif Gustafsson
CEO

KPMG

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Auditor's Report

To the Board of Directors of Cramo Plc

Opinion

We have audited the accompanying carve-out financial statements of Cramo Plc's modular space business and certain of its subsidiaries (Adapteo), which comprise the combined balance sheet as of 31 December 2018, 2017 and 2016, and the related combined statements of income, comprehensive income, changes in invested equity and cash flows for each of the years ended 31 December, 2018, 2017 and 2016, and the related notes to the carve-out financial statements.

In our opinion, the carve-out financial statements referred to above give a true and fair view of the combined financial position of Adapteo as of 31 December 2018, 2017 and 2016 and its combined financial performance and its combined cash flows for the years ended 31 December 2018, 2017 and 2016 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Carve-out Financial Statements* section of our report. We are independent of Cramo Plc in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of preparation and principles of combination

We draw attention to Note 1 to the carve-out financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them, and that the carve-out financial statements may not necessarily reflect what the combined result of operations, and financial position would have been had Adapteo existed as a separate independent legal group, nor may they be indicative of Adapteo's future performance, financial position or cash flows. The carve-out financial statements have been prepared for the inclusion in the demerger prospectus of Adapteo prepared by Cramo Plc in connection with the Extraordinary General Meeting approving the demerger and the listing of the Adapteo shares on the Stockholm Stock Exchange.

Responsibilities of Management and Those Charged with Governance for the Carve-out Financial Statements

Management is responsible for the preparation and fair presentation of these carve-out financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and for such internal control as management determine is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements management is responsible for assessing Adapteo's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate Adapteo or cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Adapteo's financial reporting process.

Auditor's Responsibilities for the Audit of the Carve-out Financial Statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these cave-out financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Adapteo's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Adapteo's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Adapteo to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events so that the carve-out financial statements represents the transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Adapteo to express an opinion on the carve-out financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki 3 June 2019

KPMG OY AB

Toni Aaltonen
Authorised Public Accountant, KHT

Adapteo

Unaudited carve-out financial information as at and for the three months period ended 31 march 2019

ADAPTEO

COMBINED INCOME STATEMENT

In thousands of EURO	Note	1-3/2019	1-3/2018	1-12/2018
Net sales	3	**52 845**	**32 267**	**151 988**
Other operating income		967	118	1 569
Materials and services		-17 185	-11 266	-57 004
Employee benefit expenses		-9 113	-3 647	-19 819
Other operating expenses		-10 178	-3 895	-19 531
Depreciation, amortisation and impairments		-10 386	-5 868	-27 890
Share of profit of joint ventures		7		-13
Operating profit (EBIT)		**6 958**	**7 709**	**29 301**
Finance income		29	131	1 657
Finance costs		-1 945	-1 083	-5 066
Finance costs, net		**-1 916**	**-952**	**-3 410**
Profit before taxes		**5 042**	**6 757**	**25 891**
Income taxes		-1 008	-1 621	-4 978
Profit for the period		**4 034**	**5 136**	**20 913**
Attributable to owners of Adapteo		4 034	5 136	20 913

COMBINED STATEMENT OF COMPREHENSIVE INCOME

In thousands of EURO	Note	1-3/2019	1-3/2018	1-12/2018
Profit for the period		**4 034**	**5 136**	**20 913**
Other comprehensive income Items that may be reclassified subsequently to profit or loss:				
Translation differences		-2 099	-520	2 002
Other comprehensive income for the year, net of tax		-2 099	-520	2 002
Total comprehensive income for the period		**1 935**	**4 616**	**22 915**
Attributable to owners of Adapteo		1 935	4 616	22 915

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

COMBINED BALANCE SHEET

In thousands of EURO	Note	31 March 2019	31 March 2018	31 December 2018
ASSETS				
Non-current assets				
Property, plant and equipment	4	442 092	300 076	423 334
Goodwill		171 740	32 008	173 891
Other intangible assets		27 242	2 337	28 025
Investments in joint ventures		1 236		1 241
Deferred tax assets		3 514	3 283	3 109
Finance lease receivables	5	5 256		5 478
Loan receivables	5	221		224
Other receivables		368	623	345
Total non-current assets		**651 668**	**338 326**	**635 647**
Current assets				
Inventories		7 086	1 905	6 838
Finance lease receivables	5	5 233		5 244
Trade and other receivables		53 687	33 768	55 585
Income tax receivables		3 083	396	3 044
Cash and cash equivalents	5	3 282	123	2 377
Total current assets		**72 370**	**36 191**	**73 089**
TOTAL ASSETS		**724 039**	**374 517**	**708 735**
INVESTED EQUITY AND LIABILITIES				
Total invested equity		**221 273**	**203 762**	**214 627**
Non-current liabilities				
Borrowings	5	363 222	85 925	350 093
Deferred tax liabilities		43 861	22 682	43 138
Provisions		49	353	50
Pension liabilities		110	346	372
Total non-current liabilities		**407 242**	**109 305**	**393 653**
Current liabilities				
Borrowings	5	19 828	22 923	30 468
Trade and other payables		73 357	37 083	68 330
Income tax liabilities		2 035	903	1 318
Provisions		305	542	338
Total current liabilities		**95 524**	**61 450**	**100 455**
Total liabilities		**502 766**	**170 755**	**494 108**
TOTAL INVESTED EQUITY AND LIABILITIES		**724 039**	**374 517**	**708 735**

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

COMBINED STATEMENT OF CHANGES IN INVESTED EQUITY

	Attributable to owners of Adapteo		
In thousands of EURO	Invested equity and retained earnings	Translation differences	Total invested equity
At 1 January 2019	**214 487**	**140**	**214 627**
IFRS 16 transition			
At 1 January 2019 adjusted	**214 487**	**140**	**214 627**
Profit for the year	4 034		4 034
Other comprehensive income			
Translation differences		-2 099	-2 099
Total comprehensive income	4 034	-2 099	1 935
Share-based payments	105		105
Equity transactions with Cramo	4 606		4 606
At 31 March 2019	**223 232**	**-1 959**	**221 273**
At 1 January 2018	**212 270**	**-1 862**	**210 409**
IFRS 9 transition	-12		-12
IFRS 15 transition	255		255
IFRS 2 transition	384		384
At 1 January 2018 adjusted	**212 897**	**-1 862**	**211 036**
Profit for the year	5 136		5 136
Other comprehensive income			
Translation differences		-520	-520
Total comprehensive income	5 136	-520	4 616
Share-based payments	78		78
Equity transactions with Cramo	-11 968		-11 968
At 31 March 2018	**206 144**	**-2 382**	**203 762**

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

COMBINED STATEMENT OF CASH FLOWS

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Cash flow from operating activities			
Profit before taxes	5 042	6 757	25 891
Adjustments:			
Depreciation, amortisation and impairment	10 386	5 868	27 890
Share of profit of joint ventures	-7		13
Other non-cash adjustments	-349	-497	-1 886
Net gain on sale of property, plant and equipment	-138	-96	-847
Share-based payments	105	78	369
Finance costs, net	1 916	952	3 410
Cash generated from operations before changes in working capital	16 954	13 062	54 840
Change in working capital			
Change in inventories	-320	76	2 511
Change in trade and other receivables	1 531	1 589	-1 262
Change in trade and other payables	6 888	-804	6 212
Change in working capital	8 099	861	7 460
Change in finance lease receivables	85		922
Cash generated from operations before financial items and tax	25 139	13 923	63 222
Interest paid	-783	-407	-2 307
Interest received	11	23	29
Other financial items	1 761	-140	-967
Income taxes paid	-1 350	-1 039	-1 957
Net cash inflow from operating activities	**24 777**	**12 360**	**58 020**
Cash flow from investing activities			
Payments for property, plant and equipment	-18 615	-12 788	-68 057
Payments for intangible assets	-343	-57	-280
Proceeds from sale of property, plant and equipment and intangible assets	1 790	285	11 565
Acquisition of subsidiaries and business operations, net of cash acquired	-751		-139 001
Net cash (outflow) from investing activities	**-17 919**	**-12 561**	**-195 773**
Cash flow from financing activities			
Proceeds from bank loans			209 637
Repayment of bank loans			-63 655
Change in other current borrowings	-5 068		1 911
Net proceeds from / repayment of (-) in loans from Cramo	-6 049	7 938	15 156
Lease payments	-1 322	-58	-561
Equity financing with Cramo Group, net	6 516	-7 716	-22 519
Net cash inflow from financing activities	**-5 924**	**163**	**139 970**
Change in cash and cash equivalents	**934**	**-38**	**2 216**
Cash and cash equivalents at beginning of period	2 377	159	159
Exchange differences	-30	1	2
Cash and cash equivalents at end of period	**3 282**	**123**	**2 377**

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

Notes to the carve-out financial information for the three months period ended 31 March 2019

1. BACKGROUND

The Board of Directors of Cramo, has on 18 February 2019 approved a demerger plan concerning a partial demerger of Cramo (the "Demerger"). According to the demerger plan, Cramo will demerge so that all the assets, debts and liabilities belonging to Cramo's Modular Space business are transferred to a new independent company named Adapteo Plc to be established in the partial demerger.

As part of the proposed Demerger Cramo will carve out and transfer the relevant entities' assets and liabilities to Adapteo Plc. The carve-out financial information presented herein reflect the relevant entities' results of operations, assets and liabilities and cash flows that will be carved out from Cramo in the demerger process. Collectively these entities will form a separate legal group after the Demerger and are referred to as ("Adapteo", "Adapteo Group" or "Adapteo business").

The carve-out financial information for the three months period ended 31 March 2019 ("carve-out financial information") have been prepared in accordance with the basis of preparation and Adapteo's accounting policies set out below as well as in the Adapteo Carve-out Financial Statements as at and for the years ended 31 December 2018, 2017 and 2016.

The carve-out financial information has been prepared for the inclusion in the demerger prospectus of Adapteo prepared by Cramo in connection with the Extraordinary General Meeting approving the Demerger and the listing of the Adapteo shares on the Stockholm Stock Exchange. Carve-out financial information is unaudited and were authorised for issue by the Cramo Board of Directors on 2 June 2019.

2. BASIS OF PREPARATION AND SIGNIFICANT CHANGES IN CURRENT REPORTING PERIOD

BASIS OF PREPARATION

This carve-out financial information for the three months period ended 31 March 2019 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting under consideration of the basis of accounting and principles in preparing carve-out financial statements as at and for the years ended 31 December 2018, 2017 and 2016, except for the adoption of new and amended standards as set out below.

The carve-out financial information of Adapteo for the three months period ended 31 March 2019 have been prepared on a carve-out basis from Cramo's consolidated interim financial information using the historical income and expenses, assets and liabilities and cash flows attributable to Adapteo business. The carve-out financial information also includes certain Cramo's parent company's and Cramo Services AB's income, expenses, assets, liabilities and cash flows which will either be transferred to Adapteo or which have been allocated to Adapteo for the purpose of preparation of carve-out financial information.

The carve-out financial information does not necessarily reflect what the combined results of operations and financial position would have been had Adapteo existed as a separate independent legal entity and had it therefore presented stand-alone carve-out financial information during the periods presented. Further, this carve-out financial information may not be indicative of Adapteo's future performance, financial position and cash flows.

The carve-out financial information is presented in thousands of euros except when otherwise indicated.

Critical Accounting Estimates and Judgements

The preparation of this carve-out financial information has required management to make estimates and judgements affecting the amounts reported in this carve-out financial information and the accompanying notes. These estimates and judgements have an impact on the accounting principles applied to this carve-out financial information and on the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions. Estimates, judgements and assumptions have been used for example for the carve-out principles applied, determining the fair value of the assets acquired through business combinations, share-based payments, taxes and impairment testing. A more detailed analysis of areas involving estimation and management judgement is included in note 1.5 of the audited carve-out financial statements as at and for the periods ended 31 December 2018, 2017 and 2016. Estimates made for previous periods have not changed.

Management believes the assumptions and allocations underlying the carve-out financial information are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by the Cramo to be a reasonable reflection of the utilisation of services provided to or the benefit received by Adapteo during the periods presented. However, these assumptions and allocations are not necessarily indicative of the costs Adapteo would have incurred if it had operated on a stand-alone basis or as an entity independent of Cramo.

SIGNIFICANT CHANGES IN CURRENT REPORTING PERIOD

The financial position and performance of Adapteo as at and for the three months period ended 31 March 2019 was particularly affected by the following events and transactions:

- On October 2018 completed NMG acquisition impacts the comparability of the income statement information between the current reporting period and the comparative period
- 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 was recognised on the opening balance sheet on 1 January 2019 (see note 8).
- Operating expenses in current reporting period include items affecting comparability a total of EUR 5.1 million consisting of costs related to the contemplated listing of EUR 3.0 million, NMG acquisition related integration costs of EUR 0,5 million and restructuring costs of EUR 1.7 million consisting of redundancy payments.

3. SEGMENT INFORMATION

Adapteo offers premium modular space rental and rental related services. Adapteo's operations and profitability is reported as a single operating segment 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 Cramo's group management team as Cramo's chief operating decision maker at Adapteo level. Operating segments have not been aggregated.

Adapteo's businesses are present in 5 countries. The main market areas are Sweden and Finland, accounting for over 81 percent of net sales during the first quarter in 2019 and 73 percent in 2018.

NET SALES* BY GEOGRAPHICAL AREA

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Finland	9 978	7 759	36 963
Sweden	32 957	14 709	74 461
Norway	1 597	1 355	7 350
Denmark	4 779	5 155	18 725
Germany	3 535	3 288	14 489
Total	**52 845**	**32 267**	**151 988**

*Net sales are presented based on the location of clients.

ASSETS* BY GEOGRAPHICAL AREA

In thousands of EURO	31 March 2019	31 December 2018
Finland	101 570	93 062
Sweden	441 212	441 290
Norway	16 727	16 037
Denmark	50 228	47 100
Germany	38 197	34 825
Total	**647 933**	**632 314**

*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:

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Rental sales	33 212	22 820	99 966
Assembly and other services	10 729	9 247	45 824
Sales, new modules	8 904	199	6 198
Total	**52 845**	**32 267**	**151 988**

Timing of IFRS 15 revenue recognition:

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Products and services transferred at point in time	9 184	350	6 825
Services transferred over time	10 449	9 097	45 196
Total	**19 633**	**9 447**	**52 022**

The NMG acquisition impacts the comparability between three months period ended 2019 and three month period ended 2018.

Rental sales (IFRS 16)

The majority of revenue in Adapteo consists of rental sales generated from leases of temporary modular space 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 modular space solutions 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 modules, 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 modular space varies from a few days to several months. Other revenue-generating services include repair and maintenance services.

Sales, new modules (IFRS 15)

Sales, new modules consist of sale of new modular space solutions. Adapteo provides tailor-made turnkey modular space 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 modular space solution after the lease period. Sales, new modules also include the sale recognised in connection with these long-term rental agreements fullfilling the criteria for finance leasing. Interest income related to finance leasing is presented as other operating income.

4. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

Adapteo's property, plant and equipment ("PPE") mainly consists of rental equipment including modules used in modular space leases and rental accessories. Other property, plant and equipment assets comprise of 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, see further information in note 8.

In thousands of EURO	Rental equipment*	Other PPE assets	Total PPE
Net book value at 1 January 2019**	**411 348**	**28 104**	**439 452**
Additions	13 121	4 080	17 202
Disposals	-1 005	-853	-1 857
Depreciations	-7 745	-1 419	-9 165
Impairments	179	-621	-442
Reclassification between asset categories	180	-180	0
Exchange differences	-2 911	-186	-3 097
Net book value at 31 March 2019	**413 167**	**28 925**	**442 092**

* Comprises of rental equipment and rental accessories, in 2019 also RoU rental machinery.
** Opening net book value at 1 Jan 2019 of rental equipment has been adjusted by EUR 1 212 thousand and other PPE assets by EUR 14 905 thousand in the connection of IFRS 16 transition.

5. NET DEBT

Adapteo's borrowings as at 31 March 2019 consisted of related party loans from Cramo Group, lease liabilities and a collateralised loan. In addition, Adapteo had bank loan and convertible loan related to the financing of the NMG acquisition.

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

In thousands of EURO	31 March 2019	31 December 2018
Non-current:		
Bank loans	209 809	209 663
Convertible loan	52 895	53 633
Loans from Cramo Group	86 585	86 327
Lease liabilities	13 933	
Finance lease liabilities		469
Total non-current borrowings	**363 222**	**350 093**
Current:		
Credit facility		3 577
Loans from Cramo Group	14 011	20 202
Collateralised loan	4 327	6 475
Lease liabilities	1 489	
Finance lease liabilities		215
Total current borrowings	**19 828**	**30 468**
Total borrowings	**383 049**	**380 561**
Less:		
Loan receivables	-221	-224
Finance lease receivables	-10 488	-10 721
Cash and cash equivalents	-3 282	-2 377
Net debt	**369 058**	**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.

The acquisition of Nordic Modular Group was financed with a EUR 210 million bridge loan with a 2-year tenor and a SEK 550 million convertible loan.

The convertible loan was repaid after the end of the reporting period in April at the amount EUR 51.8 million (SEK 550 million) and accrued interests EUR 1.3 million.

On 29 March 2019 Cramo Plc announced that it has signed a new EUR 500,000,000 loan agreement for Adapteo Plc with OP Corporate Bank plc, Danske Bank A/S and Nordea Bank Abp acting as mandated lead arrangers. The loan 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 loan agreement shall be transferred to Adapteo Plc upon the completion of the demerger, which is expected to take place on or about 30 June 2019.

6. COMMITMENTS AND CONTINGENT LIABILITIES

Adapteo had the following off–balance sheet commitments on 31 March 2019 and 31 December 2018:

In thousands of EURO	31 March 2019	31 December 2018
Collateral given on own behalf		
Debts, secured by collateral		
Lease liabilities	15 422	
Finance lease liabilities		684
Collateralised loan	3 997	5 086
Collateral given		
Pledges, lease liabilities	15 570	
Pledges, finance lease liabilities		682
Pledges, collateralised loan	4 260	4 727
Other commitments		
Investments	11 657	17 559
Other contingent liabilities	843	843

On adoption of IFRS 16, Adapteo recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. See further information in note 8.

7. RELATED PARTY TRANSACTIONS

Adapteo's related parties include the parent company Cramo Plc, Cramo Group companies other than Adapteo entities and a joint venture. Related parties also include key management personnel and their close family members as well as entities controlled by these persons.

TRANSACTIONS WITH CRAMO GROUP

Adapteo had the following transactions with other Cramo Group companies during the periods presented.

Related party transactions in the combined income statement:

In thousands of EURO	1-3/2019	1-3/2018	1-12/2018
Net sales	117	126	1 053
Purchases	92	1	457
Interest expenses	-595	-591	-1 821

Related party transactions in the combined balance sheet:

In thousands of EURO	31 March 2019	31 December 2018
Loans from Cramo Group	100 596	106 529
Receivables	742	361
Payables	248	1 150

Adapteo's sales to Cramo Group companies comprise of sales of modular buildings. Adapteo's purchase from Cramo Group companies in its ordinary course of business comprise of purchase of modular buildings and leasing of centrally owned fleet. Trade and other receivables and trade and other payables comprise of items arising in the ordinary course of business.

In addition to above, Cramo Plc have equity and financing transactions with Adapteo which have led into the recognition of receivables and payables with Cramo Group as presented in the table above. Short-term and long-term borrowings represent loan balances owed by Adapteo to Cramo Plc that have been arranged for Adapteo to meet its financing needs. Interest expenses comprise of interest on Cramo's financing to Adapteo.

Equity transactions made with Cramo Group have been presented in the statement of changes in invested equity.

LOANS TO RELATED PARTIES

As at 31 December Adapteo had a EUR 224 thousand and as at 31 March 2019 EUR 221 thousand loan receivable from a joint venture Ungabostäder Haninge AB.

8. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 16 Leases on the Adapteo's financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

Adapteo has adopted IFRS 16 using the modified retrospective approach from 1 January 2019 and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

ADJUSTMENTS RECOGNISED ON ADOPTION OF IFRS 16

On adoption of IFRS 16, Adapteo recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments. Average incremental borrowing rate used was 2,5% as of 1 January 2019.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

The following table presents the reconciliation of operating lease commitments disclosed as at 31 December 2018 and the lease liability recognised as at 1 January 2019:

In thousands of EURO	
Operating lease commitments disclosed as at 31 December 2018	15 801
Discounted using the lessee's incremental borrowing rate at the date of initial application	14 789
Finance lease liabilities recognised as at 31 December 2018	684
Short-term/low-value leases recognised on a straight-line basis as expense	-1 101
Lease liability recognised as at 1 January 2019	**14 372**

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets are included in the property, plant and equipment as follows:

In thousands of EURO	RoU Rental equipment	RoU Land	RoU Buildings	RoU other assets	**Total RoU assets**
Net book value at 1 January 2019	1 212	5 798	6 855	2 936	**16 802**
Net book value at 31 March 2019	1 077	5 511	6 764	2 219	**15 570**

The transition of IFRS 16 increased property, plant and equipment by EUR 16.1 million and lease liabilities by EUR 14.4 million and decreased finance lease liabilities by 0.7 EUR million in the opening balance on 1 January 2019. The difference between opening balance of property, plant and equipment and lease liabilities was due to prepayments made before the effective date of the standard. Prepayments have not impact on items on property, plant and equipment as they were recognised to decrease the opening balance of the lease liability.

In applying IFRS 16 for the first time, Adapteo has used the following practical expedients permitted by the standard:

- for the short-term contracts in which the lease term is 12 months or less (except depot and premises contracts which are capitalised in the balance sheet to land and buildings although short-term), and to low value items.
- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics

- reliance on previous assessments on whether leases are onerous
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Adapteo has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Adapteo relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The lessor accounting remained mostly similar to previous IAS 17 accounting.

ADAPTEO'S LEASING ACTIVITIES AND HOW THESE ARE ACCOUNTED FOR

Adapteo leases rental machinery, vehicles and premises. Contracts for rental machinery and vehicles are typically made with maximum maturity of 5 years and premises with maximum maturity of 20 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Adapteo. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

9. EVENTS AFTER THE REPORTING PERIOD

The convertible loan amounting to EUR 53 million with the accrued interests was repaid in April and at the same time, a new loan with the same amount was withdrawn.

Cramo will hold the EGM concerning the demerger on 17 June 2019. The EGM shall resolve on the demerger and other Board proposals based on the demerger plan.

The Board of Directors of Cramo proposes to Extraordinary General Meeting of Shareholders, that Peter Nilsson be elected as the Chairman and Carina Edblad, Leif Gustafsson, Outi Henriksson, Andreas Philipson and Joakim Rubin as members of the Board of Directors of Adapteo.

The Board of Directors of Cramo has appointed Philip Isell Lind af Hageby the President and CEO of Adapteo and Executive Vice President, Rental Space Business Area upon the completion of demerger. Furthermore, the following persons have been appointed to constitute Adapteo's Group Management Team together with the President and CEO, with effect upon the completion of the Demerger: Timo Pirskanen as the CFO, Björn Kölerud as Interim Executive Vice President, Permanent Space Business Area, Simon Persson as Senior Vice President, HR Development, Teemu Saarela as Senior Vice President, Corporate Development and Hanna Wennberg as Senior Vice President, Marketing and Communications.

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Independent Auditors' Review Report

to the Board of Directors of Cramo Plc

Report on the Interim Carve-out Financial Statements

We have reviewed the accompanying carve-out financial information of Cramo Plc's modular space business ("Adapteo"), which comprise the combined balance sheet of Adapteo as of 31 March 2019, the related combined income statement, combined statements of comprehensive income, changes in invested equity and cash flows for the three-months periods ended 31 March 2019 and 2018, and notes to the interim carve-out financial information. Cramo Plc's management is responsible for the preparation and fair presentation of the interim carve-out financial information in accordance with IAS 34, "Interim Financial Reporting" Our responsibility is to express a conclusion on this interim carve out financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists principally of applying analytical procedures and making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying carve-out financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Emphasis of Matter – Basis of preparation and principles of combination

We draw attention to Note 2 to carve-out financial information, which describes their basis of preparation, including the approach to and purpose for preparing them, and that the carve-out financial information does not necessarily reflect what the combined results of operations and financial position would have been had Adapteo existed as a separate independent legal entity. The carve-out financial information may not be indicative of Adapteo's future financial performance, financial position and cash flows. The carve-out financial information has been prepared for the inclusion in the demerger prospectus of Adapteo prepared by Cramo Plc in connection with the Extraordinary General Meeting approving the demerger and the listing of the Adapteo shares on the Stockholm Stock Exchange.

Helsinki 3 June 2019

KPMG OY AB
Toni Aaltonen
Authorised Public Accountant, KHT

Nordic Modular Group Holding AB

Consolidated financial statements

as at and for the years ended 31 December

2018, 2017 and 2016

Consolidated Accounts

Consolidated Statement of Comprehensive Income

Amounts in SEK thousands	Note	2018	2017 (restated)	2016 (restated)
Net sales	2	871,100	794,854	782,296
Costs of goods sold		-626,787	-572,420	-558,865
Gross profit		**244,313**	**222,434**	**223,431**
Selling expenses		-34,019	-36,457	-33,710
Administrative expenses		-65,406	-49,103	-45,156
Other operating income	7	14,465	16,337	8,401
Operating profit	3, 5, 6, 8-9	**159,353**	**153,211**	**152,966**
Profit from financial items				
Financial income and similar profit items	10	254	428	250
Financial costs and similar profit items	11	-31,421	-39,834	-50,862
Share of joint ventures' profit	12	208	498	176
Profit before taxes		**128,394**	**114,303**	**102,530**
Tax on profit for the year	13	-26,303	-24,920	-22,301
Profit/loss for the year		**102,091**	**89,383**	**80,229**
Other comprehensive income				
Items that have been allocated or may be allocated to the profit/loss for the year				
Foreign currency translation differences		868	52	1,256
Other comprehensive income for the year		**868**	**52**	**1,256**
Total comprehensive income for the year		**102,959**	**89,435**	**81,485**

Consolidated Statement of Financial Position

Amounts in SEK thousand	Note	31/12/2018	31/12/2017 (restated)	31/12/2016 (restated)
ASSETS				
Non-current assets				
Intangible non-current assets				
Goodwill	14	979,001	979,001	979,001
		979,001	*979,001*	*979,001*
Tangible non-current assets				
Land and buildings	15	49 138	45,379	39,522
Buildings for rental	16	–	–	–
Plant and machinery	17	6 277	2,529	2,257
Equipment, tools, fixtures and fittings	18	588,376	517,417	405,360
Construction in progress and advance payments for property, plant and equipment	19	14,255	4,890	155
		658,046	*570,215*	*447,294*
Other non-current assets				
Holdings in joint venture	12	1,710	1,208	415
Receivables from joint venture	12	2,300	2,300	2,800
Non-current receivables, financial leasing agreements	21	56,170	72,736	63,643
Other non-current receivables (assembly)	3	14,379	–	–
Deferred tax assets	22	20,652	21,988	19,224
		95,211	*98,232*	*86,082*
Total non-current assets		**1,732,258**	**1,647,448**	**1,512,377**
Current assets				
Inventory etc.				
Raw materials and consumables		29,051	23,644	16,822
Finished goods and goods for resale		3,923	4,075	4,024
Ongoing contract work		17,221	10,648	3,874
		50,195	*38,367*	*24,720*
Current receivables				
Accounts receivables		92,154	134,163	76,457
Receivables from Group companies		37	–	–
Tax assets		2,752	6,517	4,563
Accrued but non-invoiced revenues	23	11,132	11,766	16,940
Current receivables, financial leasing agreements	21	53,772	52,401	39,167
Other current receivables		3,006	8,974	15,629
Prepaid expenses and accrued income		40,217	33,616	29,471
		203,070	*247,437*	*182,227*
Cash and cash equivalents		*24,264*	*684*	*82,942*
Total current assets		**277,529**	**286,488**	**289,889**
TOTAL ASSETS		**2,009,787**	**1,933,936**	**1,802,266**

Consolidated Statement of Financial Position

Amounts in SEK thousand	Note	31/12/2018	31/12/2017 (restated)	31/12/2016 (restated)
EQUITY AND LIABILITIES				
Equity	25			
Share capital		52	51	51
Other capital contributions		76,243	57,098	18,098
Reserves		1,135	267	215
Accumulated deficit / Profit brought forward		494,477	402,891	361,663
Profit/loss for the year		102,091	89,383	80,229
		673,998	*549,690*	*460,256*
Non-current liabilities				
Liabilities to credit institutions	27, 28	–	637,233	409,474
Liabilities to Parent Company		1,000,955	260,255	539,750
Liabilities to other related natural and legal persons		–	2,500	2,500
Provisions	29	1,332	11,188	7,928
Deferred tax liabilities	22	65,956	57,121	48,809
		1,068,243	*968,297*	*1,008,461*
Current liabilities				
Liabilities to credit institutions	28	–	92,500	77,500
Overdraft facility	28	36,677	37,125	–
Invoiced but non-recognised income	30	14,110	8,801	22,336
Accounts payable		56,309	56,099	61,975
Liabilities to Parent Company		768	69,691	46,535
Tax liabilities		3,852	–	–
Other liabilities		20,534	20,800	21,283
Accrued expenses and prepaid income	31	133,031	128,633	101,520
Provisions	29	2,265	2,300	2,400
		267,546	*415,949*	*333,549*
TOTAL EQUITY AND LIABILITIES		**2,009,787**	**1,933,936**	**1,802,266**

Consolidated Statement of Changes in Equity

	Share capital	Other capital contributions	Translation reserve	Accumulated loss/ Profit brought forward	Profit/loss for the year	Total equity
Opening equity at 01/01/2016	**51**	**4,798**	**-1,041**	**274,950**	**76,363**	**355,121**
Correction opening balance, reclassi-fication financial leasing (see note 3)				23,610		23,610
Restated opening equity at 01/01/2016	**51**	**4,798**	**-1,041**	**298,560**	**76,363**	**378,731**
Appropriation of profits				76,363	-76,363	0
Shareholder contribution		13,300				13,300
Profit/loss for the year					80,229	80,229
Other comprehensive income for the year			1,256			1,256
Total comprehensive income for the year	**0**	**0**	**1,256**	**0**	**80,229**	**81,485**
Group contributions paid				-17,000		-17,000
Tax on group contributions				3,740		3,740
Closing equity at 31/12/2016	**51**	**18,098**	**215**	**361,663**	**80,229**	**460,256**
Opening equity 01/01/2017	**51**	**18,098**	**215**	**361,663**	**80,229**	**460,256**
Appropriation of profits				80,229	-80,229	0
Shareholder contribution		39,000				39,000
Profit/loss for the year					89,383	89,383
Other comprehensive income for the year			52			52
Total comprehensive income for the year	**0**	**0**	**52**	**0**	**89,383**	**89,435**
Other adjustments				-1		-1
Group contributions paid				-50,000		-50,000
Tax on group contributions				11,000		11,000
Closing equity 31/12/2017	**51**	**57,098**	**267**	**402,891**	**89,383**	**549,690**
Opening equity 01/01/2018	**51**	**57,098**	**267**	**402,891**	**89,383**	**549,690**
Correction OB, reclassification capitalised assemblies				1,453		1,453
Restated opening equity 01/01/2018	**51**	**57,098**	**267**	**404,344**	**89,383**	**551,143**
Appropriation of profits				89,383	-89,383	0
Profit/loss for the year					102,091	102,091
Other comprehensive income for the year			868			868
Total comprehensive income for the year	**0**	**0**	**868**	**0**	**102,091**	**102,959**
Reversal of subscription options		-751		750		-1
New share issue	1	19,896				19,897
Closing equity 31/12/2018	**52**	**76,243**	**1,135**	**494,477**	**102,091**	**673,998**

Consolidated Statement of Cash Flow

Amounts in SEK thousands	Note	2018	2017	2016
	32			
Operating activities				
Profit after financial items		128,394	114,303	102,530
Adjustments for items not included in the cash flow etc.		12,767	18,173	14,758
Taxes paid		-8,358	-9,659	-16,551
Cash flow from operating activities before changes in working capital and finance lease receivables		**132,803**	**122,817**	**100,737**
Cash flow from changes in working capital				
Increase (-) / Decrease (+) in inventory		-11,828	-13,647	3,448
Increase (-) / Decrease (+) in operating receivables		70,284	-50,022	18,547
Increase (+) / Decrease (-) in operating liabilities		-9,273	-52,625	20,334
Change in working capital		**49,183**	**-116,294**	**42,329**
Change in finance lease receivables		72,790	46,944	46,240
Cash flow from operating activities		**254,776**	**53,467**	**189,306**
Investing activities				
Acquisition of tangible non-current assets		-218,337	-215,578	-183,906
Disposal of tangible non-current assets		9,728	7,757	21,554
Cash flow from investing activities		**-208,609**	**-207,821**	**-162,352**
Financing activities				
New share issue		19,896	–	–
Shareholder contributions received		–	39,000	13,300
Borrowings		1,000,955	400,000	114,750
Utilized overdraft facility		-448	37,125	-12,957
Change in other non-current financial assets		-502	-293	-3,215
Amortization of loans		-992,488	-386,736	-71,630
Group contributions paid		-50,000	-17,000	–
Cash flow from financing activities		**-22,587**	**72,096**	**40,248**
Cash flow for the year		**23,580**	**-82,258**	**67,202**
Cash and cash equivalents at the beginning of the year		**684**	**82,942**	**15,740**
Cash and cash equivalents at the end of the year		**24,264**	**684**	**82,942**

Notes with Accounting Principles and Notes to the Accounts

Amounts stated in thousand SEK unless otherwise indicated

Note 1. Essential accounting principles

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as the interpretations from the International Financial Reporting Interpretations Committee as adopted by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for consolidated accounts has been applied.

The annual report and consolidated accounts have been approved by the Board and the Managing Director for publication on 29 May 2019.

CHANGES IN ACCOUNTING PRINCIPLES IN 2018 DUE TO NEW OR AMENDED IFRS

The following IFRS standards were changed in 2018:

The Group applies IFRS 9 standard for the financial years commencing on or after 1 January 2018. The Group applies the new rules retrospectively and comparatives are not restated. IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The comparative financial information has been prepared according to IAS 39 Financial instruments: Recognition and Measurement. The application of IFRS 9 had no impact on the Group's accounts.

IFRS 15 Revenue from Contracts with Customers, has superseded all previously issued standards and interpretations that managed revenue. The Standard has a comprehensive model for revenue recognition according to which revenue is recognized when the control of a product or service is transferred to the customer. This can happen over time or at one point in time. The revenue consists of the amount that the company expects to receive as a remuneration for the goods or services transferred. The standard shall be applied retroactively. There are two permissible approaches, full retrospective application in accordance with IAS 8 with simplification rules or modified retroactive application, which means that the comparative year is not recalculated in accordance with IFRS 15, instead the standard is applied retroactively as of 1 January 2018. The Group has opted for a modified retroactive application. The application has affected the Group's reporting of assembly revenue in the Temporent segment, where earlier revenue recognition of certain contracted revenues takes place. The effects are described in note 3.

Amendments to IFRS 2 Share-based payments - Clarification and Measurement of Share-based Payment Transactions (effective for financial years beginning on or after 1 January 2018). The amendments clarify the accounting for certain types of arrangements. Three accounting areas are covered: measurement of cash-settled share-based payments; classification of share-based payments settled net of tax withholdings; and accounting for a modification of a share-based payment from cash-settled to equity-settled. The cash-settled share-based payments are valued at grant-date fair value and recognised against the retained earnings. Previously the cash-settled share-based payments have been valued at the period end-fair value and recognised as liabilities. This amendment did not have impact on the Group's accounts.

The Group has reclassified the leasing agreements in the Nordic Modular Leasing segment, with the company as lessor, from operational to financial contracts. Correction of errors has been made for the comparative years 2016 and 2017. The effects on the results are described in note 3.

NEW IFRS AND INTERPRETATIONS THAT HAVE YET TO BE APPLIED

A number of new or amended IFRS enter into effect for the first time during the coming financial year and they have not been applied in advance during preparation of these financial statements. There is no plan to apply in advance any supplements or amendments with future application.

IFRS 16 Leasing Agreements supersedes the current standard IAS 17 Leasing Agreements. The biggest change compared to IAS 17 is that lessees should not make any allocation between financial and operational leasing. According to IFRS 16, the lessee identifies a right of use asset and a financial liability. Short-term leasing agreements and leasing agreements for which the underlying asset has a minor value can be exempted. For lessees, the standard may entail significant changes in the accounting, while for the lessor it does not involve any significant changes except for additional disclosure requirements. IFRS 16 will be applied for fiscal years beginning on or after 1 January 2019.

NMGH has decided to apply the non-retrospective transition rule of IFRS 16, according to which the cumulative effect of IFRS 16 will be recognised as an adjustment to opening balance at the transition date, 1 January 2019.

The Group estimates that IFRS 16 has a certain, but not significant, impact on the Group's statement of financial position as lessees are required to recognise a lease liability reflecting future lease payments and a right-of-use-asset for virtually all lease contracts. The Group has several types of operative lease contracts according to current IAS 17. These include, among others, sites for storage of modules financed through operative lease contracts.

Profit for the period of the Group will not be materially affected over time, but there are changes on the Group's income statement between lines as e.g. other operating expenses will decrease while depreciation of property, plant and equipment will increase and interest on lease liabilities will increase. These changes will increase EBITDA, EBITA and EBIT. The cash flow statement will be affected by change between operating and financing cash flows.

As at December 31, 2018, the Group has non-cancellable operating lease commitments of SEK 7,9 million, as disclosed in note 9. The Group estimates that approximately five (5) to ten (10) percent of these relate to payments for short-term and low-value leases that will be recognised on a straight-line basis as an expense in profit or loss, with the exception of short-term leases of depots and premises that will be activated on the Balance Sheet based on their land and buildings asset classes.

Other changes are not deemed to have any effect on the Group's accounting. These consist of:

- Amendments to IFRS 9 – Right to early redemption with negative compensation
- Amendments to IAS 28 – Investments in associates and joint ventures
- Amendments to IAS 19 – Amendments, reductions and settlements of a pension plan
-Annual Improvements 2015-2017 covering IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes – Tax effects of payments from financial instruments classified as equity and IAS 23 Borrowing Costs – Borrowing costs eligible for capitalization.
- IFRIC 23 Uncertainty over Income Tax Treatments

To summarise, new or modified IFRS with application as of 2019 or later are not deemed to have a substantial effect on the Statement of Comprehensive Income or the Statement of Financial Position, even if IFRS 16 will have some effect.

REPORTING BY BUSINESS SEGMENTS

A business segment is a component of a Group that engages in business activities from which it may earn income and incur expenses and for which discrete financial information is available. The profit/loss generated by a business segment is then followed up by the company's highest executive officer in order to assess the profit/loss figures and in order to allocate resources to the business segment. See 4 for a further description of the division and presentation of the business segments.

CLASSIFICATION ETC.

Non-current assets and non-current liabilities consist in all essential solely of amounts that are expected to be recovered or paid more than twelve months after the accounting year-end. Current assets and current liabilities consist in all essential solely of amounts that are expected to be recovered or paid within twelve months of the accounting year-end.

VALUATION PRINCIPLES ETC.

Assets, allocations and liabilities have been recognised at their historic acquisition values unless otherwise indicated below.

FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The Parent Company's functional currency is the Swedish Krona (SEK), which is also the official reporting currency for the Group. This means that the financial statements are presented in Swedish Krona. All amounts, unless otherwise indicated, are rounded to the nearest thousand SEK.

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Drawing up the financial statements in accordance with IFRS requires the company management to make assessments and estimates as well as to make assessments affecting the application of the accounting principles and the recognised amounts for assets, liabilities, revenues and expenses. The actual result can deviate from these estimates and assessments.

The estimates and assessments are reviewed regularly. Changes in estimates are reported during the period where the change is made if such a change only affects the period in question, or during the period where the change is made and in future periods if the change affects both the period in question and future periods.

INTANGIBLE NON-CURRENT ASSETS

Goodwill

Goodwill is measured at acquisition value less any accumulated impairment and is tested yearly for impairment requirements. The Group's goodwill is derived from the acquisition of the Nordic Modular Group in January 2015 and in the sub-group acquired from the acquisition of the Skanska Modul Group in 2005.

TANGIBLE NON-CURRENT ASSETS

Tangible non-current assets are recognised as assets in the statement of financial position when, based on the available information, it is likely that the future economic utility associated with possession will flow to the Group/company and that the acquisition value for the asset can be calculated in a reliable manner.

Depreciation principles for tangible non-current assets

Depreciations according to plan are based on the original acquisition value reduced by the estimated residual value. Straight-line depreciation is applied over the estimated useful economic life of the asset. Impairment is applied when there is a permanent loss of value.

The following depreciation periods apply:	Useful economic life
Buildings	25 years
Plant and machinery	5–7 years
Equipment, tools, fixtures and fittings	1–10 years

Buildings for rental have been reclassified to financial receivables in 2018, as the leases underlying the assets have been classified as financial leasing agreements. The years 2016 and 2017 have been restated correspondingly.

THE GROUP AS LESSOR

Assets that are rented out under financial leasing agreements are not recognised as tangible assets since the risks associated with ownership have been transferred to the lessee. Instead, a financial receivable is booked for the future minimum leasing fees. The rental revenue generated by the financial leasing agreements is allocated during the leasing period so that an even yield is obtained on the asset during each period. Interest income is reported as Other operating income in the Consolidated Statement of Comprehensive Income.

When the leasing agreement is not classified as financial, the leased assets are recognised as tangible fixed assets.

IMPAIRMENTS

The Group's reported assets are assessed at every accounting year-end in order to determine if there is any indication that impairment is required. IAS 36 is applied with regard to the impairment of assets other than financial assets, which are reported in accordance with IFRS 9, Inventories and Deferred Tax Assets. For assets excluded according to the above, the recognised value is measured according to the respective standard.

Impairment of tangible and intangible non-current assets and holdings in joint ventures

If there is an impairment requirement indicated, the recoverable amount of the asset is calculated (see below). The recoverable amount for goodwill is also calculated annually. If essentially independent cash flows cannot be traced to a particular asset and if the fair value less cost of sales cannot be used during impairment testing, assets are grouped at the lowest level where it is possible to identify essentially independent cash flows – a so-called cash generating unit.

Impairment is recognised when an asset's or cash generating unit's (group of units) reported value exceeds the recovery amount. Impairment is recognised as an expense in the profits/loss for the year. Once an impairment requirement has been identified for a cash generating unit (group of units), the amount of the impairment is distributed in the first instance to goodwill. The impairment is then distributed proportionally among the rest of the assets included in the unit (group of units).

The recoverable amount is the higher value of the fair value minus the cost of sale on the one hand and the value in use on the other. When calculating the value in use, the future cash flow is discounted by a discount factor, which takes into account risk-free interest and the risk associated with the specific asset.

Impairment of financial assets

Upon every reporting occasion, the company examines whether there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence consists both of observable conditions that have occurred and have a negative impact on the possibility to recover the acquisition value and of a considerable or protracted reduction in the fair value of a financial investment classified as a financial asset that can be sold.

The company classifies accounts receivable as uncertain when payments are 60 days past due. The impairment requirements for the receivables are determined based on historic experiences with bad debt losses for similar receivables. Accounts receivable with impairment requirements are recognised at the current value of expected future cash flow. However, receivables with short terms are not discounted.

Reversal of impairments

An impairment of assets, as included in the application of IAS 36, is reversed if there is both an indication that there is no longer an impairment requirement and that a change has been made in the assumptions that formed the basis of the calculation of the recoverable amount. However, impairment to goodwill is never reversed. A reversal is made only to the extent that the asset's book value after the reversal does not exceed the book value that would have been recorded, with a deduction for depreciation, if applicable, had no impairment been made.

Impairment of accounts receivable that are recognised at accrued acquisition value are reversed if the previous reasons for impairment no longer exist and full payment can be expected to be obtained from the customer.

ACCOUNTS RECEIVABLE

After individual measurement, accounts receivable are recognised at the amounts at which they are expected to be received.

Accounts receivable and liabilities in foreign currencies

Accounts receivable and liabilities in foreign currencies have been translated at the exchange rate accounting year-end. Exchange rate differences on operating receivables and operating losses are included in the operating profit/loss, while differences in financial receivables and liabilities are recognised among financial items.

Transactions in foreign currency are translated to the functional currency according to the exchange rate applicable on the transaction date. The functional currency is the currency in the primary economic environments where the companies run their operations. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate accounting year-end. Exchange rate differences, which occur during translation, are recognised in the profit/loss for the year.

INVENTORY

The inventory is entered as the lower value of the acquisition value according to the FIFO principle on the one hand, and the net realisable value on the other. The risk for obsolescence is thereby taken into account.

For goods in progress and finished goods, the acquisition cost consists of the direct manufacturing costs and a reasonable proportion of the indirect costs.

FINANCIAL INSTRUMENTS

A financial asset or financial liability is expensed in the statement of financial position when the company becomes party to the instrument's contractual terms and conditions. Accounts receivable are expensed in the statement of financial position once an invoice has been sent. Accounts payable are expensed once the invoice has been received.

A financial asset is removed from the statement of financial position when the rights in the contract are realised, fall due or the company loses control over them. The same applies to parts of a financial asset. A financial liability is removed from the statement of financial position when the obligations set out in the contract are fulfilled or are otherwise discharged. The same applies to parts of a financial liability.

Financial instruments recorded as assets in the statement of financial position include cash and cash equivalents, claims on joint venture companies, accounts receivable and finance lease receivables. Accounts payable and borrowings are reported as liabilities.

Financial revenues and expenses

Financial revenues consist of interest revenues on invested funds and dividend income. Interest revenues from financial instruments are recognised according to the effective interest method. Dividend income is recognised when the right to receive dividends is established.

Financial costs consist of interest expenses on loans. Borrowing costs are recognised in the profit/loss by using the effective interest method.

Exchange gains and losses are recognised net.

Effective interest is the rate that discounts the estimated future receipts and payments during a financial instrument's expected duration at the financial asset's or liability's recognised net value. The calculation includes all fees that are paid or received by the parties to the contract, which are part of the effective interest, transaction expenses and all premiums and discounts.

Financial assets

The classification of assets is based on the business model's objective and on the contractual cash flows of the investments or alternatively applying fair value at initial acquisition. The classification of assets is performed upon the initial recognition and determined in line with the aim of the asset. Financial assets at amortised cost are non-derivative financial assets where the business model objective is to hold financial assets up to maturity and to collect the contractual cash flows. The cash flows of these assets consist solely of interest on capital and remaining capital. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Financial assets are derecognised when the rights to receive cash flows from the investment have expired or have been transferred, and the Group has substantially transferred all risks and rewards of ownership.

Under IAS 39 the financial assets were classified as loans and receivables. There were no changes in measurement principles due to adoption of IFRS 9.

Cash and cash equivalents

Cash and cash equivalents, which include cash accounts and short-term cash deposits at banks, have maturities of up to three months.

Cash and cash equivalents are measured at amortised cost.

Finance lease receivables

Those lease agreements of property, plant and equipment where the Group acts as lessor, that transfer to the lessee substantially all the risks and rewards of ownership are classified as finance leases and recognized as receivable in the balance sheet. The receivable is measured initially at an amount equal to the present value of the minimum lease payments. The rental income derived from these finance lease agreements is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the asset.

For other rental agreements than those as defined as finance leases, the leased assets are included in property, plant and equipment. These assets are depreciated during their estimated economic useful lives. The rental income for these agreements is recognized as income in equal amounts over the lease term in accordance with IAS 17 Leases.

Impairment of loan receivables, financial lease receivables and cash and cash equivalents

The Group's loan receivables and lease receivables are assessed for impairment under the impairment rules in IFRS 9. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the management has assessed that the impairment loss for them is immaterial.

The Group uses general model to assess impairment loss for loan receivables, finance lease receivables and cash and cash equivalents.

The Group recognizes lifetime estimated credit loss (ECL) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Despite the foregoing, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group has assessed that loan receivables, finance lease receivables and cash and cash equivalents have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months expected losses. Management consider instruments to be 'low credit risk' when they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. To be concluded to be 'low credit risk' the counterparty should have a strong financial position and there should not be past due amounts. Based on the management assessment, the credit loss allowance for loan receivables, finance lease receivables and cash and cash equivalents is insignificant. For that reason, no credit loss allowance for them is recognized. The credit loss allowance need is followed-up on a regular basis.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess that the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Regardless of the above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery.

The Group has not historically had loan receivables, finance lease receivables or cash and cash equivalents with increased credit risk or which would have been written off due to events of default.

Financial liabilities

Borrowings are recognised initially at fair value. Transaction costs are included in the initial measurement of the borrowings. Subsequently, other borrowings are measured at amortised cost using the effective interest method. In the effective interest method, transaction costs related to borrowings are amortised over the term of the borrowings and recognised as finance costs as part of interest expense. Borrowings are derecognised when loan has been repaid or liability has been extinguished for example in connection with refinancing.

Unless the Group has a non-contingent right to postpone the amortisation of a liability by a minimum of 12 months from the balance sheet date, it is classified as current.

Fees related to loans are recognised as transaction costs to the extent that it is probable that the total loan commitment or a part of it will be raised. This means that the fee is recognised in the balance sheet until the loan is raised. In connection with the drawdown, the fee related to loan is recognised as part of the transaction costs. To the extent there is no evidence that it is probable that the loan will be raised, the fee is recognised as prepaid expense in respect of the liquidity related services and is accrued for loan term.

Determination of fair value

The following fair value measurement hierarchy is applied for the financial instruments measured at fair value in the balance sheet. The Group's all financial instruments are classified as level 2 in the fair value hierarchy.
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data, that is unobservable inputs.

Interest-bearing liabilities

The Group's interest-bearing liabilities consist of loans from the owner, which bear variable interest. The book value is considered to reflect the fair value.

Accounts receivable and payable

All accounts receivable and payable in the Group have a remaining life of less than six months and therefore the book value is considered to reflect the fair value.

Financial assets	At amortised cost under IFRS 9 as at 31 Dec 2018	Loans and receivables under IAS 39 as at 31 Dec 2017	Loans and receivables under IAS 39 as at 31 Dec 2016
Accounts receivables	92,154	134,163	76,457
Receivables, financial leasing agreements	109,942	125,137	102,810
Receivables from joint venture	2,300	2,300	2,800
Other non-current receivables, assemblies	14,379	–	–
Other loans and receivables	37	–	–
Cash and cash equivalents	24,264	684	82,942
Total financial assets	**243,076**	**262,284**	**265,009**

Financial liabilities	At amortised cost under IFRS 9 as at 31 Dec 2018	At amortised cost under IAS 39 as at 31 Dec 2017	At amortised cost under IAS 39 as at 31 Dec 2016
Liabilities to credit institutions	–	729,733	486,974
Liabilities to parent company	1,000,955	260,255	539,750
Liabilities to other related natural and legal persons	–	2,500	2,500
Overdraft facility	36,677	37,125	–
Accounts payable	56,309	56,099	61,975
Liabilities to parent company	768	69,691	46,535
Total financial liabilities	**1,094,709**	**1,155,403**	**1,137,734**

REMUNERATION TO EMPLOYEES

Defined contribution pension plans

The Group only has defined contribution pension plans. In defined contribution plans, the company pays fixed fees to a separate legal entity and has no further obligation to pay any more fees. Costs are charged to the consolidated profit/loss as the benefits are earned.

Current remuneration

Current benefits to employees are calculated without discounting and recognised as costs when the related services are received.

A provision is entered for the expected cost of the profit-sharing and bonus payments when the Group has a legal or informal obligation to make such payments as a result of the services obtained from employees and the obligation can be reliably calculated.

TAX

Income taxes consist of current tax and deferred tax. Taxes are recognised in the year's profit or loss except when the underlying transaction is recognised in other comprehensive income or equity, in which case the tax effect is recognised in other comprehensive income or equity.

Current tax is the tax to be paid or received for the current year. This also includes adjustments to the current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method and is based on the temporary differences between the book value and the tax base of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to even out and by applying the tax rates and fiscal regulations that are in place or pending accounting year-end. Temporary differences are not taken into account for Group goodwill or in differences attributable to participations in subsidiaries, which are not expected to be taxed within the foreseeable future, or for the difference having arisen upon initial recognition of assets and liabilities that are not business acquisitions, which at the time of the transaction do not affect either the recognised or the taxable profit/loss. Untaxed reserves, including deferred tax liabilities, are recognised for legal entities. In the consolidated accounts, untaxed reserves are divided into deferred tax liability and equity. Deferred tax assets regarding deductible temporary differences and deficit deductions are only recognised to the extent it is probable that these will result in lower tax payments in the future.

REVENUES

2018

Assemblies of modular spaces or other items and their related transports are generally viewed as a combined customer promise, i.e. as one performance obligation, as well as disassembly and related transportation are one performance obligation. Other rental related services are separate performance obligations.

Transaction price is total amount of consideration to which an entity expects to be entitled to in exchange of transferring goods or services to a customer, excluding amounts collected on behalf of third parties (VAT). The Group adjusts the total consideration with variable consideration e.g. annual discounts only to the extent that is highly probable that revenue is not reversed later. In some customer agreements a delay from the Group side is sanctioned by penalty fee which is a variable consideration. However, penalty fee is not initially deducted from transaction price as, at contract inception, management expects no penalty fee on delay to realise. In baked-in contracts the transaction price is also adjusted with a financing component i.e. benefit of financing for or from customer whenever it is viewed as a material component. In general, these financing components are seen as immaterial over time and not allocated to the transaction price. In baked-in contracts, assembly and disassembly services are included in the monthly rental charge for the total contract duration and accrued according to their performance obligations.

Transaction price is mainly allocated to each performance obligation by their observable stand-alone selling prices. If this is not possible, expected cost plus margin is used. The Group's business is based on combined pricing and delivery, thus, discount is proportionately allocated on all items.

Revenue of contract assignments within the rental operation is recognised over time when the company satisfies the performance obligation by transferring the service to the customer. As a main rule, the company satisfies performance obligations over time during which the services are rendered. Revenue from assemblies and disassemblies, which are performed on customer's sites to plant is recognised over time. Measure of progress is determined by comparing incurred costs to total costs. Other short-term rental related services are recognised at a point in time at completion of the services as the time of transferring the control to the customer is relatively short.

Revenue from module production is recognised either over time or at a point in time when control over the goods or services is transferred to a customer. Sale of new and used equipment constitutes a single performance obligation, containing either a single component or several components such as planning and customisation activities.

Rental revenue derived from operational leases is recognised on a straight-line basis during the rental period.

A part of the Group's operations include manufacturer/lessor arrangements. Lease agreements that transfer substantially all of the risks and rewards of ownership to the lessee are classified as finance leases. A finance lease of an asset by a manufacturer/lessor gives rise to two types of income: finance income over the lease term and a profit or loss equivalent to that arising on an outright sale. The sale is recognised because the asset's risks and rewards of ownership have passed to the customer. The revenue recorded is the lower of the asset's fair value or the present value of the minimum lease payments computed at a market rate of interest. The cost of sale is the cost of the leased asset (or carrying amount of the asset, if different) less the present value of any unguaranteed residual value. The finance income derived from finance lease agreements is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the asset and is presented under other operating income.

The groups leases include both leasing and service components. Leasing related services are accounted for as revenue under IFRS 15. Judgements made in applying IFRS 15 include the allocation of the transaction price between rental revenue and contract assignments within the rental operation based on relative stand-alone prices.

2017 and 2016

The company recognises as revenues the fair value of what has been obtained or will be obtained. The company therefore recognises revenues at their nominal values (invoice amounts) if the company receives payment in cash or equivalent immediately upon delivery. Deductions are made for discounts granted. The income generated from the company's sale of goods is recognised as revenue when the following conditions are met: the essential risks and benefits associated with the ownership of the goods have been transferred to the buyer, the company does not retain any involvement in the continued administration nor exercise any real control over the goods sold, income can be calculated in a reliable way, it is likely that the economic benefits that the company should receive from the transaction will actually be received by the company and the expenses arising, or expected to arise as a consequence of the transaction, can be calculated in a reliable way.

Rental revenues are recognised on a straight-line basis in the profit/loss for the year based on the terms and conditions of the rental contract. The combined expenses for issued benefits are recognised as a reduction of rental revenues on a straight-line basis over the period of the lease. All leases in the Temporent segment are classed as operational leasing agreements, while those in Nordic Modular Leasing are classed as financial leasing agreements in the consolidated financial statements.

When the outcome of a contract can be estimated in a reliable manner, the revenues and expenses attributable to the assignment are entered as revenues and expenses, respectively, in the Group's profit/loss in relation to the assignment's degree of completion, the so-called percentage-of-completion method. The degree of completion is determined by calculating the relation between costs incurred for the assignment for work completed at the accounting year-end and the estimated total expenditures for the assignment.

LEASING – LESSEE

All leasing contracts are recognised as operational. Costs pertaining to operational leasing contracts are recognised in the profit/loss for the year over the period of the lease. Benefits obtained in connection with the signing of a lease are recognised in the profit/loss for the year as a reduction in the leasing fees on a straight-line basis over the term of the lease. Variable charges are recognised as an expense in the period they are incurred.

CONSOLIDATED ACCOUNTS

The consolidated accounts are drawn up according to the acquisition method. The acquisition method means that an acquisition of a subsidiary is regarded as a transaction through which the Group indirectly acquires the subsidiary's assets and liabilities. As of the moment of acquisition, the acquired subsidiary's profits, assets and liabilities as well as any goodwill (or negative goodwill) are included in the consolidated accounts.

Subsidiaries are companies that are under the controlling influence of Nordic Modular Group Holding AB. There is a controlling interest if Nordic Modular Group Holding AB has an influence over the investment object, is exposed or has the right to variable returns from its involvement and can use its influence over the investment to influence the return. The potential voting shares and whether there is de facto control are considered during assessments, to determine if there is a controlling influence. The Group-wise acquisition value is established by means of an acquisition analysis in connection with the acquisition. In the analysis, both the acquisition value of the shares or the business, and the fair value on the acquisition date of acquired identifiable assets and liabilities taken over as well as contingency liabilities are established. The acquisition value for the shares in subsidiaries and the business consists of the sum of the fair values on the acquisition date for the assets obtained, liabilities that arise or are taken over and for equity instruments issued, which are paid as compensation in exchange for the net assets acquired, as well as transaction costs that are directly attributable to the acquisition. Transaction costs upon acquisition on 1 January 2010 or later are recognised directly in the year's profit/loss. Conditional additional purchase prices shall be set at fair value at the time of acquisition. There are two alternate ways of accounting for holdings without controlling influence, either the fair value, i.e. goodwill included in holdings without controlling influence or, alternatively, holdings without controlling influence consist of a proportional share of the net assets. The choice between these two methods is made individually for each new acquisition. For business combinations where the payment transferred, any holdings without controlling influence and fair value for previously owned share (in the case of gradual acquisition), exceeds the fair value of the acquired assets and assumed liabilities, as well as any liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, this is recognised directly in the profit/loss for the year.

Goodwill

Group goodwill arises when the acquisition cost of participations in subsidiaries exceeds the fair value of the acquired company's identifiable net assets. Goodwill is recognised at the acquisition value with a deduction for any impairment.

Joint ventures

In accounting terms, joint ventures are the companies for which the Group, via cooperation agreements with one or more parties, have a joint controlling interest where the Group has the right to the net assets instead of a direct right to assets and obligations in liabilities. In the consolidated accounts, the holdings in joint ventures are consolidated according to the capital share method. Only equity that is earned after the acquisition is recognised in the Group's equity. The capital share method is applied from the time when the joint controlling interest was obtained and up to the time the joint controlling interest ceases.

Elimination of transactions between Group companies

Internal Group receivables and liabilities, income or expenses and unrealised gains or losses arising from intra-group transactions between Group companies are eliminated in full when the consolidated financial statements are prepared. Unrealised profits, which arise from transactions with associates and joint ventures, are eliminated to the extent they are equivalent to the Group's holding in the company. Unrealised losses are eliminated in the same way as unrealised profits, but only in so far there is no impairment requirement.

Translation of foreign subsidiaries

Assets and liabilities in foreign entities, including goodwill and other Group-wide fair value adjustments, are translated from the foreign entity's functional currency to the Group's reporting currency, Swedish Krona (SEK), at the exchange rate prevailing accounting year-end. Income and expenses in a foreign entity are translated to SEK at an average rate that represents an approximation of the exchange rates that applied when each transaction took place. Translation differences, which arise when translating currencies for foreign companies, are recognised in other comprehensive income and are accumulated as a separate component in equity, called translation reserve. When disposing of a foreign enterprise, they are realised at the accumulated translation differences attributable to the company, upon which they are reclassified from the translation reserve in equity to the profit/loss for the year.

Subsidiaries

Transaction costs related to acquisitions are recognised directly in the profit/loss as they occur. Conditional purchase sums are measured based on the likelihood that the purchase price will be paid. Any changes in the provision/claim are added to/deducted from the acquisition value. In the consolidated accounts, conditional purchase sums are recognised at their fair value with changes in value affecting the profit/loss. Information about the Group

Since 31 October 2018, the company is a subsidiary of Cramo Plc., corporate identity number 0196435-4, with registered office in Vantaa, Finland.

Of the Group's total purchases and sales measured in SEK, 0 % (0%, 0%) of the purchases and 0 % (0%, 0%) of the sales pertain to other companies within the entire group of companies to which the Group belongs.

Note 2. Distribution of revenue

	2018	2017	2016
Net sales by type			
Net sales according to IFRS 15			
Module production, net after eliminating internal sales	313,168	277,048	320,441
Rental revenues	–	–	–
Contract assignments within the rental operation	137,352	138,823	135,644
Other	29,225	7,737	31,575
	479,745	*423,608*	*487,660*
Net sales according to IAS 17			
Module production, net after eliminating internal sales	53,781	64,362	28,344
Rental revenues	337,574	306,884	266,292
Contract assignments within the rental operation	–	–	–
Other	–	–	–
	391,355	*371,246*	*294,636*
Net sales, total			
Module production, net after eliminating internal sales	366,949	341,410	348,785
Rental revenues	337,574	306,884	266,292
Contract assignments within the rental operation	137,352	138,823	135,644
Other	29,225	7,737	31,575
	871,100	*794,854*	*782,296*
Net sales per geographic market			
Net sales according to IFRS 15			
Sweden	415,782	394,722	463,568
Norway	4,582	11,064	14,035
Denmark	5,094	2,896	7,055
Finland	54,287	14,926	3,002
	479,745	*423,608*	*487,660*
Net sales according to IAS 17			
Sweden	315,570	325,297	261,207
Norway	17,549	16,607	15,166
Denmark	14,816	14,146	13,670
Finland	43,420	15,196	4,593
	391,355	*371,246*	*294,636*
Net sales total			
Sweden	731,352	720,019	724,775
Norway	22,131	27,671	29,201
Denmark	19,910	17,042	20,725
Finland	97,707	30,122	7,595
	871,100	*794,854*	*782,296*

Rental revenue and manufacturer/lessor finance lease revenue is recognized in accordance with IAS 17 and Contract assignments within the rental operation as well as trading revenue in accordance with IFRS 15.

Rental revenue

The Group's rental revenue is generated from leases of temporary modular space solutions to both municipalities and private customers. The primary customer segments include schools, daycares and offices. Rental revenue is derived from both modular space solutions and accessories.

Contract assignments within the rental operation

Contract assignments within the rental operation include short-term services related to on- and off- site transportations, assembly and disassembly of modules, customization solutions as well as design, planning activities and other smaller service components such as seasonal services during the rental period. Assembles and disassembles of modular space service duration varies from a few days to several months. Other revenue-generating services include repair and maintenance services.

Module production

Revenue from module production is generated through sales of new modular space turnkey solutions and rental accessories as well as sale of manufacture of site huts. Revenue arising from an outright sale in the beginning of manufacturer/lessor finance lease agreements are presented as sales of new modular space solutions.

Other

Other revenue is generated from sales of used rental modules.

Contract balances as required in IFRS 15

The following table provides information about receivables, contract assets and liabilities from contracts with customers. The contract liabilities consist of advances received from the customer agreements in the Module production, where the agreements include long-term, fixed-term, project agreements.

	1 Jan 2018	31 Dec 2018
Contract assets	11,766	11,132
Contract liabilities	-8,801	-14,110
	2,965	*-2,978*

Trade receivables contain receivables from revenue recognised in accordance with IFRS 15. Contract liabilities contain advances received from contracts accounted for in accordance with IFRS 15. Contract liabilities related to IFRS 15 in the beginning of the period 2018 have been recognised as revenue during the financial year. Contract assets include accrued income from partially completed projects. These balances are specified in notes 23 and 30.

The customer is typically invoiced with payment term of 30 days when the service or product is delivered. Part of the service revenue arising from assemblies and disassemblies is invoiced in advance. The rent is usually invoiced one month or one quarter in advance. The contract assets primarily relate to modular space project agreements which include payment arrangements. According to them, the customer is permitted to pay completed assembly services during the rental period as monthly amortisations. Contract liabilities consist of prepayments from customers. A net contract asset or liability is recognised when agreed payments schedules for completed assembly projects and prepayments from future disassembly projects relate to the same customer agreement.

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date.

	2019	2020 & subsequent
Revenue from contracts with customers	103,047	0
	103,047	*0*

All consideration from contracts with customers is included in the amounts presented above, except for what is explained below.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Note 3. Effect of changed accounting principles and correction of errors

Effective January 1, 2018, the accounting rules have been changed within IFRS regarding the recognition of revenue. IFRS 15 replaces the previous IAS 11, IAS 18 and IFRIC 15.

For the Group, IFRS 15 has entailed a reclassification of the Temporent segment's revenue from the assembly of rental objects. Effective from 2018, these revenues are always reported at the start of the rental relationship, instead of being allocated over the rental period in those cases where the customer pays these costs as a part of the rent. The Group has opted for a modified retrospective application, which means that the comparative year is not recalculated according to IFRS 15, instead retroactive application is performed as of January 1, 2018.

The effect on the opening balance for 2018 is presented in the following table:

	1 Jan 2018 before change	Change	1 jan 2018 after change
Equipment	517,417	-41,237	476,180
Non-current receivables assemblies	–	17,420	17,420
Prepaid expenses and accrued income	33,616	25,680	59,296
Profit brought forward	455,191	1,453	456,644
Deferred tax liability	57,121	409	57,530

The effect on the financial statements for 2018 is presented in the following table:

	Reported 2018	Impact of IFRS 15	Amounts without adoption of IFRS 15
Net sales	871,100	-7,964	879,064
Cost of goods sold	-626,787	7,187	-633,974
Gross profit	*244,313*	*-777*	*245,090*
Tax on profit	-26,303	171	-26,474
Profit for the year	102,091	-606	102,697
Equipment, tools etc	588,376	-35,208	623,584
Construction in progress	14,255	-1,316	15,571
Other non-current receivables	14,379	14,379	–
Prepaid expenses and accrued income	40,217	23,231	16,986
Total assets	*2,009,787*	*1,086*	*2,008,701*
Profit brought forward	546,777	1,453	545,324
Profit for the year	102,091	-606	102,697
Total equity	*673,998*	*847*	*673,151*
Deferred tax liabilities	65,956	239	65,717
Total equity and liabilities	*2,009,787*	*1,086*	*2,008,701*

As part of the company being acquired, a detailed review of the rental contracts was performed and it was discovered that the terms and conditions of certain contracts for the lease of equipment, where the company is the lessor, had been misinterpreted. As a consequence, the equipment had been incorrectly accounted for as an operating lease rather than as a finance lease.

For those lease agreements of property, plant and equipment where the Group acts as lessor, that transfer to the lessee substantially all the risks and rewards of ownership should have been classified as finance leases and recognised as receivable in the balance sheet. The receivable is measured initially at an amount equal to the present value of the minimum lease payments. The rental income derived from these finance lease agreements is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the asset. The interest income is recognized as other operating income in the income statement.
The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Balance sheet	As at 31 Dec 2017			As at 31 Dec 2016			As at 1 Jan 2016		
Amounts in SEK thousand	Reported	Adjustments	Restated	Reported	Adjustments	Restated	Reported	Adjustments	Restated
Buildings for rental	126,660	(126,660)	(0)	91,487	(91,487)	0	94,813	(94,813)	0
Finance lease receivables		72,736	72,736		63,643	63,643		72,177	72,177
Total non-current assets	**1,701,372**	**(53,924)**	**1,647,448**	**1,540,221**	**(27,844)**	**1,512,377**	1,431,628	**(22,636)**	**1,408,992**
Accounts receivable	138,782	(4,619)	134,163	80,725	(4,268)	76,457	80,725	(5,178)	75,547
Finance lease receivables		52,401	52,401		39,167	39,167		38,230	38,230
Total current assets	**238,706**	**47,782**	**286,488**	**254,990**	**34,898**	**289,888**	206,129	**33,053**	**239,182**
TOTAL ASSETS	**1,940,078**	**(6,143)**	**1,933,935**	**1,795,211**	**7,055**	**1,802,266**	**1,637,757**	**10,417**	**1,648,174**
Retained earnings	525,154	19,420	544,574	433,313	21,879	455,192	351,313	23,610	374,923
Total equity	**530,270**	**19,420**	**549,690**	**438,377**	**21,879**	**460,256**	**355,121**	**23,610**	**378,731**
Deferred tax liabilities	51,142	5,979	57,121	41,551	7,258	48,809	33,130	7,081	40,211
Total non-current liabilities	**962,318**	**5,979**	**968,297**	**1,001,203**	**7,258**	**1,008,461**	954,143	**7,081**	**961,224**
Accrued expenses and prepaid income	160,174	(31,541)	128,633	123,602	(22,082)	101,520	112,051	(20,274)	91,777
Total current liabilities	**447,490**	**(31,541)**	**415,949**	**355,631**	**(22,082)**	**333,549**	**328,493**	**(20,274)**	**308,219**
TOTAL EQUITY AND LIABILITIES	**1,940,078**	**(6,143)**	**1,933,935**	**1,795,211**	**7,055**	**1,802,266**	**1,637,757**	**10,417**	**1,648,174**

Income statement	1 January - 31 December 2017			1 January - 31 December 2016		
Amount in SEK thousand	Reported	Adjustments	Restated	Reported	Adjustments	Restated
Net sales	779,111	15,743	794,854	797,304	(15,008)	782,296
Cost of goods sold	(540,505)	(31,915)	(572,420)	(564,196)	5,331	(558,865)
Gross profit	238,606	(16,172)	222,434	233,108	(9,678)	223,430
Other operating income	3,318	13,020	16,338	943	7,459	8,402
Operating profit	156,364	(3,153)	153,211	155,185	(2,219)	152,966
Profit before taxes	117,456	(3,153)	114,303	104,749	(2,219)	102,530
Tax on profit of the year	(25,614)	694	(24,920)	(22,789)	488	(22,301)
Profit/loss for the year	91,842	(2,459)	89,383	81,960	(1,731)	80,229

The effect of the changes in accounting principles on net sales, rental revenues, EBITDA and Operating profit is summarized in the table below:

Statement of Comprehensive Income	**2018**	**Change**	**2017**	**Change**	**2016**
Net sales according to principles applied in annual report 2017	887,261	14%	779,111	-2%	797,304
Reclassification of agreements in Nordic Modular Leasing to financial	-8,187		15,743		-15,008
Net sales after reclassification of Leasing	*879,064*	*11%*	*794,854*	*2%*	*782,296*
Changed recognition of assemblies in Temporent	-7,964		–		–
Net sales	**871,100**	**10%**	**794,854**	**2%**	**782,296**
Rental revenues according to principles applied in annual report 2017	426,241	19%	356,891	15%	309,714
Reclassification of agreements in Nordic Modular Leasing to financial	-59,805		-50,007		-43,422
Rental revenues after reclassification of Leasing	*366,436*	*19%*	*306,884*	*15%*	*266,292*
Changed recognition of assemblies in Temporent	-28,862		–		–
Rental revenues	**337,574**	**10%**	**306,884**	**15%**	**266,292**
EBITDA according to principles applied in annual report 2017	306,987	13%	271,028	10%	246,874
Reclassification of agreements in Nordic Modular Leasing to financial	-31,015		-28,827		-23,142
EBITDA after reclassification of Leasing	*275,972*	*14%*	*242,201*	*8%*	*223,732*
Changed recognition of assemblies in Temporent	-28,842		–		–
EBITDA*	**247,130**	**2%**	**242,201**	**8%**	**223,732**
Operating profit according to principles applied in annual report 2017	158,841	2%	156,364	1%	155,185
Reclassification of agreements in Nordic Modular Leasing to financial	1,289		-3,153		-2,219
Operating profit after reclassification of Leasing	*160,130*	*5%*	*153,211*	*0%*	*152,966*
Changed recognition of assemblies in Temporent	-777		–		–
Operating profit	**159,353**	**4%**	**153,211**	**0%**	**152,966**

***EBITDA = operating profit + depreciation**

Note 4. Information about business segments

The Group's operation is divided into business segments based on the parts of the business operations the company's most senior executives follow up.

The business segments at Nordic Modular are:

- Temporent, with its rental of temporary modular set-ups, including the subsidiaries Flexihus Rent i Sverige AB, Temporent A/S, Temporent AS and Temporent Oy
- Flexator, with its manufacturing and sales of relocatable buildings and site huts
- Nordic Modular Leasing, with its rental of relocatable buildings, including the subsidiary Hagtornet Modul, with its rental of temporary modular set-ups for dwellings.

Parental companies include items with regard to both Nordic Modular Group AB and Nordic Modular Group Holding AB.

2018	Temporent	Flexator	Nordic Modular Leasing	Parent companies	Elimi-nations	Total
Revenues						
External sales	480,077	313,418	76,885	–	720	871,100
Internal sales	–	247,782	–	–	-247,782	–
Total revenues	*480,077*	*561,200*	*76,885*	–	*-247,062*	*871,100*
Profit/Loss						
EBITDA	235,809	10,478	29,237	-19,156	-9,238	247,130
Depreciation and unallocated items						-87,777
Operating profit						*159,353*
Financial expenses						-31,846
Financial revenues						887
Tax expense for the year						-26,303
Net profit for the year						**102,091**

2017	Temporent	Flexator	Nordic Modular Leasing	Parent companies	Elimi-nations	Total
Revenues						
External sales	446,920	276,814	70,400	–	720	794,854
Internal sales	–	211,877	1,800	–	-213,677	–
Total revenues	*446,920*	*488,691*	*72,200*	–	*-212,957*	*794,854*
Profit/Loss						
EBITDA	213,581	25,406	23,190	-6,129	-13,847	242,201
Depreciation and unallocated items						-88,990
Operating profit						*153,211*
Financial expenses						-39,834
Financial revenues						926
Tax expense for the year						-24,920
Net profit for the year						**89,383**

2016	Temporent	Flexator	Nordic Modular Leasing	Parent companies	Elimi-nations	Total
Revenues						
External sales	418,993	320,859	42,144	–	300	782,296
Internal sales	–	196,476	–	–	-196,476	–
Total revenues	*418,993*	*517,335*	*42,144*	–	*-196,176*	*782,296*
Profit/Loss						
EBITDA	190,338	34,355	20,738	-5,343	-16,356	223,732
Depreciation and unallocated items						-70,766
Operating profit						*152,966*
Financial expenses						-50,862
Financial revenues						426
Tax expense for the year						-22,301
Net profit for the year						**80,229**

2018	Temporent	Flexator	Nordic Modular Leasing	Parent companies	Eliminations	Total
General Information						
Assets	774,152	143,715	131,304	1,638,768	-678,152	2,009,878
Net interest-bearing liabilities	320,383	39,238	60,260	591,187	–	1,011,068
Investments	212,847	16,046	–	–	-10,556	218,337
Depreciation	90,134	2,099	176	–	-4,632	87,777

2017	Temporent	Flexator	Nordic Modular Leasing	Parent companies	Eliminations	Total
General Information						
Assets	701,213	154,744	156,198	1,624,214	-702,433	1,933,936
Net interest-bearing liabilities	291,075	55,313	86,115	655,126	–	1,087,629
Investments	218,147	9,892	–	–	-12,461	215,578
Depreciation	91,430	1,527	715	–	-4,682	88,990

2016	Temporent	Flexator	Nordic Modular Leasing	Parent companies	Eliminations	Total
General Information						
Assets	546,563	143,061	149,612	1,533,992	-570,962	1,802,266
Net interest-bearing liabilities	204,751	-2,686	61,694	683,424	–	947,183
Investments	197,038	2,785	–	–	-15,917	183,906
Depreciation	72,245	1,431	743	–	-3,653	70,766

Transfer prices between the Group's various segments are based on the arm's length principle, i.e. between parties that are independent of each other, well informed and with an interest in having the transactions go through.
The segment's profits, assets and liabilities have included directly attributable items and items, which can be distributed in the segment in a reasonable and reliable way. Non-distributed items consist primarily of the elimination of inter-company profits and other eliminations.

The segment's investment in tangible non-current assets includes all investments except for investments in expendable equipment and equipment of minor value.

The Group's non-current assets are, in the main, in Sweden. The book value of the assets in the other Nordic countries is an insignificant part, consisting primarily of office equipment and capitalised project costs in rental objects.

The Group has a diverse customer base. The largest single customer in 2018 accounted for 4 percent (7 % in 2017, 5 % in 2016) of the Group's sales. The 10 largest customers together accounted for 31 percent (31, 29) of the sales. Measured per segment, the largest customer in Flexator accounts for 6 percent (7, 8) of the invoicing in that segment, in Nordic Modular Leasing for 19 percent (17, 22) and in Temporent for 6 percent (6, 7) of the segment's sales.

Note 5. Employees, staff costs and fees to the Board of Directors and auditors

Average no. of employees	2018	Of which Men	2017	Of which Men	2016	Of which Men
Sweden	231	91%	224	91%	212	92 %
Denmark	3	100%	3	100%	3	100%
Norway	1	100%	1	100%	2	100%
Finland	3	100%	2	100%	2	100%
Total in subsidiaries	*238*	*92 %*	*230*	*91%*	*219*	*92 %*
Group total	**238**	**92 %**	**230**	**91%**	**219**	**92 %**

GENDER DIVISION IN THE COMPANY MANAGEMENT

Gender distribution in the company management	31/12/2018 Percentage of women	31/12/2017 Percentage of women	31/12/2016 Percentage of women
Group total			
The Board of Directors	0 %	33 %	0 %
Other senior executives	18 %	18 %	18 %

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CONTRIBUTIONS

	2018		2017	
	Salaries and remuneration	Social security contributions	Salaries and remuneration	Social security contributions
Group total	116,721	58,207	106,678	46,121
(of which pension expenses)[2]		*(19,040)*		*(11,453)*

	2016	
	Salaries and remuneration	Social security contributions
Group total	102,412	41,547
(of which pension expenses)[1]		*(9,276)*

[1] Of the Group's pension costs, 4,062 (1,208, 1,224) concern the Group Board of Directors and Managing Director. The Group's outstanding pension obligations for these amount to 0 (0, 0)

SALARIES AND OTHER REMUNERATION DISTRIBUTED BETWEEN BOARD MEMBERS ET AL. AND OTHER EMPLOYEES

	2018		2017	
	Board and Managing Director	Other employees	Board and Managing Director	Other employees
Group total	**8,588**	**108,133**	**7,692**	**98,986**
(of which bonuses and the like)	*(2,870)*	*(7,242)*	*(2,116)*	*(1,209)*

	2016	
	Board and Managing Director	Other employees
Group total	**7,879**	**94,533**
(of which bonuses and the like)	*(2,431)*	*(1,448)*

BENEFITS TO SENIOR EXECUTIVES

Principles for remuneration

The Chairman of the Board comes to an agreement with the Managing Director regarding salaries and other benefits. Remuneration to senior executives directly subordinate to the Managing Director is determined by the Managing Director in consultation with the Chairman of the Board. The main principle is to offer senior executives fair-market remuneration and terms of employment. When determining the actual levels of remuneration, factors such as competence, experience and performance are taken into account. Remuneration to senior executives comprises basic salary, variable pay, in some cases pension benefits in the form of payment of defined contribution pension premiums and other benefits. The latter consists of a company car and, in some cases, of health insurance.

Remuneration and benefits

The senior executives' salaries and remuneration have been expensed at a value of SEK 10,785 thousand (8,904, 8,995), of which variable pay of SEK 4,060 thousand (2,356, 2,654). The variable salary has been based on the Group's EBITDA, in addition, for the CEO of Flexator supplemented with conditions regarding Flexator's EBITA. The variable pay is individual and is maximised at between three and six months' salary.
The pension costs for senior executives amounted to SEK 4,062 thousand (1,516, 1,424). The increase is explained by salary conversion of large one-off bonus. The term of notice for senior executives ranges between six and twelve months when notice is given by the company. There is no entitlement to severance pay.

Fees and expenses to auditors	**2018**	**2017**	**2016**
Ernst & Young are the auditors for all the Swedish companies in the Group.			
Audit assignment	790	827	798
Other audit activities	–	–	–

Note 6. Operating expenses by type of expense

	2018	**2017**	**2016**
Material and construction costs	349,461	306,605	321,718
Staff expenses	177,117	163,062	154,591
Depreciation	87,777	88,990	70,767
Consultants and agency production personnel	56,379	50,056	44,363
Other	55,478	49,267	46,292
	726,212	*657,980*	*637,731*

Note 7. Other operating income

	2018	**2017**	**2016**
Currency exchange profits on operating receivables/liabilities	242	579	419
Claims for damages	–	1,716	–
Compensation obtained from insurance company	1,165	978	177
Refund obtained from Fora regarding premiums for 2004	–	–	345
Interest income, financial leasing	13,019	13,019	7,458
Other	39	45	2
	14,465	*16,337*	*8,401*

Note 8. Depreciation of tangible fixed assets

	2018	**2017**	**2016**
Depreciation according to plan distributed by asset			
Land and buildings	-2,038	-1,800	-1,592
Buildings for rental	–	–	–
Plant and machinery	-1,018	-868	-679
Equipment, tools, fixtures and fittings	-84,721	-86,322	-68,495
	-87,777	*-88,990*	*-70,766*
Depreciation according to plan distributed by function			
Costs of goods sold	-85,971	-87,516	-69,444
Administrative expenses	-1,806	-1,474	-1,322
	-87,777	*-88,990*	*-70,766*

Note 9. Lease payments for operational leasing

	2018	2017	2016
Assets held via operational leasing contracts			
Leasing expenses for the fiscal year	6,533	5,298	4,774
Total leasing expenses	*6,533*	*5,298*	*4,774*
Contracted future minimum leasing fees regarding non-terminable contracts due for payment:			
Within one year	4,682	4,391	3,847
Between one and five years	3,258	3,541	2,302
Later than five years	–	–	–
	7,940	*7,932*	*6,149*

The most significant leasing agreements relate to land for storing modules, office spaces and cars.

The Group as lessor, rental revenues, SEK million			
Contracted future minimum leasing fees regarding non-terminable contracts due for payment:			
Within one year	338	329	256
Between one and five years	247	268	167
Later than five years	14	7	2
	599	*604*	*534*

The rental contracts in the Temporent segment are normally signed for periods of 1-3 years. The rental includes service and external maintenance as well as the obligation to keep the modular buildings' technical function intact. The rent is normally indexed according to the consumer price index or according to a contractual annual indexing rate.

In the segment, Nordic Modular Leasing is signing rather longer rental contracts, usually 5 years, most often with a right for the customer to acquire the modular buildings once the rental contract expires. The service obligation is considerably less extensive than in Temporent. The rent is normally adjusted according to the consumer price index or in relation to the reference interest rate.

Since the fiscal year 2018, the leasing contracts have been classified as financial, with retroactive effect 2016 and 2017. Revenues from these are thus not included in rental income or in the specification of future rental income above.

The Group's net turnover in 2018 includes rental revenues of SEK 338 million (307, 266).

Note 10. Financial income and similar profit items

	2018	2017	2016
Interest income, other	250	428	237
Other	4	–	13
	254	*428*	*250*

Note 11. Financial costs and similar profit items

	2018	2017	2016
Interest expenses, Group companies	-20,598	-30,020	-42,950
Interest expenses, other	-8,993	-8,488	-6,521
Exchange rate differences	425	-319	-488
Other	-2,255	-1,007	-903
	-31,421	*-39,834*	*-50,862*

Note 12. Share of joint ventures' profit

Via the subsidiary, Nordic Modular Leasing AB, the Group has a fifty percent holding in the unlisted Swedish company, Ungabostäder Haninge AB, which was formed during 2015. During the fiscal year, the company's operations consisted of erecting 180 flats for young people for renting out by the company. The Group supplied 180 used residential units to the company during the autumn of 2015. During 2016, Ungabostäder's operations consisted of the final completion of the flats at the start of the year and, thereafter, rental and administration with the assistance of an external management company, which also happened during the whole of 2017 and 2018.

The holding has been deemed to be a joint venture that is recognised according to the capital share method.

Financial information in brief

	2018	2017	2016
Income statement in brief			
Net sales	10,520	10,391	9,333
Profit after financial items	533	1,278	493
Profit after taxes	416	997	384
Balance sheet in brief			
Current assets	2,459	4,102	2,270
of which, cash and cash equivalents	*1,663*	*3,681*	*1,851*
Non-current assets	31,938	36,501	41,063
Other non-current receivables	–	–	–
Current liabilities	-7,566	-7,537	-7,115
Non-current liabilities	-19,288	-25,938	-30,087
Net assets	*7,543*	*7,128*	*6,131*

The elimination of 50 percent of the profit that arose in 2015, when the residence modules were sold from the Group to the joint venture company, Ungabostäder, was SEK -2,944 thousand after tax in 2015. The resolution of the elimination takes 10 years and, during 2018, amounted to SEK 294 thousand (294, 294) after tax.

Holdings in joint venture

Accumulated acquisition values	**2018**	**2017**	**2016**
At the beginning of the year	3,563	3,065	2,890
Correction of opening value after adoption of results in joint venture 2015	–	–	-17
Share of joint ventures' profit for the year	208	498	192
	3,771	*3,563*	*3,065*
Accumulated group eliminations			
At the beginning of the year	-2,355	-2,650	-2,890
Reclassifications	–	1	-54
Eliminations reversed during the year	294	294	294
Elimination of profit on sale of joint venture	–	–	–
	-2,061	*-2,355*	*-2,650*
Book value at the end of the period	**1,710**	**1,208**	**415**

During 2016, a shareholder loan of SEK 7 million was granted to Ungabostäder, of which the Group's share was 50 percent or SEK 3.5 million. Good liquidity has helped to repay SEK 1.4 million of the shareholder loan during 2016, and SEK 1.0 million in 2017. The Group's receivable on the joint venture company totalled SEK 2.3 million (2.3, 2.8) as of 31/12/2018.

Claim on joint venture

	31/12/2018	**31/12/2017**	**31/12/2016**
At the beginning of the year	2,300	2,800	–
Additional receivables	–	–	3,500
Settled accounts	–	-500	-700
Book value at the end of the year	**2,300**	**2,300**	**2,800**

Note 13. Taxes

	2018	2017	2016
Current tax	-15,975	-18,705	-17,616
Deferred tax attributable to temporary differences	-10,328	6,215	-4,685
Total reported tax expense in the Group	**-26,303**	**-24,920**	**-22,301**

Effective tax reconciliation	**2018**		**2017**		**2016**	
The Group	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**
Profit before taxes		128,394		114,303		102,530
Tax according to the applicable tax rate for the Parent Company	22.0 %	-28,247	22.0 %	-25,147	22.0 %	-22,557
Effect of other tax rates on foreign subsidiaries	0.1 %	-66	0.1 %	-97	0.0 %	-22
Temporary differences where deferred tax liability has not been recognised	0.0 %	–	0.0 %	–	0.0 %	118
Other non-deductible expenses	0.7 %	-908	0.1 %	-121	0.0 %	-188
Increase in losses carried forward without equivalent capitalization of deferred tax	-0.2 %	230	0.3 %	338	0.0 %	309
Effect of changes in tax rates	-2.1 %	2,656	0.0 %	–	0.0 %	–
Other	0.0 %	32	-0.1 %	107	-0.0 %	39
Recognised effective tax	*20.5 %*	*-26,303*	*21.8 %*	*-24,920*	*22 %*	*-22,301*

Note 14. Goodwill

	31/12/2018	31/12/2017	31/12/2016
Accumulated acquisition values			
At the beginning of the year	979,001	979,001	979,001
Book value at the end of the period	**979,001**	**979,001**	**979,001**
Goodwill distributed per business segment			
Temporent	757,300	757,300	757,300
Flexator	68,401	68,401	68,401
Nordic Modular Leasing	153,300	153,300	153,300
	979,001	*979,001*	*979,001*

Goodwill is derived from the acquisition of Nordic Modular Group AB in January 2015 and in the acquired sub-group from the acquisition of the Skanska Modul Group in 2005.

An impairment test was done based on a calculation of the value in use per business segment, which constitute cash generating units. The conclusion of the test is that impairment is not necessary. The value in use is based on cash flow calculations that are based on forecasts for four years ahead. The forecasts are based on previous experiences, self-assessments and external information sources. Important variables include demographic developments, economic outlook forecasts, our competitor’s standing and our own technical development. The annual rate of growth beyond the 4-year forecast has been based on individual assessments of the conditions for each business segment. A maximum rate of growth for EBITDA of 2 percent is expected. When calculating the value of use, a discount interest rate of 8 percent (8, 8) pre tax has been used for all segments. This is based on WACC interest (weighted average cost of capital). The parameters affecting the discount interest are loan interest, market risks, required returns on equity and the relationship between borrowed funds and equity.

The calculated value in use exceeds the book value. Sensitivity analysis of the assumptions used in the impairment test demonstrates that no reasonable changes in growth rate and discount rate lead to any impairment.

Note 15. Land and buildings

	31/12/2018	31/12/2017	31/12/2016
Accumulated acquisition values			
At the beginning of the year	78,233	70,576	67,096
Acquisitions	5,797	7,657	3,480
	84,030	*78,233*	*70,576*
Accumulated depreciation			
At the beginning of the year	-32,854	-31,054	-29,462
Planned depreciation for the year	-2,038	-1,800	-1,592
	-34,892	*-32,854*	*-31,054*
Book value at the end of the period	**49 138**	**45,379**	**39,522**

Land and buildings refer to commercial real estate used in the Group's own operation.

Note 16. Buildings for rental

	31/12/2018	31/12/2017	31/12/2016
Accumulated acquisition values			
At the beginning of the year	–	–	–
Reclassifications	–	–	–
	–	–	–
Accumulated depreciation			
At the beginning of the year	–	–	–
Reclassifications	–	–	–
	–	–	–
Book value at the end of the period	**–**	**–**	**–**

Buildings for rental has referred to relocatable buildings rented out by the subsidiary Nordic Modular Leasing AB. They were reclassified in 2018 with retroactive effect from 2016 in accordance with the rules for financial leasing agreements.

Note 17. Plant and machinery

	31/12/2018	31/12/2017	31/12/2016
Accumulated acquisition values			
At the beginning of the year	46,071	44,931	44,161
Acquisitions	4,766	1,140	770
	50,837	*46,071*	*44,931*
Accumulated depreciation			
At the beginning of the year	-43,542	-42,674	-41,995
Depreciation for the year	-1,018	-868	-679
	-44,560	*-43,542*	*-42,674*
Book value at the end of the period	**6 277**	**2,529**	**2,257**

Note 18. Equipment, tools, fixtures and fittings

	31/12/2018	31/12/2017	31/12/2016
Accumulated acquisition values			
At the beginning of the year	1,619,147	1,443,663	1,295,359
Acquisitions	198,409	202,046	180,372
Divestments and disposals	-5,475	-26,436	-32,551
Reclassifications	-66,457	–	–
Exchange rate differences for the year	221	-126	483
	1,745,845	*1,619,147*	*1,443,663*
Accumulated depreciation			
At the beginning of the year	-1,101,730	-1,038,303	-1,001,503
Divestments and disposals	3,906	22,905	32,067
Reclassifications	25,220	–	–
Depreciation for the year	-84,721	-86,322	-68,495
Exchange rate differences for the year	-144	-10	-372
	-1,157,469	*-1,101,730*	*-1,038,303*
Book value at the end of the period	**588,376**	**517,417**	**405,360**

The equipment item consists in the main of rental assets.

Reclassifications relate to baked-in assembly (included in rent), where revenue is since 2018 recognized in the income statement in its full when the rental contract starts, i.e. when the assembly is delivered, instead of in the balance sheet during the rental period.

Note 19. Construction in progress and advance payments for property, plant and equipment

	31/12/2018	31/12/2017	31/12/2016
The Group			
At the beginning of the year	4,890	155	871
Reclassifications (transferred to Buildings)	–	-555	-1,647
Investments	9,365	5,290	931
Book value at the end of the period	**14,255**	**4,890**	**155**

Note 20. Subsidiaries

Subsidiary / Org no. / Registered Office	Ownership held by the Group %[1]
Adapteo Services AB, 556691-3868, Stockholm	100.0
Nordic Modular Leasing AB, 556071-9824, Nässjö	100.0
Flexator AB, 556089-9766, Nässjö	100.0
Temporent AB, 556164-1118, Upplands Väsby	100.0
Temporent A/S, CVR 25593162, Denmark	100.0
Temporent AS, corporate identity number 889 930 462, Norway	100.0
Temporent Oy, corporate identity number 2622330-9, Finland	100.0
Flexihus Rent i Sverige AB, 556646-4979, Stockholm	100.0

[1] Refers to the equity interest in the capital, which also corresponds to the number of voting rights for the total number of shares.

Note 21. Financial leasing agreements

The subsidiary Nordic Modular Leasing AB is lessor in agreements that are classified as financial in the Group. The following table shows how the net investments in financial leasing agreements (financial leasing receivables) are determined:

	31/12/2018	**31/12/2017**	**31/12/2016**
Minimum lease payments	108,934	118,273	92,049
Residual value not guaranteed	30,449	39,530	31,737
Gross investment	*139,383*	*157,803*	*123,786*
Prepaid financial revenues	-29,441	-32,666	-20,976
Net Investment (financial leasing receivables)	**109,942**	**125,137**	**102,810**
Of which non-current receivables	56, 170	72,736	63,643

The table below shows the maturity structure of the gross investments and the current value of the minimum leasing fees:

	31/12/2018		**31/12/2017**		**31/12/2016**	
	Gross	**Current value of leasing charges (receivable financial leasing)**	**Gross**	**Current value of leasing charges (receivable financial leasing)**	**Gross**	**Current value of leasing charges (receivable financial leasing)**
Due within 1 year	55,253	53,772	55,501	52,401	41,478	39,167
1-5 years	65,161	50,379	84,776	67,337	80,552	62,793
After 5 years	18,970	5,791	17,527	5,399	1,755	850
	139,383	*109,941*	*157,803*	*125,137*	*123,786*	*102,810*

Note 22. Deferred tax assets and liabilities

31/12/2018	Deferred tax assets	Deferred tax liabilities	Net
Buildings for rent in the subsidiary NML	12,249	–	12,249
Machinery and equipment	8,403	60,115	-51,712
Financial non-current assets (leasing receivables)	–	5,841	-5,841
	20,652	65,956	-45,304
Net deferred tax liability			**-45,304**

31/12/2017	Deferred tax assets	Deferred tax liabilities	Net
Buildings for rental	14,200	–	14,200
Machinery and equipment	7,788	51,142	-43,354
Financial non-current assets (leasing receivables)	–	5,979	-5,979
	21,988	57,121	-35,133
Net deferred tax liability			**-35,133**

31/12/2016	Deferred tax assets	Deferred tax liabilities	Net
Buildings for rental	13,188	–	13,188
Machinery and equipment	6,036	41,551	-35,515
Financial non-current assets (leasing receivables)	–	7,258	-7,258
	19,224	48,809	-29,585
Net deferred tax liability			**-29,585**

CHANGE IN DEFERRED TAX IN TEMPORARY DIFFERENCES

31/12/2018	Amount at the start of the year	Recognised in statement of comprehensive income	Other changes	Amount at the start of the year
Buildings for rental	14,200	-1,952	–	12,248
Reclassification, buildings for rental to financial leasing	-5,979	-347	485	-5,841
Inter-company profits on non-current assets	7,788	533	83	8,404
Assemblies on rent	–	13	-412	-399
Excess depreciation	-51,142	-8,574	–	-59,716
	-35,133	*-10,327*	*156*	*-45,304*

31/12/2017	Amount at the start of the year	Recognised in statement of comprehensive income	Other changes	Amount at the start of the year
Buildings for rental	13,188	1,012	–	14,200
Reclassification, buildings for rental to financial leasing	-7,258	694	585	-5,979
Inter-company profits on non-current assets	6,036	1,670	82	7,788
Excess depreciation	-41,551	-9,591	–	-51,142
	-29,585	*-6,215*	*667*	*-35,133*

31/12/2016	Amount at the start of the year	Recognised in statement of comprehensive income	Other changes	Amount at the start of the year
Buildings for rental	12,654	534	–	13,188
Reclassification, buildings for rental to financial leasing	–	488	-7,746	-7,258
Inter-company profits on non-current assets	3,238	2,715	83	6,036
Excess depreciation	-33,130	-8,422	1	-41,551
Utilization of deficit deductions	7,395	–	-7,395	–
	-9,843	*-4,685*	*-15,057*	*-29,585*

Note 23. Accrued but non-invoiced revenues

	31/12/2018	31/12/2017	31/12/2016
Contract revenue recognised as income	39,718	35,562	125,417
Progress invoicing deducted	-28,586	-23,796	-108,477
	11,132	11,766	16,940

Assignment revenues from fixed-price assignments in progress are recognised according to the percentage-of-completion method. The calculation is done based on the work completed at the end of the period in relation to the work calculated for the entire contract.

Note 24. Financial risks and risk management

The Group is exposed to various kinds of financial risk in its business operations. The term financial risks refer to fluctuations in the company's profits and cash flow as a result of changes in currency exchange rates, interest levels, refinancing and credit risks.

The Group's finance policy for handling financial risks has been prepared by the Board and forms a framework of guidelines and regulations in the form of a risk mandate and limits for the financial operations. The Group's financial transactions and risks are managed in cooperation with the owner. The overall goal of the finance department is to ensure the long and short-term supply of capital and to minimise any negative impact on the Group's profit stemming from market risks.

Interest risk is the risk that the value of financial instruments may vary due to changes in interest rates on the market. Interest risks can result in changes to fair values and changes in cash flows. One significant factor affecting the interest risk is the term of fixed interest. The Group's interest rate risks arise largely from long-term borrowing, which is managed by the central finance department. As of the balance sheet date, there are only shareholder loans with a short fixed interest period; the loans totalling SEK 1,001 million had a quarterly rate. The reference rate for shareholder loans is 3 months Stibor + 1,9 %. Stibor contains a zero floor.

The impact on net financial income/expenses given the interest-bearing assets and liabilities as of the accounting year-end is shown in the table below.

Sensitivity analysis changes in interest	Impact on net financial income, (12 months)
Short market rate changes +/- 1% point	+/- SEK 10.1 million

Refinancing risks mean that the company cannot easily refinance its borrowing when desired or freely raise new financing on the market when need arises. Refinancing and risks involving interest rates are hedged by means of the high and stable returns generated by the operations, combined with the limited amount of borrowing.

Liquidity risk is the risk that the Group may have problems in meeting its obligations associated with its financial liabilities. Liquidity risks are countered by applying payment plans so that cash inflows do not come later than cash -outflows. Advance invoicing for rents, usually quarterly advances, also considerably limits liquidity risks. The purpose of the Group's liquidity management is to minimise the need for operating capital and thereby free up funds for investments and amortisations. Surplus liquidity shall be used, in the first instance, to settle interest-bearing loans in the Group. The overall liquidity planning is done in connection with the annual budget process, with quarterly updates.

The table below analyses the Group's financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date.

Maturities of financial liabilities at 31 Dec 2018	Less than 1 year	1-2 years	2-5 year	Total (=carrying value)
Credit facility	36,677	–	–	36,677
Shareholder loans	19,282	1,020,238	–	1,039,520
Trade payables	56,309	–	–	56,309
	112,268	1,020,238	–	1,132,506

The risk that the fair values and cash flows with regard to financial instruments may fluctuate when the values of foreign currencies change is called currency risk. The Group is exposed to various types of currency risks. Currency risks also exist when translating foreign subsidiaries' assets and liabilities into the Parent Company's functional currency; a so-called translation exposure. Currency exchange risks today consist mainly of the fact that all rental assets are owned in Sweden and are rented out to foreign subsidiaries at rates stated in local currencies. No hedge is made against exchange rate fluctuations since the amount of revenue in foreign currencies is still very limited. The management deems that the currency risk in the Group is so small that fluctuations in the value of the Swedish Krona have only a marginal effect on the profit/loss. The profit/loss for the year for the Group includes exchange rate differences of SEK 0.2 million (0.6, 0.4) in the operating profit and SEK -0.8 million (-0.3, -0.5) in the net financial income.

The effect of changes in foreign currency exchange rates is immaterial for the Group. A 5 percent change in the currencies EUR, DKK and NOK would result in a change in profit before tax amounting to +/- 0,4 MSEK in 2018 while effect on equity would be +/- 1,7 MSEK.

Credit risk is defined as the risk of insolvency or bankruptcy for the customers. The credit risk is limited since the Group's main customer groups are public administrations and large companies. Credit ratings are done regularly prior to tendering and signing of contracts for new customers outside the main target group. Based on historical data, the Group considers that no impairment of accounts receivable, which have not yet matured, is necessary as of the accounting year-end. The majority of outstanding accounts receivable concern customers previously known to the Group as having good credit ratings.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group considers that the impairment of accounts receivable is immaterial.

The Group has assessed that loan receivables and lease receivables have low credit risk. Impairment on these items is not considered to be material. While cash and cash equivalents are also subject to the impairment requirements, the management has assessed that the impairment loss for them is immaterial.

Age analysis	31/12/2018	31/12/2017	31/12/2016
Not due	72,092	89,086	64,345
Past due 0 – 30 days	15,237	34,854	10,292
Past due 31 – 90 days	3,493	9,472	1,330
Past due 91 – 180 days	511	-109	304
Past due 181 – 360 days	-372	440	-241
Past due more than 360 days	1,193	420	427
	92,154	*134,163*	*76,457*

As of 31/12/2018, SEK 0 thousand (0, 0) is recognized as impairment losses.

Note 25. Equity

Share capital

The number of shares is 104,581 (101,472, 101,472), with a quota value of SEK 52 thousand (51, 51).

Other capital contributions

Refers to equity contributed by the owners. Provisions to share premium reserves are also recognised as capital contributions.

Translation reserve

The translation reserve includes all exchange rate differences that arise during the translation of financial statements from overseas operations that have prepared their financial statements in another currency than the currency in which the Group's financial statements are presented. The Parent Company and the Group present their financial statements in Swedish Krona (SEK).

Profit brought forward

Consist of the previous year's profit brought forward and the profit after deductions for any dividends paid out for the year.

CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary object of the Group´s capital management is to maximize shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants when such are applied.

The Group's business activities tie up a great deal of capital since they require substantial investments in rental assets and, for shorter periods, warehousing of raw materials and products in progress. Total assets are financed by capital, as well as interest-bearing and non-interest bearing liabilities. The share of equity was 34 percent (28, 26) as at 31 December 2018.

As a part of a major Group, the company has no specific targets concerning the allocation between equity and interest-bearing liabilities; rather, the allocation is a consequence of Group-wide decisions concerning capital management. Consequently, neither are there any goals of our own with regard to return on equity.

Note 26. Related party disclosures

Cramo Plc., Vantaa, Finland owns 100 % of the shares in Nordic Modular Group AB since 31 October 2018. Before that Nalka Invest AB, through Strukturfonden HC11 AB, owned 98 percent of the shares in Nordic Modular Group Holding AB, while the remaining shares were owned by parts of the management.

As at 31 December 2017 the Group had an interest-bearing liability to Strukturfonden HC11 AB amounting to 310 MSEK (540), after having replaced some of the shareholder loans with new bank loan in 2017, a current liability amounting to 11 MSEK (4) and accrued interests of 9 MSEK (42). The Group also had an interest-bearing shareholder loan from the chairman of the board amounting to 2,5 MSEK (2,5).

At the change of ownership in October 2018, all loans from previous shareholders were settled and replaced with loans from the new owner. Total loan liability to the owner at year-end totalled SEK 1,001 million.

Interests on these loans are disclosed in note 11 as interest expenses from Group companies.

All transactions with the Parent Company have been conducted on commercial terms.

Note 27. Liabilities to credit institutions, non-current

	31/12/2018	31/12/2017	31/12/2016
Due date, 1-5 years from the accounting year-end	–	637,233	409,474
Due date later than 5 years after the accounting year-end	–	–	–
	–	**637,233**	**409,474**

The bank loans were replaced by loans from the owner in connection with the change of ownership on 31 Oct 2018. The loan from the owner is variable interest rate and matures 15 Dec 2020. See also note 26.

Credit facility/Bank overdraft facility

At 31 Dec 2018 The Group's drawn down overdraft facility amounted to 36 677 TSEK. Available undrawn committed credit facilities amounted to 61 323 TSEK.

.

Note 28. Pledged assets and any contingent liabilities

	31/12/2018	31/12/2017	31/12/2016
For own liabilities and provisions			
Shares in Nordic Modular Group AB	–	1,933,825	1,789,996
Any contingent liabilities			
Parent company surety in favour of subsidiaries' customers	29,630	26,085	26,138

Note 29. Provisions

	31/12/2018	31/12/2017	31/12/2016
Provisions which are non-current liabilities			
Guarantee commitments	514	759	759
Provision for assembly of lifting devices	372	389	389
Provision for bonus program	446	6,780	6,780
	1,332	*11,188*	*7,928*
Provisions that are current liabilities			
Guarantee commitments	2,265	2,100	2,100
Provision for assembly of lifting devices	–	300	300
	2,265	*2,300*	*2,400*

Guarantee commitments	31/12/2018	31/12/2017	31/12/2016
Book value at the start of the period	2,544	2,859	3,250
Provisions made during the period[1)]	2,406	1,871	1,900
Amounts claimed during the period	-2,156	-1,886	-1,941
Unused amounts that have been reversed during the period	-15	-300	-350
Book value at the end of the period	*2,779*	*2,544*	*2,859*

[1)] Incl. increases to existing provisions.

Provisions for guarantee commitments refer to expenses that may arise during the period of the guarantee, above all, in Flexator's operation. The provisions are based on the experience of average costs expressed as a percentage of the sales during a five-year period. These expenses are debited to the company's profit figures at the profit centre level.

Provision for assembly of lifting devices	31/12/2018	31/12/2017	31/12/2016
Book value at the start of the period	*688*	*689*	*1,045*
Amounts claimed during the period	-316	-1	-356
Book value at the end of the period	*372*	*688*	*689*

The provision concerns expenses incurred to repair faulty lifting devices in one of Temporent's modular systems. The corrective measures were taken when the modules in question were disassembled, following the termination of the rental contract, and moved from one rental customer to another or to storage. The allocated amount is based on a calculation of the time and material costs for the corrective measures. The period for the measures runs for at least three years, probably more, depending on when notice is given for the rental contracts for the modules.

Provision for bonus program	31/12/2018	31/12/2017	31/12/2016
Book value at the start of the period	*10,256*	*6,780*	*3,390*
Provisions made during the period[1)]	3,343	3,476	3,390
Amounts claimed during the period	-13,153	–	–
Book value at the end of the period	*446*	*10,256*	*6,780*

[1)] Incl. increases to existing provisions.

The bonus program spans 5 years from 2015. In connection with the change of ownership, bonus was paid equivalent to 3 years and 10 months of a total of 5 years. The book value as of 31/12/2018 consists of 2 months' estimated cost.

Note 30. Invoiced but non-recognised income

	31/12/2018	31/12/2017	31/12/2016
Contract revenue recognised as income	-57,982	-33,264	-70,094
Invoiced amount	72,092	42,065	92,430
	14,110	*8,801*	*22,336*

Assignment revenues from fixed-price assignments in progress are recognised according to the percentage-of-completion method. The calculation is done based on the work completed at the end of the period in relation to the work calculated for the entire contract.

Note 31. Accrued expenses and prepaid income

	31/12/2018	31/12/2017	31/12/2016
The Group			
Prepaid rental income	65,928	102,701	78,969
Accrued staff expenses	29,292	26,853	25,723
Accrued project expenses and prepaid project income	27,527	21,503	10,739
Other items	10,284	-22,424	8,171
	133,031	*128,633*	*123,602*

Note 32. Statement of cash flow

	2018	2017	2016
Interest received	250	428	237
Interest paid	-20,679	-8,488	-6,521
Adjustments for items not included in the cash flow etc.			
Depreciation and impairment of assets	87,777	88,990	70,766
Non-cash adjustments related to finance lease receivables	-57,595	-69,271	-38,643
Unrealised exchange rate differences in non-current assets	-77	136	-111
Capital gains, disposal of non-current assets	-8,159	-4,226	-21,070
Other provisions	-9,891	3,160	2,643
Exchange rate differences for the year, not capitalised	868	52	1,256
Other	-156	-668	-83
	12,767	*18,173*	*14,758*

Note 33. Events after the balance-sheet date

As a consequence of falling profitability and low order inflow, Flexator gave notice at the beginning of February of the intended dismissal of a total of 24 employees at the company's plant in Anneberg. Integration work is underway between the Nordic Modular Group's companies and the new owner's business area, Modular Space. The goal is a separation and separate listing for the Modular Space business area on the Nasdaq Stock Exchange in Stockholm, under the name Adapteo, by no later than the third quarter 2019.

Note 34. Important estimates and assessments

NON-CURRENT ASSETS

The Group's rental assets, in the form of modules, which are included in the balance sheet item equipment are classified as tangible non-current assets according to IAS 16 and are measured according to their historic acquisition values minus deductions for depreciation according to plan. Determination of the depreciation period requires management judgement.

RENTAL CONTRACTS

The Group's rental contracts, where one of the Group companies in the Temporent segment is a lessor, are considered to be operational leasing agreements. Economic risks and benefits associated with rental assets are deemed, in all essentials, to lie with the lesser. The rental contracts in the Nordic Modular Leasing segment have been reclassified to financial leasing agreements in 2018, with retroactive effect 2016-2017. Determination of the classification of the leases requires management judgement and estimates.

GOODWILL

An impairment test was done based on the calculation of the value in use per business segment. The Group's calculated cash flow is so strong in relation to the goodwill value that no impairment is warranted. A sensitivity analysis of the calculations does not change this conclusion. See note 15 for a more detailed description. The management makes significant estimates and judgements in determining the level at which the goodwill is tested and whether there are any indications of impairment. Cash flow forecasts used in the impairment testing include management's estimates on future sales, cost development, general market conditions and applicable tax rates.

Note 35. Additional information

Nordic Modular Group Holding AB, corporate identity number 556987-1089, is the Parent Company in the Group. The company has its registered office in Stockholm, Sweden, and is a limited liability company according to Swedish law. The head office is located in Upplands Väsby, Stockholm County.
Address:
Nordic Modular Group Holding AB
Box 914
194 29 Upplands Väsby, Sweden
Visiting address: Hasselgränd 5 Upplands Väsby, Sweden
Tel: +46-8-590 994 40
www.nordicmodular.com

Signatures

Stockholm
29 May 2019

Leif Gustafsson
Chairman of the Board

Aku Rumpunen

Philip Isell Lind af Hageby
Managing Director

To the Board of Directors of Cramo Plc, corporate identity number 0196435-4

The Auditor's Report on new (or restated) historical financial statements

We have audited the financial statements for Nordic Modular Group Holding AB on pages F79-F113, which comprise the consolidated balance sheet as of 31 December 2018, 2017 and 2016, and the income statement, cash flow statement and statement of changes in equity for the years then ended, and a description of significant accounting policies and other explanatory notes.

The Board of Directors' and the Managing Director's responsibility for the financial statements

The Board of Directors and the Managing Director are responsible for the preparation and the fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Annual Accounts Act and additional applicable framework. This responsibility includes designing, implementing and maintaining internal control relevant to preparing and appropriately presenting financial statements that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the preparation and fair presentation in accordance with the requirements in the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with FAR´s Recommendation RevR 5 *Examination of Financial Information in Prospectuses*. This recommendation requires that we comply with FAR`s ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Nordic Modular Group Holding AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

An audit in accordance with FAR´s Recommendation RevR 5 *Examination of Financial Information in Prospectuses* involves performing procedures to obtain audit evidence corroborating the amounts and disclosures in the financial statements. The audit procedures selected depend on -our assessment of the risks of material misstatements in the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation and fair presentation of the financial statements as a basis for designing audit procedures that are applicable under those circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also involves evaluating the accounting policies applied and the reasonableness of the significant accounting estimates made by the Board of Directors and the Managing Director and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU/Annual Accounts Act and additional applicable framework of the consolidated financial position of Nordic Modular Group Holding AB as of 31 December 2018, 2017 and 2016, and its consolidated financial performance, statement of changes in equity and cash flows for these years.

The English text is an in-house translation. In the event of any differences between this translation and the original Swedish version, the latter shall prevail.

Stockholm, June 2, 2019

Ernst & Young AB

Stefan Andersson-Berglund

Authorized Public Accountant

The English text is an in-house translation. In the event of any differences between this translation and the original Swedish version, the latter shall prevail.

ANNEX A – DEMERGER PLAN

DEMERGER PLAN

The Board of Directors of Cramo Plc proposes to the Extraordinary General Meeting of Cramo Plc that the General Meeting would resolve upon the partial demerger of Cramo Plc, so that all assets and liabilities belonging to the Modular Space business of Cramo Plc shall be transferred without a liquidation procedure to Adapteo Plc, a company to be incorporated in the demerger, as set forth in this demerger plan (the "**Demerger Plan**") (the "**Demerger**").

As demerger consideration, the shareholders of Cramo Plc shall receive new shares of Adapteo Plc in proportion to their existing shareholdings. Cramo Plc shall not be dissolved as a result of the Demerger.

The Demerger shall be carried out in accordance with Chapter 17 of the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**") and Section 52 c of the Finnish Business Income Tax Act (360/1968, as amended).

1 Companies Participating in the Demerger

1.1 Demerging Company

Corporate name:	Cramo Plc ("**Cramo**" or the "**Demerging Company**")
Business ID:	0196435-4
Address:	Kalliosolantie 2, PL 61, 01740 Vantaa
Domicile:	Vantaa, Finland

The Demerging Company is a public limited liability company, the shares of which are traded on the official list of Nasdaq Helsinki Ltd ("**Nasdaq Helsinki**").

1.2 Receiving Company

Corporate name:	Adapteo Plc ("**Adapteo**" or the "**Receiving Company**")
Business ID:	To be issued after the registration of the Demerger Plan
Address:	Äyritie 12 B, 01510 Vantaa
Domicile:	Vantaa, Finland

The Receiving Company is a public limited liability company to be incorporated in connection with the Demerger. It is intended to apply for the listing of the shares in Adapteo primarily on the main market of Nasdaq Stockholm, or on another regulated market as may be resolved by the Board of Directors of Cramo.

The Demerging Company and the Receiving Company are hereinafter jointly referred to as the "**Parties**" or the "**Companies Participating in the Demerger**".

2 Reasons for the Demerger

The purpose of the Demerger is to execute the divestment of Cramo's Modular Space business, which mainly consists of modular space rental and rental-related service operations, so that it will form a new independent group of companies, while the Equipment Rental business, which mainly consists of construction machinery and equipment rentals and rental-related services, will remain in Cramo. In the view of the Board of Directors of Cramo, the Demerger will, among other things, clarify the business structures, financing and management of the two businesses, increase opportunity to optimize operational efficiency and value creation, clarify the investment options with different risk and growth profiles and increase competitiveness through specialization and thus strengthen the conditions for shareholder value creation.

3 Proposal for the Articles of Association and the Appointment of Members of Administrative Bodies of the Receiving Company as well as Proposal for Amendment of Articles of Association of the Demerging Company

3.1 Articles of Association of the Receiving Company

A proposal for the Articles of Association of Adapteo is contained in Appendix 1 of this Demerger Plan.

3.2 Board of Directors and Auditor of the Receiving Company and Their Remuneration

According to the proposed Articles of Association of Adapteo, Adapteo shall have a Board of Directors consisting of five (5) to eight (8) members. According to the Articles of Association of Adapteo, the term of the members of the Board of Directors shall expire at the end of the next Annual General Meeting following the election.

The number of the members of the Board of Directors of Adapteo shall be confirmed and the members of the Board of Directors shall be elected by the Extraordinary General Meeting of Cramo resolving on the Demerger. The term of such members of the Board of Directors shall commence on the date of registration of the execution of the Demerger (the "**Effective Date**") and shall expire at the end of the first Annual General Meeting of Adapteo following the Effective Date.

According to the proposed Articles of Association of Adapteo, the Receiving Company shall have one (1) auditor, which shall be an auditing firm approved by the Patent and Registration Office. The auditor of Adapteo shall be elected by the Extraordinary General Meeting of Cramo resolving on the Demerger.

Resolutions on the remuneration of the Board of Directors and the auditor of Adapteo shall be passed in the Extraordinary General Meeting of Cramo resolving on the Demerger. Adapteo shall be solely responsible for paying the remuneration of the Board of Directors and the auditor of Adapteo and all other costs and liabilities related thereto also as regards the remuneration or any cost or liability that may potentially relate wholly or partially to the time period preceding the Effective Date.

The Board of Directors of Cramo shall make proposals to the Extraordinary General Meeting of Cramo resolving on the Demerger concerning the confirmation of the number of members of the Board of Directors, the election of the members of the Board of Directors and the auditor of Adapteo as well as their remuneration, following consultation with the Shareholders' Nomination Committee of Cramo. The above-mentioned proposals shall not be binding on the Extraordinary General Meeting of Cramo resolving on the Demerger.

3.3 President and CEO of the Receiving Company

The President and CEO of Adapteo shall be appointed by the Board of Directors of Cramo prior to the completion of the Demerger.

A President and CEO's service agreement, which will be consistent with customary practice, shall be entered into with the person appointed as the President and CEO of Adapteo. Such President and CEO's service agreement shall become effective on the Effective Date. Said President and CEO's service agreement, together with all of the rights and obligations thereunder, shall transfer to Adapteo on the Effective Date. Adapteo shall be solely responsible for paying the remuneration set out in such President and CEO's service agreement and all other costs and liabilities related to the President and CEO, including with regard to the remuneration or any cost or liability that may potentially relate wholly or partially to the time period preceding the Effective Date.

In the event that the President and CEO of Adapteo resigns or otherwise must be replaced by another person prior to the Effective Date, the Board of Directors of Cramo shall have the right, until the Effective Date, to appoint a new President and CEO of Adapteo. Thereafter, the Board of Directors of Adapteo shall have the right to appoint the President and CEO of Adapteo.

3.4 Articles of Association of the Demerging Company

It is proposed to the Extraordinary General Meeting of Cramo resolving on the Demerger that the first sentence of paragraph 2 of the Articles of Association of Cramo concerning Cramo's line of business be amended to read as follows in connection with the completion of the Demerger so that references to modular spaces are deleted therefrom: "The Company engages in the import, rental, manufacture, repair, maintenance, sale and leasing of machines, equipment and devices, as well as related services required in the construction business, in industrial activities, and other lines of business."

The Demerger process shall not limit the authority of the Demerging Company's General Meeting to resolve on any other amendments to the Demerging Company's Articles of Association.

4 Demerger Consideration and Timing of Its Issue

4.1 Demerger Consideration

The shareholders of the Demerging Company shall receive as demerger consideration one (1) new share of Adapteo for each share owned in Cramo (the "**Demerger Consideration**"), that is, the Demerger Consideration shall be issued to the shareholders of Cramo in proportion to their existing shareholding with a ratio of 1:1. There shall be only one (1) share class in Adapteo, and the shares of Adapteo shall not have a nominal value.

No other consideration shall be issued to the shareholders of Cramo in addition to the above-mentioned Demerger Consideration to be issued in the form of shares of Adapteo.

In accordance with Chapter 17, Section 16, Subsection 3 of the Finnish Companies Act, no Demerger Consideration shall be issued to any treasury shares held by Cramo.

4.2 Timing of Issue of the Demerger Consideration

The Demerger Consideration shall be issued to the shareholders of Cramo on the Effective Date or as soon as possible thereafter. The Demerger Consideration shall be issued through the book-entry securities system maintained by Euroclear Finland Oy, in such manner that the shares issued by Adapteo shall be issued using the ratio specified in this Demerger Plan based on the number of shares issued by Cramo and registered in the book-entry accounts of Cramo's shareholders on the Effective Date. The Demerger Consideration shall be distributed automatically, and no action is required from the shareholders of Cramo in relation thereto.

The allocation of the Demerger Consideration is based on the shareholding in Cramo on the Effective Date. The final total number of shares in Adapteo issued as Demerger Consideration shall be determined on the basis of the number of shares in Cramo held by shareholders, other than Cramo itself, on the Effective Date. On the date of this Demerger Plan, Cramo holds 13,890 treasury shares. According to the situation as at the date of this Demerger Plan, the total number of shares in Adapteo to be issued as Demerger Consideration would therefore be 44,676,664 shares. The final total number of shares may be affected by, among others, any change concerning the shares issued by Cramo, including, for example, Cramo issuing new shares or acquiring its own shares prior to the Effective Date.

5 Option Rights and Other Special Rights Entitling to Shares

Cramo has not issued any option rights or other special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act that would entitle their holder to subscribe for shares in Cramo.

6 Cramo's Share-Based Incentive Plans

Cramo has the following share-based incentive plans under which share rewards remain to be paid on the date of this Demerger Plan: Performance Share Plans 2017, 2018 and 2019 as well as the One Cramo Share Plans 2015–2016, 2016–2017 and 2018–2019. The Board of Directors of Cramo shall resolve on the impact of the Demerger on such share-based plans in accordance with their terms and conditions prior to the registration of the completion of the Demerger.

The Board of Directors of Cramo shall also resolve on any new share-based plans directed at Adapteo's personnel until the registration of the completion of the Demerger, after which such plans shall be resolved upon by the Board of Directors of Adapteo.

7 Other Consideration

Apart from the Demerger Consideration to be issued in the form of new shares of Adapteo as set forth in Section 4 above, no other consideration shall be distributed to the shareholders of Cramo.

8 Share Capital of the Receiving Company

The share capital of Adapteo shall be EUR 10,000,000.00.

9 Assets, Liabilities and Equity of the Demerging Company and Circumstances Impacting Their Valuation

The assets, liabilities and equity of Cramo as at 31 December 2018 are set out in Appendix 2 of this Demerger Plan. Such financial information is derived from the audited financial statements of Cramo for the year ended 31 December 2018, which have been signed by the Board of Directors of Cramo and for which an auditor's report was issued on 7 February 2019, but which have not yet been adopted by the Annual General Meeting of Cramo as of the date of this Demerger Plan.

In the financial statements, the assets and liabilities of Cramo have been booked and valued in compliance with the provisions of the Finnish Accounting Act (1336/1997, as amended) (the "**Finnish Accounting Act**"). Between the aforementioned date of the financial statements and the date of this Demerger Plan, there have been no substantial changes in the financial status or the liabilities of Cramo.

10 Allocation of the Demerging Company's Assets and Liabilities Between Companies Participating in the Demerger, Intended Effect of the Demerger on the Balance Sheet of the Receiving Company and Accounting Methods Applied in the Demerger

10.1 Assets and Liabilities Transferring to the Receiving Company

In the Demerger, the Modular Space business, that is, all such (including known, unknown and conditional) assets, debts and liabilities (including agreements, offers, offer requests and undertakings) of Cramo existing on the Effective Date that belong to Cramo's Modular Space business, as well as any items that replace or substitute such items, shall transfer to Adapteo.

A proposal regarding the allocation of Cramo's assets, debts and liabilities to the Receiving Company in accordance with this Demerger Plan is presented in the preliminary presentation of the balance sheets of Cramo and Adapteo contained in Appendix 2 of this Demerger Plan.

The assets, debts and liabilities transferring to Adapteo include, among others, the following most significant items:

(a) All shares in Cramo's directly owned subsidiaries belonging to the Modular Space business, as well as the direct and indirect subsidiaries of such companies, including the following companies and their subsidiaries:

   (i) Cramo Adapteo Oy;

   (ii) Cramo Adapteo AB;

   (iii) Cramo Adapteo AS;

   (iv) Cramo Adapteo A/S;

   (v) Cramo Adapteo GmbH; and

   (vi) Nordic Modular Group Holding AB.

(b) Cramo's receivables from and liabilities to its subsidiaries transferring to Adapteo and their direct or indirect subsidiaries that relate to the Cramo group's cash pool arrangements. Adapteo shall receive such portion of the cash and cash equivalents of Cramo that, according to Cramo's assessment, represents an amount that is appropriate for Adapteo's operations and working capital needs upon the completion of the Demerger.

(c) In addition to Subsection (b) above, all Cramo's receivables from and liabilities to those of its subsidiaries that shall transfer to Adapteo and their direct and indirect subsidiaries.

(d) Inventories of Cramo related to the Modular Space business.

(e) Trademarks and other intellectual property rights (including domain names) held by Cramo that contain the word "ADAPTEO" or derivative forms thereof, as well as any other intellectual property rights held by Cramo that belong to the Modular Space business, regardless of whether such rights can be or have been registered.

(f) Cramo's liabilities to parties outside the Cramo group (i) that relate to the Modular Space business and/or (ii) regarding which it has been agreed with the creditors in question that the liabilities or parts thereof shall be transferred to Adapteo or the directly or indirectly owned subsidiaries transferring to it pursuant to Section 10.1(a) of this Demerger Plan. Such liabilities include in particular liabilities to be financed under the financing commitments that Cramo has obtained for Adapteo, consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility.

(g) Liabilities of Cramo that relate to the financing of the acquisition of the shares of Nordic Modular Group Holding AB, including the purchase price debt of Cramo to the sellers of said shares. Furthermore, the Convertible Agreement (as defined in Section 17.2) related to said purchase price debt shall transfer to Adapteo.

(h) Share-based incentive plans of Cramo and the Cramo group, which include Performance Share Plans 2017, 2018 and 2019 as well as the One Cramo Share Plans 2015–2016, 2016–2017 and 2018–2019, and all rights and obligations related to and resulting from their terms and conditions, to the extent that they relate to the personnel that transfer to the service of Adapteo pursuant to Section 19.2 of this Demerger Plan and the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of Cramo transferring to Adapteo in accordance with Section 10.1(a) of this Demerger Plan. This Demerger Plan in no way limits the right of the Board of Directors of Cramo to amend the terms and conditions of the incentive plans in accordance with the same prior to the registration of the completion of the Demerger.

(i) Agreements that concern (a) the personnel at the service of the Cramo group at the time of the completion of the Demerger that transfer to the service of Adapteo pursuant to Section 19.2 of this Demerger Plan or (b) the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of Cramo transferring to Adapteo in accordance with Section 10.1(a) of this Demerger Plan.

(j) Tax receivables, debts and liabilities of Cramo related to the Modular Space business.

(k) Derivatives agreements and arrangements entered into between Cramo and the direct or indirect subsidiaries transferring to Adapteo, external agreements and arrangements related to such intra-group agreements or arrangements, as well as all other external derivatives agreements related to the Modular Space business.

(l) Guarantee obligations and liabilities arising out of counterindemnities given to guarantors that relate to the Modular Space business, including, with respect to obligations and liabilities that also cover Cramo's businesses other than the Modular Space business, such portions thereof that are directly related to the Modular Space business.

Cramo shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any known, unknown and conditional liabilities transferring to Adapteo, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including the elimination of such liability), in which case such agreed limitation of liability (or the elimination of such liability) shall be applied to Cramo's liability towards the creditor in question. Cramo shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation transferring to Adapteo, other than any guarantee obligation that is considered a liability on the Effective Date pursuant to the aforementioned provision.

10.2 Assets and Liabilities Remaining with the Demerging Company in the Demerger

In the Demerger, the Equipment Rental business, that is, all such (including known, unknown and conditional) assets, debts and liabilities (including agreements, offers, offer requests and undertakings) of Cramo existing on the Effective Date that relate to the Equipment Rental business, as well as any items that replace or substitute such items, and any other items not referred to in Section 10.1 above, shall remain with Cramo, including, among others, the following most significant items:

(a) All shares in Cramo's directly owned subsidiaries not belonging to the Modular Space business, as well as the direct and indirect subsidiaries of such companies.

(b) Cramo's receivables from and liabilities to those subsidiaries that shall remain in its ownership pursuant to Section 10.2(a) and the direct and indirect subsidiaries of such companies, insofar as such receivables or liabilities have not been specified to be transferring to Adapteo in Section 10.1 of this Demerger Plan.

(c) Such loan agreements entered into by Cramo or its group companies with parties outside the Cramo group that have not been specified to be transferring to Adapteo in Section 10.1 of this Demerger Plan.

(d) Bonds issued by Cramo.

(e) Commercial paper issued by Cramo.

(f) Share-based incentive plans of Cramo and the Cramo group, which include Performance Share Plans 2017, 2018 and 2019 as well as the One Cramo Share Plans 2015–2016, 2016–2017 and 2018–2019, and all rights and obligations related to and resulting from their terms and conditions, to the extent that they relate to the personnel that remain at the service of Cramo pursuant to Section 19.2 of this Demerger Plan or the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of Cramo that shall remain in its ownership pursuant to Section 10.2(a). This Demerger Plan in no way limits the right of the Board of Directors of Cramo to amend the terms and conditions of the incentive plans in accordance with the same prior to the registration of the completion of the Demerger.

(g) Agreements that concern the personnel at the service of the Cramo group at the time of the completion of the Demerger other than (i) the personnel that transfer to the service of Adapteo pursuant to Section 19.2 of this Demerger Plan and (ii) the personnel with an employment or service relationship at the time of the completion of the Demerger with a direct or indirect subsidiary of Cramo transferring to Adapteo in accordance with Section 10.1(a) of this Demerger Plan.

(h) Such tax receivables, debts and liabilities of Cramo that have not been specified to be transferring to Adapteo in Section 10.1 of this Demerger Plan.

(i) Derivatives agreements and arrangements entered into by Cramo and the rights and obligations pertaining thereto, insofar as they have not been specified to be transferring to Adapteo in Section 10.1 of this Demerger Plan.

(j) Guarantee obligations and liabilities arising out of counterindemnities given to guarantors, insofar as they have not been specified to be transferring to Adapteo in Section 10.1 of this Demerger Plan.

Adapteo shall be subject only to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any known, unknown and conditional liabilities remaining with Cramo, except where there is an agreement or will be an agreement with a creditor regarding the limitation of even such secondary liability (including the elimination of such liability), in which case such agreed limitation of liability (or the elimination of such liability) shall be applied to Adapteo's liability towards the creditor in question. Adapteo shall not be subject to secondary liability, as set forth in Chapter 17, Section 16, Subsection 6 of the Finnish Companies Act, for any guarantee obligation remaining with Cramo other than any guarantee obligation that is considered a liability pursuant to the aforementioned provision on the Effective Date.

10.3 Valuation of Assets and Liabilities in the Demerger

On the Effective Date, Cramo's assets, debts and liabilities related to the Modular Space business allocated to Adapteo in this Demerger Plan shall transfer to Adapteo. The assets and liabilities of Cramo have been booked and valued in accordance with the Finnish Accounting Act. In the Demerger, Adapteo shall record the transferring assets and liabilities in its balance sheet at the book values used by Cramo on the Effective Date in compliance with the provisions of the Finnish Accounting Act.

The equity to be formed in Adapteo in the Demerger, insofar that it exceeds the amount to be recorded into the share capital in accordance with Section 8 of this Demerger Plan, shall be recorded as an increase in retained earnings insofar as retained earnings will be transferred to Adapteo, and otherwise as an increase of the reserve for invested unrestricted equity.

The decrease of Cramo's net book assets caused by the Demerger, insofar as it exceeds the amount of the decrease of Cramo's share capital referred to in Section 11 of this Demerger Plan, shall be recorded as a decrease in Cramo's reserve for invested unrestricted equity up to the amount that corresponds to the aggregate amount recorded in the balance sheet of Adapteo as an increase of reserve for invested unrestricted equity in accordance with Sections 8 and 10 of this Demerger Plan as well as a decrease in Cramo's retained earnings, insofar as retained earnings will be transferred to Adapteo.

11 Share Capital of the Demerging Company

On the date of this Demerger Plan, the share capital of Cramo is EUR 24,834,753.09. The share capital of Cramo is proposed to be decreased in connection with the Demerger by an amount equaling Adapteo's share capital, i.e., from EUR 24,834,753.09 to EUR 14,834,753.09. The amount by which the share capital of Cramo is decreased shall be used to distribute funds to Adapteo.

12 Matters Outside Ordinary Business Operations

The Demerger process shall not limit Cramo's right to decide on matters of Cramo and, until the Effective Date, of Adapteo (regardless of whether such matters are within the ordinary course of business or not), including, without limitation, the sale and purchase of shares and businesses, corporate reorganizations, distribution of dividend and other unrestricted equity, share issuances, acquisition or disposal of treasury shares, changes in share capital, making revaluations, internal group transactions and reorganizations as well the listing of the shares in Adapteo primarily on Nasdaq Stockholm, or on another regulated market as may be resolved by the Board of Directors of Cramo, and other preparatory actions in relation to the Demerger as referred to in Section 19 of this Demerger Plan as well as other similar actions.

13 Capital Loans

Cramo has not issued any capital loans, as defined in Chapter 12, Section 1 of the Finnish Companies Act.

14 Cross-Ownership and Treasury Shares

On the date of this Demerger Plan, Cramo or its subsidiaries do not hold any shares in Adapteo because Adapteo shall only be incorporated on the Effective Date. Therefore, on the date of this Demerger Plan, Adapteo does not have a parent company.

On the date of this Demerger Plan, Cramo holds 13,890 treasury shares.

15 Business Mortgages

The business mortgages, as defined in the Finnish Act on Business Mortgages (634/1984, as amended), pertaining to the assets of Cramo on the date of this Demerger Plan are listed in Appendix 3. All of the business mortgage notes are in Cramo's possession, and Cramo shall procure the rearrangement or annulment of the business mortgages prior to the Effective Date.

16 Special Benefits or Rights in Connection with the Demerger

No special benefits or rights, each within the meaning of the Finnish Companies Act, shall be granted in connection with the Demerger to any members of the Board of Directors, the President and CEOs or the auditors of either Cramo or Adapteo, or to the auditor issuing a statement on this Demerger Plan (Appendix 4).

The remuneration of the auditor issuing a statement on this Demerger Plan is proposed to be paid in accordance with an invoice approved by the Board of Directors of Cramo.

17 Authorizations to the Board of Directors of Adapteo Following the Completion of the Demerger

17.1 Authorization to Issue Shares and Special Rights Entitling to Shares in Adapteo

The Board of Directors of Adapteo is authorized pursuant to this Demerger Plan to decide, following the completion of the Demerger, on the issuance of shares, as well as the issuance of option rights and other special rights entitling to shares pursuant to Chapter 10 of the Finnish Companies Act, as follows:

Under the authorization, a maximum of 4,500,000 shares can be issued, which would correspond to approximately 10 percent of Adapteo's registered shares upon the completion of the Demerger, assuming that the total number of Adapteo shares to be issued as Demerger Consideration would be 44,676,664 shares, as further described in Section 4.2 above. The shares or special rights entitling to shares can be issued in one or more tranches. The shares issued under the authorization can be new shares or shares in Adapteo's possession.

Under the authorization, the Board of Directors may resolve upon issuing new shares to Adapteo itself. However, Adapteo, together with its subsidiaries, may not at any time own more than 10 percent of all its registered shares.

The Board of Directors of Adapteo is authorized to resolve on all terms for share issues and granting of special rights entitling to Adapteo shares hereunder. The Board of Directors of Adapteo is authorized to resolve on a directed share issue and issuance of special rights entitling to shares in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for Adapteo to do so.

The authorization is valid until the end of the next Annual General Meeting of Adapteo, however no longer than until 30 June 2020.

17.2 Authorization to Issue Shares in Adapteo in Connection With or Following the Completion of the Demerger

In addition to the authorization set out in Section 17.1 above, the Board of Directors of Adapteo is authorized pursuant to this Demerger Plan to decide, in connection with or following the completion of the Demerger, on the issuance of shares as follows:

Under the authorization, shares in Adapteo can be issued in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for Adapteo to do so, and the authorization may be used, among other things, for issuing shares in Adapteo to sellers of the shares in Nordic Modular Group Holding AB with which Cramo entered into an agreement in June 2018 concerning the option under certain conditions to reinvest their purchase price receivables from said transaction into the Modular Space business (the "**Convertible Agreement**"). The Board of Directors of Cramo will separately resolve upon and publish the proposed maximum number of shares that can be issued under the authorization set out in this Section 17.2.

The shares can be issued in one or more tranches. The shares issued under the authorization can be new shares or shares in Adapteo's possession. The Board of Directors of Adapteo is authorized to resolve on all other terms of any share issue pursuant to the authorization.

The authorization is valid until the end of the next Annual General Meeting of Adapteo, however no longer than until 30 June 2020.

17.3 Authorization to Decide on Acquisition of Adapteo's own Shares and on Acceptance as Pledge of Adapteo's own Shares

The Board of Directors of Adapteo is authorized pursuant to this Demerger Plan to decide, following the completion of the Demerger, on the acquisition of Adapteo's own shares and on the acceptance as pledge of Adapteo's own shares as follows:

The total number of own shares to be acquired or accepted as pledge shall not exceed 4,500,000 shares in total, which would correspond to approximately 10 percent of Adapteo's registered shares upon the completion of the Demerger, assuming that the total number of Adapteo shares to be issued as Demerger Consideration would be 44,676,664 shares, as further described in Section 4.2 above. However, Adapteo together with its subsidiaries may not at any moment own and/or hold as pledge more than 10 percent of all the shares in Adapteo. Only the unrestricted equity of Adapteo can be used to acquire own shares on the basis of the authorization.

Own shares can be acquired at a price formed in public trading on the regulated market on which Adapteo's shares are traded on the date of the acquisition or otherwise at a price formed on the market.

The Board of Directors of Adapteo decides how own shares will be acquired and accepted as pledge. Own shares can be acquired using derivatives, among other things. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders (directed acquisition).

Own shares can be acquired and accepted as pledge to, among other things, limit the dilutive effects of share issues carried out in connection with possible acquisitions, to develop Adapteo's capital structure, to be transferred in connection with possible acquisitions, to be used in incentive arrangements or to be cancelled, provided that the acquisition is in the interest of Adapteo and its shareholders.

The authorization is valid until the end of the next Annual General Meeting of Adapteo, however no longer than until 30 June 2020.

18 Planned Registration of the Execution of the Demerger

The planned Effective Date, meaning the planned date of registration of the execution of the Demerger, shall be 1 July 2019 (effective registration time approximately at 00:01). The actual Effective Date may change from said planned date, for example, if the circumstances relating to the Demerger require changes with respect to the above-mentioned contemplated timing or if the Board of Directors of Cramo otherwise decides to apply for the Demerger to be registered prior to, or after, 1 July 2019.

19 Other Matters

19.1 Listing of Shares of the Receiving Company

Adapteo shall apply for the listing of its shares primarily on the main market of Nasdaq Stockholm, or on another regulated market as may be resolved pursuant to Section 12. The trading in the Adapteo shares on Nasdaq Stockholm or such other regulated market shall begin on the Effective Date or as soon as reasonably possible thereafter.

The Board of Directors of Cramo has the right to resolve on the listing of the Adapteo shares and to take measures in preparation for the listing, including entering into agreements concerning the listing.

The Demerger will not affect the listing of, or trading in, the shares of Cramo.

19.2 Transfer of Employees

Part of the personnel in the administration and service operations of Cramo and certain of its subsidiaries shall transfer to the service of Adapteo at the registration time of the completion of the Demerger based on the Demerger or agreements in accordance with decisions made prior to the Effective Date by the Board of Directors or the President and CEO of Cramo. Adapteo shall assume the obligations arising out of the employment and service relationships with Cramo of the transferring personnel in force on the Effective Date as well as the obligations resulting from the related benefits. The transferring personnel shall transfer to the service of Adapteo as so-called existing employees, to the extent possible under applicable law.

The obligations under any group level agreements binding Cramo shall transfer, to the extent possible, to Adapteo insofar as they concern the employees of Adapteo or its directly or indirectly owned subsidiaries.

Adapteo shall be responsible for all obligations relating to the personnel transferring to it, such as any wages and fees, tax withholding, accumulated holidays, daily allowances, pension contributions and expense compensations, also to the extent the grounds for such obligations have arisen wholly or partially during the time period preceding the Effective Date but which remain unfulfilled on the Effective Date.

19.3 Preparatory Actions

The Board of Directors and the President and CEO of Cramo may take any decisions that fall within their competence under the applicable law and concern the Equipment Rental business and the Modular Space business as well as take care of the actions in relation to the completion of the Demerger until the Effective Date.

19.4 Right of the Board of Directors and the President and CEO of the Demerging Company to Act on Behalf of the Receiving Company

As set out in Section 19.3 of this Demerger Plan, prior to the Effective Date, the President and CEO of Cramo may enter into agreements facilitating the separation of the Modular Space business and the initiation of Adapteo's operations.

The President and CEO of Cramo may take above-mentioned decisions, enter into agreements and take other actions also on behalf of Adapteo.

Prior to the Effective Date, the Board of Directors of Cramo may also take decisions, enter into agreements and take actions designated to the President and CEO of Cramo under this Section 19.4 as well as take all such decisions, enter into agreements and take actions concerning the Modular Space business that fall within its competence under the applicable law. Furthermore, the Board of Directors of Cramo may prior to the Effective Date enter into agreements and take other actions regarding the possible investment into Adapteo pursuant to the Convertible Agreement (as defined in Section 17.2 above).

The rights and obligations of Adapteo based on decisions, agreements and other actions taken on behalf of Adapteo pursuant to this Section 19.4 shall transfer to Adapteo on the Effective Date.

19.5 Capacity and Competence of the Receiving Company's Board of Directors and President and CEO prior to the Effective Date

Prior to the Effective Date, the Board of Directors and the President and CEO of Adapteo may only take such decisions as are separately assigned in this Demerger Plan to be made by the Board of Directors and the President and CEO of Adapteo or such decisions as the Board of Directors of Cramo designates.

Prior to the Effective Date, the Board of Directors of Adapteo may, however, take without separate direction from the Board of Directors of Cramo decisions with regard to Adapteo that concern representation rights (authorizations to sign for the company, rights of representation *per procuram* and other authorizations), bank accounts and the necessary agreements and documents relating to the administration of a listed company, such as the working order of the Board of Directors and insider guidelines. The Board of Directors of Cramo may also take such decisions concerning Adapteo prior to the Effective Date. The rights and obligations under these decisions shall transfer to Adapteo on the Effective Date.

19.6 Agreements and Undertakings and Cooperation in Transfer of Rights and Obligations; Intra-Group Arrangements

All agreements and undertakings, issued and received offers and offer requests and the rights and obligations pertaining thereto relating to the Modular Space business shall transfer to Adapteo in accordance with this Demerger Plan on the Effective Date. If the transfer of an agreement or an undertaking is subject to the consent of the contracting party or a third party, the Companies Participating in the Demerger shall use their best efforts to obtain such consent. If such consent has not been received by the Effective Date, Cramo shall remain as the party to such agreement or undertaking but Adapteo shall fulfill the obligations related to such agreement or undertaking on its own behalf, at its own responsibility and at its own risk in Cramo's name and, correspondingly, Adapteo shall receive the benefits related to such agreement or undertaking in a manner separately agreed by the Companies Participating in the Demerger.

Both Cramo and Adapteo shall be obligated to provide to each other all the reports and confirmations, as requested by the other company, that are required for the confirmation and recording of the transfer of rights and obligations under this Demerger Plan, such as reports on the transfer of assets, debts and liabilities potentially required by authorities or financial institutions.

19.7 Intellectual Property Rights of Cramo

Adapteo shall procure that (i) none of its directly or indirectly owned subsidiaries shall use any trade name, trademark or other intellectual property right that includes the word "Cramo" or that may otherwise be confused with Cramo's trade name, trademarks or other intellectual property rights, and (ii) said subsidiaries shall cause the removal of such elements immediately and in any event no later than within six (6) months from the Effective Date.

19.8 Costs and Remuneration

Unless the Companies Participating in the Demerger separately agree otherwise or unless it is stipulated otherwise in this Demerger Plan (including Section 10), the following shall be applied to the allocation of the costs and remuneration related to the Demerger between the Parties:

(a) Cramo shall be responsible for the costs and remuneration that relate directly to the Demerger process and its completion;

(b) Adapteo shall be responsible for the costs relating to the listing of shares of Adapteo and the creation of the shares in the book-entry securities system regardless of when such costs may arise. If such costs arise prior to the Effective Date, Cramo shall invoice them from Adapteo after the Effective Date;

(c) Adapteo shall be responsible for the costs related to the commencement of Adapteo's operations regardless of when such costs may arise. If such costs arise prior to the Effective Date, Cramo shall invoice them from Adapteo after the Effective Date;

(d) To the extent that current members of the Board of Directors of Cramo will be elected to the Board of Directors of Adapteo and following the Effective Date will not be members of the Board of Directors of Cramo, Adapteo shall reimburse Cramo for such portion of the remuneration of such current members of the Board of Directors of Cramo that has already been paid by Cramo to them and that relates to the time period following the Effective Date. Cramo shall invoice such remuneration portion from Adapteo after the Effective Date; and

(e) The Companies Participating in the Demerger shall each be responsible for one-half of the costs and remuneration that cannot be allocated based on Subsections (a)–(d) above or that are not directly related to the operations of either of the Companies Participating in the Demerger.

19.9 Accounting Material

The accounting material of Cramo shall remain in the ownership of Cramo. However, insofar as such accounting material concerns the business of Adapteo, Adapteo shall have the right to obtain access to said material free of separate charge, including the right to make notes based on the documentation, make copies thereof and save it in electronic media, during the ordinary office hours.

19.10 Language Versions

This Demerger Plan (including any applicable appendices) is an unofficial English language translation of the original document, which has been prepared and executed in Finnish. Should any discrepancies exist between the Finnish and the English versions, the Finnish version shall prevail.

19.11 Dispute Resolution

Any dispute, controversy or claim between the Companies Participating in the Demerger arising out of or relating to this Demerger Plan, or the breach, termination or validity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The seat of arbitration shall be Helsinki, Finland. For the sake of clarity, it is noted that this arbitration clause has been entered into also on behalf of, and shall be binding upon, Adapteo.

20 Other Issues

The Board of Directors of Cramo is authorized to decide on technical amendments to this Demerger Plan or its appendices as may be required by authorities or as considered appropriate by the Board of Directors of Cramo in its discretion. The Board of Directors of Cramo may resolve not to complete the Demerger if at any time prior to the completion of the Demerger there exists in the view of the Board of Directors of Cramo material grounds due to which such non-completion would be in the best interest of Cramo and its shareholders.

(Signature page follows)

This Demerger Plan has been made in three (3) identical counterparts, one (1) for the Demerging Company, one (1) for the Receiving Company, and one (1) for the registration authority.

In Vantaa, on 18 February 2019

CRAMO PLC

As authorized by the Board of Directors of Cramo Plc:

/s/ PERTTU LOUHILUOTO	/s/ RAIMO SEPPÄNEN
Name: Perttu Louhiluoto	Name: Raimo Seppänen
Title: Deputy Chairman of the Board of Directors	Title: Member of the Board of Directors

Appendices to the Demerger Plan

Appendix 1	The proposal for the Articles of Association of the Receiving Company
Appendix 2	The preliminary presentation of the balance sheets of the Demerging Company and the Receiving Company
Appendix 3	A list of business mortgages pertaining to the assets of the Demerging Company
Appendix 4	The auditor's statement in accordance with Chapter 17, Section 4 of the Finnish Companies Act

THE ARTICLES OF ASSOCIATION OF ADAPTEO OYJ

1 BUSINESS NAME AND DOMICILE OF THE COMPANY

The business name of the Company is Adapteo Oyj, Adapteo Plc in English and Adapteo Abp in Swedish. The domicile of the Company is Vantaa.

2 LINE OF BUSINESS

The Company engages, directly or through its subsidiaries or affiliated companies, in the design, manufacture, sale, rental, import and export, installation, repair, maintenance and removal of modular spaces, modular units and other transportable facilities and in related service operations as well as in the sale of building products and materials and the sale and rental of office furniture and equipment. As a parent company, the Company can attend to the management, financing, marketing, and other joint duties of the group, and own and lease properties related thereto, as well as own securities and engage in trade with securities and properties.

3 SHARES BELONGING TO THE BOOK-ENTRY SYSTEM

The shares of the Company are included in the book-entry system.

4 MANAGEMENT OF THE COMPANY

The Board of Directors shall consist of five (5) to eight (8) members. The term of the members of the Board of Directors shall expire at the end of the next Annual General Meeting of Shareholders following the election.

The Board of Directors shall convene at the request of the Chairman, or in the absence of the Chairman, at the request of the Deputy Chairman.

The Company has a Managing Director appointed by the Board of Directors. The Company may have a Managing Director's deputy.

5 REPRESENTATION OF THE COMPANY

The Company is represented by two members of the Board of Directors together, or by the Managing Director together with a member of the Board of Directors.

The Board of Directors may authorise a person or persons to represent the Company.

The Board of Directors decides on granting the right of procuration. Holders of procuration may represent the Company together with the Managing Director, or with another holder of procuration.

6 AUDITOR

The Company shall have one (1) auditor. The auditor shall be an auditing firm approved by the Finnish Patent and Registration Office.

The term of the auditor shall expire at the end of the next Annual General Meeting of Shareholders following the election.

7 FINANCIAL PERIOD

The financial period of the Company is the calendar year.

8 GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders shall be held annually before the end of June on a date set by the Board of Directors either in Vantaa or in Helsinki.

The summons to the General Meeting of Shareholders must be published on the website of the Company no earlier than three (3) months and no later than three (3) weeks prior to the General Meeting of Shareholders, but in any case at the latest nine (9) days prior to the record date of the General Meeting of Shareholders. The Board of Directors may decide to publish the summons or the notice of the General Meeting during the same time limit in one or several newspapers. The summons shall state the date by when the Shareholder shall at the latest register with the Company in order to attend the meeting.

At the Annual General Meeting of Shareholders,

the following shall be presented:

1. the final accounts from the previous year, which shall comprise the income statement and the balance sheet,
2. the annual report, and
3. the auditor's report,

the following shall be decided:

4. approval of the final accounts,
5. the disposition of the profit shown by the adopted balance sheet,
6. granting discharge to the members of the Board of Directors and the Managing Director,
7. the number of the members of the Board of Directors and remunerations and travel costs paid to the members of the Board of Directors, and
8. the remuneration paid to the auditor,

the following shall be appointed:

9. the members of the Board of Directors,
10. the auditor, and

the following shall be discussed:

11. any other issues referred to in the summons to the General Meeting of Shareholders.

The preliminary presentation of the balance sheets of the Demerging Company and the Receiving Company

Balance sheet as at 31 December 2018

EUR thousands	**Cramo Plc** (Demerging Company)	**Cramo Plc** (After the demerger)	**Adapteo Plc** (Receiving Company)
ASSETS			
Non-current assets			
Intangible assets	138	138	0
Tangible assets	459	459	0
Investments			
Shares in Group companies	564 584	292 050	272 534
Shares in other companies	119	119	0
Non-current receivables			
Non-current receivables from Group companies	465 668	276 733	188 935
Non-current receivables from other companies	10 845	10 845	0
Total non-current receivables	476 513	287 578	188 935
Total non-current assets	**1 041 812**	**580 343**	**461 469**
Current assets			
Inventories	1 791	0	1 791
Current receivables			
Current receivables from Group companies	61 900	46 589	15 310
Current receivables from other companies	3 876	3 124	752
Total current receivables	65 776	49 713	16 062
Cash and cash equivalents transferred to Adapteo Plc		-1 000	1 000
Cash and cash equivalents	236	236	0
Total current assets	**67 803**	**48 950**	**18 853**
TOTAL ASSETS	**1 109 615**	**629 293**	**480 322**
EQUITY AND LIABILITIES			
Equity			
Share capital	24 835	14 835	10 000
Share premium	3 331	3 331	0
Invested unrestricted equity	143 181	70 850	72 331
Retained earnings	9 804	9 804	0
Profit for the period	40 452	40 452	0
Total equity	**221 603**	**139 272**	**82 331**
Appropriations	60	60	0
Provisions	643	524	118
Liabilities			
Non-current liabilities			
Loans from Group companies	157 975	157 975	0
Non-current interest-bearing liabilities	603 633	340 000	263 633
Liabilities transferred to Adapteo Plc		-133 121	133 121
Total non-current liabilities	761 608	364 854	396 754
Current liabilities			
Current liabilities to Group companies	18 409	18 376	32
Current interest-bearing liabilities	99 076	99 076	0
Other current liabilities	8 217	7 131	1 086
Total current liabilities	125 701	124 583	1 119
Total liabilities	**887 310**	**489 437**	**397 873**
TOTAL EQUITY AND LIABILITIES	**1 109 615**	**629 293**	**480 322**

Financial information presented in this illustrative balance sheet is derived from the audited financial statements of Cramo Plc for the year ended 31 December 2018 prepared in accordance with the Finnish Accounting Act.

The illustrative balance sheet presented above does not take into account among others the following events which may have a significant impact on the final amount of the assets and liabilities of Cramo Plc prior to the execution of the Demerger: the proposed dividend distribution for the year 2018 and its financing, potential repayments or draw downs of the short-term and long-term financing as well as the planned investments in capital expenditure and their financing.

In addition, the long-term financial debt in this illustrative balance sheet includes a purchase price liability of SEK 550 million (EUR 54 million as at 31 December 2018) to the sellers of Nordic Modular Group Holding AB, arising from the acquisition of Nordic Modular Group Holding AB by Cramo that was announced in June 2018. As stated in Section 17.2 of the Demerger Plan Adapteo can issue shares in Adapteo to the sellers of the shares in Nordic Modular Group Holding AB to reinvest their purchase price receivables of SEK 550 million from said transaction into the Modular Space business. The issue of shares would decrease the long-term financial debt and increase the equity of Adapteo after execution of the Demerger.

As stated in Section 10.1(f) of the Demerger Plan, Cramo has obtained financing commitments for Adapteo, consisting of a EUR 400 million term loan facility and a EUR 100 million revolving credit facility which will transfer to Adapteo in the Demerger. These financing commitments may be used for refinancing of interest-bearing liabilities transferred to Adapteo in the Demerger. The illustrative balance sheet presented above does not take into account any impacts of these new financing commitments.

The final Demerger will take place based on the balance sheet values as at the registration date of the completion of the Demerger. The unaudited llustrative balance sheet information presented above is therefore only indicative and subject to change.

Finnish Patents and Registration Office
Register of Business Mortgages

Business identity code: 0196435-4

INFORMATION ON ABSTRACT OF REGISTER OF BUSINESS MORTGAGES

Business identity code: 0196435-4
Trade name: Cramo Plc

The assets of the entrepreneur belonging to its business operations capable of being subject to business mortgages are encumbered by the following business mortgage matters in force:

Date of receipt of application	Matter number	Subject matter
7 December 1987	1987/005679K	Registration of business mortgage

Applicant: Suomen Yhdyspankki Oy
Business mortgage notes
Applied in Finnish marks (FIM)

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
5	1-5	29 September 1987	FIM 100,000.00 EUR 16,818.79	16.00%	FIM 2,000.00 EUR 336.38	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
1	6	29 September 1987	FIM 50,000.00 EUR 8,409.40	16.00%	FIM 2,000.00 EUR 336.38	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Priority from the date of application 7 December 1987
The mutual priority order of the business mortgage notes in numerical order.
Decision: Confirmed Date of decision: 7 December 1987

Date of receipt of application	Matter number	Subject matter
5 February 1988	1988/000677K	Registration of business mortgage

Applicant: Turun Seudun Osuuspankki
Business mortgage notes
Applied in Finnish marks (FIM)

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
1	-	29 September 1987	FIM 500,000.00 EUR 84,093.96	16.00%	FIM 2,500.00 EUR 420.47	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Priority from the date of application 5 February 1988
The mutual priority order of the business mortgage notes in numerical order.
Decision: Confirmed Date of decision: 5 February 1988

Date of receipt of application	Matter number	Subject matter
8 April 1988	1988/001782K	Registration of business mortgage

Applicant: Turun Seudun Osuuspankki
Business mortgage notes
Applied in Finnish marks (FIM)

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
1	-	24 March 1988	FIM 600,000.00 EUR 100,912.76	16.00%	FIM 2,500.00 EUR 420.47	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Priority from the date of application 8 April 1988
The mutual priority order of the business mortgage notes in numerical order.
Decision: Confirmed Date of decision: 8 April 1988

Date of receipt of application	Matter number	Subject matter
27 October 1989	1989/005536K	Registration of business mortgage

Applicant: Kansallis-Osake-Pankki
Business mortgage notes
Applied in Finnish marks (FIM)

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
3	1-3	5 October 1989	FIM 2,000,000.00 EUR 336,375.85	16.00%	FIM 2,000.00 EUR 336.38	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
4	4-7	5 October 1989	FIM 1,000,000.00 EUR 168,187.93	16.00%	FIM 2,000.00 EUR 336.38	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Priority from the date of application 27 October 1989
The mutual priority order of the business mortgage notes in numerical order.
Decision: Confirmed Date of decision: 27 October 1989

Date of receipt of application	Matter number	Subject matter
12 December 1990	1990/005821K	Registration of business mortgage

Applicant: Kansallis-Osake-Pankki/Itä-Uudenmaan yrityskonttori
Business mortgage notes
Applied in Finnish marks (FIM)

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
7	1-7	1 October 1990	FIM 1,000,000.00 EUR 168,187.93	16.00%	FIM 2,000.00 EUR 336.38	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Priority from the date of application 12 December 1990
The mutual priority order of the business mortgage notes in numerical order.
Decision: Confirmed Date of decision: 13 March 1991

Date of receipt of application	Matter number	Subject matter
5 July 1991	1991/003010K	Registration of business mortgage

Applicant: Kansallis-Osake-Pankki
Business mortgage notes
Applied in Finnish marks (FIM)

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
2	1-2	25 June 1991	FIM 1,000,000.00 EUR 168,187.93	16.00%	FIM 2,000.00 EUR 336.38	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Priority from the date of application 5 July 1991
The mutual priority order of the business mortgage notes in numerical order.
Decision: Confirmed Date of decision: 5 July 1991

Date of receipt of application	Matter number	Subject matter
28 November 1991	1991/005410K	Registration of business mortgage

Applicant: Suomen Yhdyspankki Oy
Business mortgage notes
Applied in Finnish marks (FIM)

Quantity	No.	Issue date	Capital	Interest %	Collection fees	Type
14	1-14	1 October 1991	FIM 1,000,000.00 EUR 168,187.93	16.00%	FIM 2,000.00 EUR 336.38	Bearer

Bearer: Nordea Bank Finland Plc
Address: Satamaradankatu 5, 00020 Nordea

Priority from the date of application 28 November 1991
The mutual priority order of the business mortgage notes in numerical order.
Decision: Confirmed Date of decision: 28 November 1991

Date of receipt of application	Matter number	Subject matter
29 December 1995	1995/004861K	Changing the priority of business mortgages

Applicant: Rakentajain konevuokraamo Oy
Teollisuuspankki Oy
Turun Seudun Osuuspankki

Pursuant to a mortgage holder's agreement dated 29 December 1995, 21 March 1996, 22 March 1996 and 18 April 1996 on reorganisation of mortgage priority, as referred to in Chapter 14, Section 5, Subsection 4 of the Finnish Companies Act, the priority of the business mortgages is the following:

first, the business mortgage confirmed on 27 October 1989 with matter number 5536/89,
second, the business mortgage confirmed on 13 March 1991 with matter number 5821/90,
third, the business mortgage confirmed on 5 July 1991 with matter number 3010/91,
fourth, the business mortgage confirmed on 28 November 1991 with matter number 5410/91,
fifth, the business mortgage confirmed on 7 December 1987 with matter number 5679/87,
sixth, the business mortgage confirmed on 5 February 1988 with matter number 677/88 and
seventh, the business mortgage confirmed on 8 April 1988 with matter number 1782/88.

Decision: Confirmed Date of decision: 25 April 1996

There are no business mortgage matters pending.

Trade register information entered into the Register of Business Mortgages:

Notification

Entered: 31 December 1995

A court has granted a permission to implement the merger agreement of Vuokrakone T. Tuomola Oy and Rakentajain Konevuokraamo Oy. Vuokrakone T. Tuomola Oy reg.no. 275.748 has merged into a company named Rakentajain Konevuokraamo Oy reg.no. 133.532 and been dissolved. Entered into the trade register on 31 December 1995. The business mortgages with matter numbers 677/88 and 1782/88 that encumbered Vuokrakone T. Tuomola Oy reg.no. 275.748 have been transferred to encumber Rakentajain Konevuokraamo Oy reg.no. 133.532 on 31 December 1995.

Notification

Entered: 31 December 1995

A court has granted a permission to implement the merger agreement of Savonlinnan Vuokrakone Oy and Rakentajain Konevuokraamo Oy. Savonlinnan Vuokrakone Oy reg.no. 282.697 has merged into a company named Rakentajain Konevuokraamo Oy reg.no. 133.532 and been dissolved. Entered into the trade register on

31 December 1995. The business mortgage with matter number 5679/87 that encumbered Savonlinnan Vuokrakone Oyj reg.no. 282.697 has been transferred to encumber Rakentajain Konevuokraamo Oy reg.no. 133.532 on 31 December 1995.

HISTORY OF TRADE NAMES:

Cramo Plc 24 November 2006 -

Rakentajain Konevuokraamo Oyj 6 July 1998 - 23 November 2006

Rakentajain Konevuokraamo Oy 21 May 1954 - 5 July 1998

The abstract of register of business mortgages has been printed on 18 February 2019 and includes at least all business mortgage matters, which have become pending on or prior to 14 February 2019 and which are still pending as well as confirmed, valid business mortgage matters as well as trade register information concerning the entrepreneur that is displayed in the Register of Business Mortgages.

Source of Information: Finnish Patents and Registration Office

KPMG Oy Ab
Töölönlahdenkatu 3 A
PL 1037
00101 HELSINKI

Puhelin 020 760 3000
www.kpmg.fi

UNOFFICIAL TRANSLATION

Auditor’s statement to the extraordinary general meeting of Cramo Plc

We have performed a reasonable assurance engagement regarding the demerger plan, dated 18 February 2019, prepared by the Board of Directors of Cramo Plc. The Board of Directors of Cramo Plc has decided to propose to the extraordinary general meeting of Cramo Plc to make a decision concerning the demerger in accordance with the demerger plan, according to which Cramo Plc shall demerge through a partial demerger as referred to in Chapter 17, Section 2, Subsection 1 of the Finnish Companies Act into one (1) company to be established, Adapteo Plc.

The shareholders of Cramo Plc shall be given new shares in Adapteo Plc as demerger consideration. The shareholders of Cramo Plc shall receive as demerger consideration one (1) new share in Adapteo Plc for every share owned in Cramo Plc so that the demerger consideration shall be given in proportion to their shareholding with a ratio of 1:1.

Responsibility of the Board of Directors

The Board of Directors of Cramo Plc is responsible for the preparation of the demerger plan and that it gives a true and fair view as referred to in the Finnish Companies Act.

Auditor’s independence and quality control

We are independent of the company in accordance with ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The auditor applies International Standard on Quality Control (ISQC) 1 and therefore maintains a comprehensive quality control system including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s responsibilities

Our responsibility is to issue a statement regarding the demerger plan. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000. The engagement includes procedures to obtain reasonable assurance as to whether a true and fair view has been provided, as referred to in the Finnish Companies Act, in the demerger plan of the grounds for setting demerger consideration, as well as of the distribution of the demerger consideration.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Statement

Our statement pursuant to Chapter 17, Section 4 of the Finnish Companies Act is that the true and fair view has been provided, as referred to in Finnish Companies Act, in the demerger plan of the grounds for setting the demerger consideration, as well as of the distribution of the consideration.

In Helsinki, 18 February 2019

KPMG OY AB

/s/ TONI AALTONEN

Toni Aaltonen
CPA

ANNEX B –INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

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00101 Helsinki, FINLAND

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Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of Cramo Plc

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cramo Plc's modular space business ("Adapteo") prepared by the board of directors of Cramo Plc. The unaudited pro forma financial information comprises the pro forma combined balance sheet as at 31 March 2019, pro forma combined income statements for the three-month period ended 31 March 2019 and the twelve-months period ended 31 December 2018, and related notes (including additional pro forma financial information), and it is set out in section "Unaudited Pro Forma Financial Information" of the demerger prospectus dated 3 June 2019 issued by Cramo Plc. The applicable basis used by the board of directors of Cramo Plc in preparing the pro forma financial information is specified in Annex II of Commission Regulation (EC) No 809/2004 and described in the section "Unaudited Pro Forma Financial Information" of the prospectus.

The pro forma financial information has been compiled by the board of directors of Cramo Oyj to illustrate the impact of the transactions described in section "Unaudited Pro Forma Financial Information – Basis of compilation of Unaudited Pro Forma Financial Information" of the prospectus on Adapteo's financial position as at 31 March 2019 and Adapteo's financial performance for the twelve-months period ended 31 December 2018 and the for the three-months period ended 31 March 2019, as if the transactions had taken place at 31 March 2019 for the pro forma combined balance sheet and at 1 January 2018 for the pro forma combined income statements. As part of this process, information about Adapteo's financial position and financial performance has been extracted by the board of directors from Adapteo's carve-out financial statements for the period ended 31 December 2018, on which an audit report has been published in the demerger prospectus and Adapteo's unaudited carve-out financial information for the period ended 31 March 2019, on which a review report has been issued and published in the demerger prospectus.

The board of directors' responsibility for the pro forma financial information

The board of directors is responsible for compiling the pro forma financial information in accordance with Commission Regulation (EC) No 809/2004.

The Practitioner's Independence and Quality Control

We are independent from Cramo Plc according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

The practitioner applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The practitioner's responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II of Commission Regulation (EC) No 809/2004, as to whether the pro forma financial information has been compiled, in all material respects, by the board of directors on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420) *Assurance engagements to report on the compilation of pro forma financial information*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the pro forma financial information has been compiled by the board of directors, in all material respects, in accordance with Commission Regulation (EC) No 809/2004.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the board of directors in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

— the basis stated has been consistently applied in the pro forma adjustments; and

— the resulting pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

— the pro forma financial information has been properly compiled on the basis stated on in the section "Unaudited Pro Forma Financial Information" of the demerger prospectus dated 3 June 2019 and

— the basis stated is consistent with the accounting policies applied by Adapteo.

Restriction to the distribution of the report

This report has been issued solely for the purposes of including in the prospectus prepared in accordance with Commission Regulation (EC) No 809/2004. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Helsinki 3 June 2019

KPMG OY AB

Toni Aaltonen
Authorised Public Accountant, KHT