2018

Inspiring spaces

Martela

Financial Statements

1.1. – 31.12.2018

MARTELA CORPORATION'S FINANCIAL STATEMENTS 1 JANUARY – 31 DECEMBER

The January–December 2018 revenue and operating result decreased compared to pevious year due to postponement of frame agreement negotiations in the Finnish public sector and tightened market situation. Cash flow from operating activities increased significantly compared to previous year.

October–December 2018

- Revenue was EUR 27.8 million (29.6), representing a change of -5.9 %
- Operating result was EUR -0.2 million (0.1)
- Operating profit per revenue was -0.8 % (0,3 %)
- The result was EUR -0.1 million (-0.3)
- Earnings per share amounted to EUR -0.02 (-0.07)

January–December 2018

- Revenue was EUR 103.1 million (109.5), representing a change of -5.9 %
- Operating result was EUR -2.1 million (0.3)
- Operating profit per revenue was -2.0 % (0.2 %)
- The result for the period declined and was EUR -2.4 million (-0.6)
- Earnings per share amounted to EUR -0.57 (-0.15)

Outlook

Outlook for 2019

The Martela Group anticipates that its revenue and operating result in 2019 will improve slightly compared to the previous year. Traditionally Group's operating result accumulates during the second half of the year.

Key figures, EUR million

	2018	2017	Change	2018	2017	Change
	10-12	10-12	%	1-12	1-12	%
Revenue	27,8	29,6	-5,9 %	103,1	109,5	-5,9 %
Operating result	-0,2	0,1		-2,1	0,3	
Operating result %	-0,8 %	0,3 %		-2,0 %	0,2 %	
Result before taxes	-0,2	0,1		-2,5	0,0	
Result for the period	-0,1	-0,3		-2,4	-0,6	
Earnings/share,eur	-0,02	-0,07		-0,57	-0,15	
Return on investment %	2,4	2,8		-4,9	1,6	
Return on equity %	-1,5	-4,7		-11,4	-2,7	
Equity ratio %				39,2	40,8	
Gearning %				0,7	29,0	

Matti Rantaniemi, CEO:

“The January–December 2018 revenue was EUR 103.1 million representing a decrease of 5.9% compared to previous year. Our revenue increased only in Norway and decreased in all other countries compared to previous year. Even though full year revenue in Finland decreased approximately EUR 1 million, revenue in the last quarter was almost at the same level when compared to last year. Full year revenue was impacted by postponement of frame agreement negotiations in the public sector. The impact was significant especially in the last quarter of the year. Excluding the public sector, we were able to grow in all other customer segments in Finland. Due to the postponement of frame agreement negotiations in the public sector also new orders in Finland decreased compared to last year.

Revenue in Sweden decreased compared to last year due to the change in the sales channel. The change in the sales channel is progressing according to plan and new orders increased in the last quarter compared to same period last year. The change in the sales channel in Norway has already progressed further, and this has impacted in higher revenue and new orders compared to last year. Revenue in Other countries decreased compared to last year. This is due to lack of larger projects in 2018.

Operating result decreased compared to last year and was EUR -2.1 million (0.3). This was mainly influenced by decreased sales volume and toughened competition which resulted to a lower sales margin. Actions done earlier this year to streamline internal processes and further centralize support functions to Finland will have postive impact to company’s operating result starting from beginning of 2019. Delivery accuracy has remained on an excellent level and is considerably better than in year 2016 or 2017. Other expenses continued to decline compared to previous year.

Operating cash flow improved significantly and was EUR 7.4 million (-7.6). Improvement was strongly driven by enhanced invoicing process and improved turnover of receivables and on these we have returned to normal operating level.

Despite the challenges in market conditions have decreased our revenue and operating result in the short term, we strongly belive that basis for our strategy remains. Transformation in working and learning environments will continue, get stronger and expand. Working and learning environments will have to be able to adapt faster as needs and circumstances keep constantly changeing. This will require capabilites to follow and understand the use of space, and needs of the users and to be able to renew and optimize the space according to those needs. Martela has expanded the strategically important Pod family by introducing several new products into it. These are specifically planned to meet the requirements of constantly growing need of flexible spaces.

We believe that market conditions will remain challenging. In addition to this, postponement of frame agreement negotiations in the Finnish public sector will cause uncertainty in the first half of 2019. Positive development in other customer segments is supported by several new Nordic wide frame agreemewnts. In 2019 we will be focusing on increasing the sales volumes and to improve our profitability.”

Market situation

There has not been any major changes in the private sector market conditions. However demand for finnish public sector will temporaly be affected negatively by postponement of frame agreement negotiations. The demand for Martela’s products and services is fundamentally affected also by the general economic situation and by the extent to which companies and the public sector need to stregthen the utilisation of their spaces and make their workplaces more effective as management tools.

Revenue and operating result

Revenue and result for October–December 2018

Revenue for October–December declined 5.9 % from the previous year and was EUR 27.8 million (29.6). Revenue declined in Finland by 2.0 %, Sweden by 43,9 % and in Norway by 13.1 %, revenue increased in Other countries by 31.3 %.

The Group's fourth-quarter operating result was EUR -0.2 million (0.1). The October–December result before taxes was EUR -0.2 million (0.1). The October–December result was EUR -0.1 million (-0.3).

Revenue and result for January–December 2018

Revenue for January–December was EUR 103.1 million (109.5) and decreased 5.9 % from the previous year. Compared to the previous year, revenue incresed in Norway by 26,2 % and declined in other areas. In Finland revenue declined by 1.2 %, in Sweden by 40.0% and in Other countries by 27.9 %.

Operating result for January–December was EUR -2.1 million (0.3). Decreased revenue and tightened competion and it's effect in decreasing margins had a significant impact on the operating result. Operating result was positively impacted by the sale of a land area in Finland and negatively impacted by expenses related to the IT system, large recycling projects and personnel expenses related to changes in the Group Management Team. In total these extraordinary expenses did not have an impact to Group's operating result.

The January–December result before taxes was EUR -2.5 million (0.0). The January–December net result was EUR -2.4 million (-0.6).

Revenue by country, EUR million

	2018 10-12	2017 10-12	Change %	2018 1-12	2017 1-12	Change %
Finland	24,3	24,8	-2,0 %	86,2	87,3	-1,2 %
Sweden	1,7	3,0	-43,9 %	7,0	11,7	-40,0 %
Norway	1,0	1,2	-13,1 %	5,2	4,1	26,2 %
Other	0,9	0,7	31,3 %	4,6	6,4	-27,9 %
Revenue total	**27,8**	**29,6**	**-5,9 %**	**103,1**	**109,5**	**-5,9 %**

Financial position

The cash flow from operating activities in January–December was EUR 7.4 million (-7.6). Cash flow from operating activities improved by EUR 4.0 million in the fourth quarter.

At the end of the period, interest-bearing liabilities stood at EUR 10.7 million (13.8) and net liabilities were EUR 0.1 million (6.6). At the end of the period, short-term limits of EUR 5.0 million were in use (6.8) and available limits stood at EUR 1.8 million.

The gearing ratio at the end of the period was 0.7 % (29.0) and the equity ratio was 39.2 % (40.8). Financial income and expenses were EUR -0.4 million (-0.2).

Financing arrangements include covenant clauses in which the ratio between the Group's net liabilities and EBITDA and the Group's equity ratio are examined. The key figures calculated at the end of the review period did fulfill the covenant. The balance sheet total stood at EUR 50.0 million (56.4) at the end of the period.

Capital expenditure

The Group's gross capital expenditure for January–December was EUR 1.7 million (2.1).

Personnel

The Group employed an average of 510 people (508), which represents an increase of 2 persons or 0.4 %. The number of employees in the Group was 501 (507) at the end of the review period. Personnel costs in January–December totalled EUR 26.7 million (27.1).

Personnel on average	2018	2017	Change
by country	1-12	1-12	%
Finland	432	435	-0,7 %
Sweden	28	27	3,7 %
Norway	11	10	10,0 %
Other	39	36	8,3 %
Total	510	508	0,4 %

Martela's offering

In line with its Lifecycle strategy Martela creates high-quality services for workplaces and learning environments along the full lifecycle. Our offering includes workplace and learning environment specification and planning, implementation and furnishing as well as continuous measurement and optimization.

To add to the traditional way of purchasing Martela has introduced a new service model, Workplace as a Service. The monthly service fee can include everything from one to all of the lifecycle phases.

During 2018 Martela expanded its product offering by introducing several new products to the strategically important Pod product family, which is designed for the increasing need for adaptable working environments.

OTHER MATTERS

Changes in Management Team

Kalle Lehtonen started as Chief Financial Officer (CFO) as of April 25, 2018. The change has been announced in the stock exchange releases on April 25, 2018.

Ville Taipale was appointed to VP Customer Supply Management and member of the Management Team as of Septemebr 17,2018. The change has been announced in the stock exchange release on August 31, 2018.

VP, People and Sustainability Maija Kaski has decided to leave the company and to move to the next stage in her career. She left her duties on January 8, 2019. The change has been announced in the stock exchange release on November 30, 2018.

Group structure

There were no changes in Group structure during the review period.

Shares

In January–December, a total 1 357 890 (1 950 776) of the company's series A shares were traded on the NASDAQ OMX Helsinki exchange, corresponding to 38.2 % (54.9) of the total number of series A shares.

The value of trading turnover was EUR 7.0 million (19.9), and the share price was EUR 2.96 at the end of the period (7.47). During January–December the share price was EUR 8.48 at its highest and EUR 2.91 at its lowest. At the end of December, equity per share was EUR 4.54 (5.46).

Treasury shares

Martela did not purchase any of its own shares in January–December. Martela owns a total of 13 082 Martela A shares and its holding of treasury shares amounted to 0.3% of all shares and 0.1% of all votes. Out of the shares 12 036 were purchased at an average price of EUR 10.65 and 1 046 were transferred from Martela Corporation's joint account to the treasury shares reserve based on the decision by AGM on March 13, 2018.

Share-based incentive programme

In the effective share-based incentive programme there are two earning periods, which are 2017–2018 and 2019–2020. The Board of Directors will decide the earning criteria and the goals for each criterion of the programme at the beginning of each earning period.

The target group for the 2017–2018 and 2019-2020 earning periods is the Group's Management Team. The potential reward of the programme from the earning period 2017–2018 is based on the Group´s Earnings before Interest and Taxes (EBIT) and from the earning period 2019-2020 based on the Group's revenue and Earnings before Interest and Taxes (EBIT). No incentives will be paid for the earning period 2017–2018. The potential reward for the earning period 2019-2020 will be paid in one transaction as shares and a cash portion in year 2021.The cash portion is aimed to cover taxes and other costs related to the reward. The shares paid as reward may not be transferred during an approximate one-year restriction period established for the shares. For shares earned from the performance period 2019—2020, the restriction period will end on 30 April 2022. Management of the share-based incentive scheme has been outsourced to an external service provider.

2018 Annual General Meeting

Martela Corporation's Annual General Meeting was held on March 13, 2018. The AGM approved the financial statements for 2017 and discharged the members of the Board of Directors and the Managing Director from liability. The AGM decided, in accordance with the Board of Directors' proposal, to distribute a dividend of EUR 0.32 per share. The dividend was paid on April 12, 2018.

The number of members on the Board of Directors was confirmed as seven. Minna Andersson, Kirsi Komi, Eero Leskinen, Eero Martela, Heikki Martela, Anni Vepsäläinen were re-elected as members of the Board of Directors and Katarina Mellström was elected as a new member of the Board of Directors.

KPMG Oy Ab, Authorised Public Accountants, was reappointed as the company's auditor.

The AGM approved the Board of Directors' proposals, detailed in the meeting notice, to authorise the Board to acquire and/or dispose of Martela shares. The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to amend the Articles 2 and 9 of the Articles of Association of the Company as follows:

"2 § Line of Business
The Company's line of business is to produce planning, execution and maintenance of work environments and to produce thereto related services, consulting, manufacturing, installing and relocating. In addition, the Company may own and possess shares, securities and other property.

"9 § Audit
The Company has one ordinary auditor who shall be an audit firm with an authorized public accountant as the auditor with principal responsibility. The term of office of the auditor expires at the closing of the first Annual General Meeting following his election."

The Annual General Meeting resolved to, in accordance with the Board's proposal, within the meaning of chapter 3, section 14 a (3) of the Companies Act, that the rights to shares in the book-entry system and the rights carried by the shares will be forfeited with regards to the shares in the joint account and that the aforementioned shares shall be passed to the Company.

The new Board of Directors convened after the AGM and elected from its members Heikki Martela as Chairman and Eero Leskinen as Vice Chairman.

Corporate responsibility and quality

Responsibility forms an integral part of Martela's strategy and operations. We support the responsibility of our customer companies by offering sustainable solutions for the workplace throughout its entire life cycle and by ensuring the responsible recycling of any furniture that is no longer needed. The company's Martela Lifecycle -model covers the entire lifecycle of the workplace. The Group has a quality and environmental system certified by an independent certifier, and they guarantee that operations are continuously improved, client expectations met and environmental matters taken into consideration.

Further information on the responsibility of the Group's operations can be found in the annually published responsibility report. Martela's responsibility reporting includes extensive non-financial information (NFI) required by the new accounting legislation. It has been published since 2010. All reports are available on the Martela website.

Administration

Martela Corporation is a Finnish limited liability company that is governed in its decision-making and management by Finnish legislation, especially the Finnish Limited Liability Companies Act, by other regulations concerning public listed companies, and by its Articles of Association. The company complies with the NASDAQ OMX Guidelines for Insiders and the Corporate Governance Code 2015 for Finnish listed companies published by the Securities Market Association. More information on Martela's governance can be found on the company's website.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Martela Group lowered its revenue and operating result guidance for 2018 with the stock exchange release on the 9th of January 2019.

No other significant events requiring reporting have taken place since the January–December period, and operations have continued according to plan.

SHORT-TERM RISKS

The principal risk regarding profit performance relates to the general economic uncertainty and the consequent effects on the overall demand in Martela's operating environment. Due to the project-based nature of the sector, forecasting short-term developments is challenging. Also postponement of frame agreement negotiations in the Finnish public sector will cause uncertainty in the first half of 2019.

Outlook

Outlook for 2019

The Martela Group anticipates that its revenue and operating result in 2019 will improve sligthly compared to the previous year. Traditionally Group's operating result accumulates during the second half of the year.

PROPOSAL OF THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT

The Board of Directors will propose to the AGM that a dividend of EUR 0.10 per share be distributed for 2018.

ANNUAL GENERAL MEETING

Martela Corporation's AGM will be held on 14 March 2019 at 3 p.m. in Martela House, Helsinki. The notice of the Annual General Meeting will be published in a separate release.

TABLES

Accounting policies

Martela Corporation's consolidated financial statements have been prepared in compliance with the IAS 34 standard and the International Financial Reporting Standards (IFRS) valid on 31 December 2018. The figures in the release have been rounded and the total sum of individual figures may differ from the total presented in the release. The annual figures presented in this financial statements release have been audited.

IFRS 9

IFRS 9 presents revised guidance on the recognition and measurement of financial instruments. This also includes a new accounting model for credit losses that is applied in the determination of impairment recognised on financial assets. The standard's provisions concerning general hedge accounting have also been revised. IFRS 9 also carries forward the guidance on the recognition and de-recognition of financial instruments from IAS 39. The company has not applied the standard retroactively. The standard has not had an impact on Martel Oyj opening balance sheet of 1 January 2018.

IFRS 15

IFRS 15 lays down a comprehensive framework for determining when revenue can be recognised and to what extent. In accordance with IFRS 15, an entity shall recognise revenue as a monetary amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services in question. IFRS 15 includes a five-step model for recognising revenue from contracts with customers. According to the standard, revenue must be allocated to performance obligations based on relative transaction prices. A performance obligation is defined as a promise to transfer goods and/or services to a customer. The recognition takes place over time or at a specific point in time, with the passing of control as the key criterion. Significant part of Martela Oyj revenue is derived from product sales and revenue from these are recognised when products have been delivered to the customer. Application of the standard did not have any impact to Martela Oyj revenue or result.

IFRS 16

The new standard will replace IAS 17 and the related interpretations. IFRS 16 requires lessees to recognise leases as lease payment obligations and related asset items in the balance sheet. Balance sheet entry is very similar to the accounting treatment of finance leases under IAS 17. There are two concessions regarding the recognition of leases in the balance sheet, relating to leases with a short term of 12 months at most, and leases for assets valued at no more than USD 5,000. For lessors, the accounting treatment of leases will remain largely the same as under the current IAS 17. The standard's most significant effect concerns the accounting treatment of operating leases. The implementation of the standard will increase Martela's balance sheet by approximately EUR 6.5 million and decrease the equity ratio by 4,5 %-units. In the income statement, the operating expences will decrease by approximately EUR 0,1 million (rental costs will decrease by approximately EUR 2,5 million and the depreciations will increase by approximately EUR 2,4 million) and the financial expenses will increase by approximately EUR 0,1 million. In the cash flow statement , the part of the rental payments classified as repayment of loans will be reclassified from operational to financing activities (the effect is estimated to be EUR 2,5 million).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(EUR 1000)

	2018 10-12	2017 10-12	2018 1-12	2017 1-12
Revenue	**27 835**	**29 580**	**103 100**	**109 537**
Other operating income	221	358	1 094	752
Employee benefit expenses	-6 886	-6 465	-26 703	-27 091
Operating expenses	-20 728	-22 848	-76 984	-80 300
Depreciation and impairment	-651	-549	-2 576	-2 638
Operating profit/loss	**-210**	**76**	**-2 070**	**260**
Financial income and expenses	48	57	-381	-232
Profit/loss before taxes	**-162**	**133**	**-2 451**	**28**
Taxes	84	-417	84	-664
Profit/loss for the period	**-78**	**-284**	**-2 367**	**-636**
Translation differences	59	-192	-130	-230
Actuarial gains and losses	113	-271	113	-271
Acturial gains and losses, deferred taxes	-25	9	-25	9
Total comprehensive income	**69**	**-738**	**-2 408**	**-1 128**
Basic earnings per share, eur	-0,02	-0,07	-0,57	-0,15
Diluted earnings per share,eur	-0,02	-0,07	-0,57	-0,15
Allocation of net profit for the period:				
To equity holders of the parent	-78	-284	-2 367	-636
Allocation of total comprehensive income:				
To equity holders of the parent	69	-738	-2 408	-1 128

GROUP BALANCE SHEET (EUR 1000)	31.12.2018	31.12.2017
ASSETS		
Non-current assets		
Intangible assets	6 776	7 297
Tangible assets	4 581	5 186
Investments	53	53
Deferred tax assets	122	142
Investment properties	0	600
Total	**11 531**	**13 278**
Current assets		
Inventories	8 544	8 863
Receivables	19 326	27 015
Cash and cash equivalents	10 594	7 283
Total	**38 464**	**43 161**
Total assets	**49 995**	**56 439**
EQUITY AND LIABILITIES		
Equity		
Share capital	7 000	7 000
Share premium account	1 116	1 116
Other reserves	-9	-9
Translation differences	-939	-810
Retained earnings	10 738	14 342
Treasury shares	-128	-128
Share-based incentives	1 013	1 114
Total	**18 791**	**22 625**
Non-current liabilities		
Interest-bearing liabilities	3 956	6 206
Deferred tax liabilities	383	491
Pension obligations	442	565
Total	**4 781**	**7 262**
Current liabilities		
Interest-bearing	6 319	7 065
Non-interest bearing	20 105	19 486
Total	**26 424**	**26 551**
Total liabilities	**31 204**	**33 814**
Equity and liabilities, total	**49 995**	**56 439**

CONSOLIDATED CASH FLOW STATEMENT	**2018**	**2017**
(EUR 1000)	**1-12**	**1-12**
Cash flows from operating activities		
Cash flows from sales	110 436	104 970
Cash flow from other operating income	397	515
Payments on operating costs	-104 114	-109 660
Net cash from operating activities before financial items and taxes	**6 718**	**-4 176**
Interests paid	-242	-294
Interests received	3	5
Other financial items	-142	46
Dividends received	4	7
Taxes paid	1 056	-3 209
Net cash from operating activities (A)	**7 397**	**-7 622**
Cash flows from investing activities		
Capital expenditure on tangible and intangible assets	-975	-2 165
Proceeds from sale of tangible and intangible assets	1 213	237
Proceeds from sale of other investments	0	0
Net cash used in investing activities (B)	**238**	**-1 928**
Cash flows from financing activities		
Proceeds from short-term loans	6 000	8 723
Repayments of short-term loans	-8 984	-3 740
Dividends paid and other profit distibution	-1 326	-1 520
Net cash used in financial activities (C)	**-4 309**	**3 463**
Change in cash and cash equivalents (A+B+C) (+ increase, - decrease)	**3 326**	**-6 087**
Cash and cash equivalents in the beginning of the period	7 283	13 425
Translation differences	-16	-55
Cash and cash equivalents at the end of period	**10 594**	**7 283**

STATEMENT OF CHANGES IN EQUITY

(EUR 1000) Equity attributable to equity holders of the parent	Share capital	Share premium account	Other resrves	Translation diff	Retained earnings	Tresury shares	Equity total
1.1.2017	**7 000**	**1 116**	**-9**	**-579**	**18 148**	**-502**	**25 174**
Profit/loss for the period					-636		-636
Translation diff.					0		0
Ohter change					-262		-262
Items resulting from remeasurement of the net debt related to defined benefit plans				-230			-230
Dividends					-1 290		-1 290
Whitholding taxes from dividends					-230		-230
Share-based incentives					-273	374	101
31.12.2017	**7 000**	**1 116**	**-9**	**-810**	**15 456**	**-128**	**22 625**
01.01.2018	**7 000**	**1 116**	**-9**	**-810**	**15 456**	**-128**	**22 625**
Profit/loss for the period					-2 367		-2 367
Items resulting from remeasurement of the net debt related to defined benefit plans					88		88
Translation diff.				-130			-130
Dividends					-1 125		-1 125
Whitholding taxes from dividends					-201		-201
Share-based incentives					-101	0	-101
31.12.2018	**7 000**	**1 116**	**-9**	**-939**	**11 751**	**-128**	**18 791**

CONTINGENT LIABILITIES	**31.12.2018**	**31.12.2017**
Mortgages and shares pledged	21 859	22 485
Other commitments	308	243
Rental commitments	7 785	8 591

DEVELOPMENT OF SHARE PRICE	**2018 1-12**	**2017 1-12**
Share price at the end of period, eur	2,96	7,47
Highest price, eur	8,48	14,00
Lowest price, eur	2,91	7,08
Average price, eur	5,18	10,22

KEY SHARE-RELATED FIGURES	2018 1-12	2017 1-12
Number of shares at the end of period, thousands	4155,6	4155,6
Basic earnings/share, eur	-0,57	-0,15
Diluted earnings/share, eur	-0,57	-0,15
Price/Earnings, P/E	-5,18	-48,6
Equity/share, eur	4,54	5,46
Dividend/share, eur (2018 Board proposal)	0,1	0,32
Dividend/earnings per share %	-17,5	-208,4
Effective dividend yield %	3,4 %	4,3 %
Price of A-share at the end of period, eur	2,96	7,47

The number of registered Martela Corporation shares was 4 155 600 on 31 December 2018. The shares are divided into A and K shares. Each A share carries 1 vote and each K share carries 20 votes at a general meeting of shareholders. Information on major shareholders can be found from corporation's web pages. Members of the company's Board of Directors held a total of 6.2 % of the shares and 14.0 % of the votes. The company's CEO held 6,667 Martela Corporation shares on 31 December 2018.

KEY FIGURES/RATIOS	2018 1-12	2017 1-12
Operating profit/loss, EUR thousand	-2 070	260
-% in relation to revenue	-2,0	0,2
Profit/loss before taxes, EUR thousand	-2 451	28
-% in relation to revenue	-2,4	0,0
Profit/loss for the period, EUR thousand	-2 367	-636
-% in relation to revenue	-2,3	-0,6
Basic earnings per share, eur	-0,57	-0,15
Diluted earnings per share, eur	-0,57	-0,15
Equity/share, eur	4,54	5,46
Equity ratio %	39,2	40,8
Return on equity %	-11,4	-2,7
Return on investment %	-4,9	1,6
Interest-bearing net-debt, EUR million	0,1	6,6
Gearing %	0,7	29,0
Capital expenditure, EUR million	1,7	2,1
-% in relation to revenue	1,6	2,0
Personnel at the end of period	501	507
Personnel on average	510	508
Revenue/employee, EUR thousand	202,2	215,6

Formulas for Calculation of Key Figures

Earnings / share	=	Profit attributable to the equity holders of the parent Average share issue-adjusted number of shares
Equity / share, EUR	=	Equity attributable to the equity holders of the parent Share issue-adjusted number of shares at year end
Return on equity, %	=	Profit/loss for the financial year x 100 Equity (average during the year)
Return on investment, %	=	(Pre-tax profit/loss + interest expenses + other financial expenses) x 100 Balance sheet total - Non-interest-bearing liabilities (average during year)
Equity ratio, %	=	Equity x 100 Balance sheet total - advances received
Gearing, %	=	Interest-bearing liabilities-cash and cash equivalents and liquid asset securities x 100 Equity
Personnel on average	=	Month-end average calculation of the number of personnel in active employment
Interest-bearing net debt	=	Interest-bearing debt - cash and other liquid financial assets

BRIEFING

A briefing for analysts, portfolio managers and the media will take place on February 5, 2019 from 11.30 a.m. to 12.30 p.m. EET at Martela House at Takkatie 1, Helsinki. The results will be presented by Matti Rantaniemi, CEO.

The Martela 2018 Annual Report will be published on the company's website during the week 9/2019.

Martela Corporation
Board of Directors

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Our strategic direction is defined by our mission “Better working” and our vision “People-centric workplaces”. Martela supplies user-centric workplaces where the users and their wellbeing are what matter most. We focus on the Nordic countries because, based on our common open work culture and needs, the Nordic countries are leaders in hybrid workplaces.