



**Financial
Statements Release**

1 January – 31 December 2019

COMPONENTA



Net sales of continued operations increased but EBITDA weakened, cash flow from operating activities strengthened

The information presented in this Financial Statements Release concerns the development of Componenta Group's continued operations in January–December 2019 and in the corresponding period in 2018, unless otherwise stated.

In its stock exchange release dated 7 November 2019, Componenta announced previously published consolidated income statements and financial key indicators of continued operations, adjusted by the bankruptcy of Componenta Främmestad AB.

Continued operations during the review period included foundries in Pori and Karkkila, Finland, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland. The figures in this release are unaudited.

Componenta Finland Oy's name was changed to Componenta Castings Oy and Komax Oy's name to Componenta Manufacturing Oy as of 1 January 2020.

January–December 2019 in brief

- Net sales increased from the previous year to EUR 50.7 million (EUR 39.3 million).
- EBITDA decreased to EUR 1.6 million (EUR 3.2 million).
- Operating result was EUR -1.7 million (EUR 1.0 million).
- Net result including discontinued operations was EUR 14.6 million (EUR 1.0 million). Basic earnings per share was EUR 0.08 (EUR 0.01).

October–December 2019 in brief

- Net sales increased to EUR 18.4 million (EUR 8.9 million).
- EBITDA decreased to EUR -0.3 million (EUR 0.9 million).
- Operating result was EUR -1.8 million (EUR 0.1 million).

President and CEO Marko Penttinen comments on the review period

"Uncertainty in the markets increased particularly during the last quarter of 2019, which was evidenced by a decrease in sales volumes. However, Componenta's net sales increased due to the consolidation of Komasa Oy (currently Componenta Manufacturing Oy) into Componenta Group as of 1 September 2019. In addition to decreasing volumes, the profitability was burdened by the advisory fees of EUR 0.4 million related to the acquisition of Komasa Oy (currently Componenta Manufacturing Oy), recorded in profit and loss account. The Group's administrative costs have increased in proportion to its continued operations' net sales and operating result because of Componenta Främmestad AB's bankruptcy. The administrative costs of Componenta Corporation, the parent company, have not changed due to Componenta Främmestad AB's bankruptcy, but they continue to burden the result of continued operations, while Componenta Främmestad AB's net sales and direct costs are no longer part of the continued operations' result.

The measures for adjusting the expenses have started, and we will continue to systematically improve Componenta Group's cost-efficiency and productivity and to increase the sales. To achieve synergy benefits and strengthen the Componenta brand, the name of Componenta Finland Oy was changed to Componenta Castings Oy and the name of Komasa Oy to Componenta Manufacturing Oy as of 1 January 2020.

We worked for years to improve the profitability of the Swedish machine shop Componenta Främmestad AB. The profitability of its customer relationships was weak, and we could not significantly improve profitability

through negotiations on renewing customer agreements. In addition, the products were low in added value, and most of the business consisted of refining and supplying of castings from outside the Group. Because we did not manage to make the operations permanently profitable, there was no point to continue them, and Componenta Främmestad AB filed for bankruptcy on 25 September 2019. Giving up the unprofitable customer accounts of the Swedish machine shop business released capital and allowed us to focus on the component and series sizes aligned with our core business and to diversify the range of services in Finland.

For a long time, our customers have expressed their wish that Componenta would be able to offer assembly-ready components. That is why we acquired Komasa Oy (currently Componenta Manufacturing Oy), a machining company, in August 2019. The acquisition made Componenta the leading manufacturer of metal components in Finland and expanded our range of products and services. We are now capable of providing industries purchasing cast and machined components with a one-stop service, which has been received well among customers. We have already closed the first new deals on finished components.

The implementation of restructuring programmes progressed as planned in 2019, and the Group's liquidity remained good."

Dividend proposal

On 31 December 2019, the parent company's distributable assets amounted to EUR 22.6 million (15.2 million). Pursuant to Chapter 9, Section 58 of the Restructuring of Enterprises Act, Componenta cannot distribute dividend between the approval and the conclusion of the restructuring programme. Pursuant to Chapter 14, Section 2 of the Limited Liability Companies Act, the company cannot distribute the company's unrestricted equity to shareholders during the next three years, because the company has reduced its share capital for loss coverage on 11 May 2017.

Componenta's guidance for 2020

Componenta expects the net sales of continued operations to be EUR 65 – 80 million in 2020. EBITDA is expected to remain positive. Net sales of continued operations in 2019 was EUR 50.7 million and EBITDA was EUR 1.6 million.

Possible increase in raw material prices and the general competitive climate as well as the development of customers' sales volumes may affect the business outlook.

Summary of the key events in 2019

Implementation of the restructuring programmes of Componenta Corporation and Componenta Castings Oy, confirmed by the district court on 23 August 2017, began in May 2019. In 2019, Componenta paid EUR 0.83 million of internal restructuring debts and a total of EUR 1.6 million of external restructuring debts.

The Sweden-based company Componenta Främmestad AB filed for bankruptcy on 25 September 2019. Componenta Främmestad AB was classified as a discontinued operation in accordance with IFRS 5 on 25 September 2019 and will be presented under discontinued operation in the 2019 consolidated financial statements. The bankruptcy did not jeopardise the equity of Componenta Corporation, Componenta Castings Oy or the Group.

On 16 May 2019, Componenta signed an agreement on the acquisition of shares and capital loans of Komasa Oy, a machining company, from funds managed by CapMan, Fortaco Oy and certain private individuals. The transaction was completed on 30 August 2019. Componenta

conducted a directed share issue for the sellers of Komasa (currently Componenta Manufacturing Oy) as a form of paying the purchase price. The purchase price of the acquisition was paid by issuing shares in the company to the sellers in accordance with the authorisation granted by Componenta's Extraordinary General Meeting of Shareholders on 1 July 2019. The purchase price consisted of 60 million new shares issued by Componenta. After the new share issue, these shares represent approximately 25.3% of the outstanding shares in the company. The purchase price, EUR 7.8 million, was based on the share price at the time of the transaction.

Acquisition of Komasa Oy (currently Componenta Manufacturing Oy)

On 16 May 2019, Componenta announced that it had signed an agreement on purchasing the shares and capital loans of Komasa Oy (currently Componenta Manufacturing Oy), a machining operation company, from funds managed by CapMan, Fortaco Oy and certain private individuals. Komasa (currently Componenta Manufacturing Oy) is a manufacturer of machined components, forged blanks, hydraulic pipes and plate cuttings. In 2018, Komasa (currently Componenta Manufacturing Oy) had net sales of EUR 44.9 million in accordance with the Finnish Accounting Standards (FAS), and its EBITDA was EUR 2.0 million (FAS). At the end of 2018, the company employed 313 people in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala in Finland. The key customers of Komasa (currently Componenta Manufacturing Oy) include major international OEMs of machinery and equipment.

The transaction was completed on 30 August 2019. Componenta conducted a directed share issue for the sellers of Komasa (currently Componenta Manufacturing Oy) as a form of paying the purchase price. The purchase price of the acquisition was paid by issuing shares in the company to the sellers in accordance with the authorisation granted by Componenta's Extraordinary General Meeting of Shareholders on 1 July 2019. The purchase price consisted of 60 million new shares issued by Componenta. After the new share issue, these shares represent approximately 25.3% of the outstanding shares in the company. The purchase price, EUR 7.8 million, was based on the share price at the time of the transaction.

A prospectus including pro forma information about the impacts of the transaction was prepared for the listing of new shares. The key pro forma key figures were published separately on 7 November 2019. The pro forma net sales

of Componenta in 2018, including the impact of the acquisition of Komax (currently Componenta Manufacturing Oy), was EUR 81.7 million, and in the six-month period ending on 30 June 2019 it was EUR 44.5 million. The Financial Supervision Authority approved the Finnish-language listing prospectus on 7 November 2019. The majority owners of Komax (currently Componenta Manufacturing Oy), i.e. the funds managed by CapMan and CapMan's portfolio company Fortaco Oy ("Majority Owners"), have in the share purchase agreement undertaken not to exercise the voting rights attached to their prospective shares until the shareholding of the Majority Owners in Componenta has decreased below 10%. In accordance with the restriction, the Majority Owners will abstain from exercising the voting rights at the general meetings of Componenta to the extent that the voting rights represent 50% or more of the votes represented in the general meeting concerned.

Componenta Främmestad AB filed for bankruptcy

The Sweden-based company Componenta Främmestad AB filed for bankruptcy on 25 September 2019. Componenta sought to improve the profitability of its Swedish operations and reduce the amount of capital tied to business operations. The products were low in added value, and most of the business consisted of refining and supplying of castings from outside the Group. As part of its profitability improvement measures, the company engaged in negotiations to renew its significant customer agreements. These negotiations were not successful in terms of ensuring future profitability, which is why Componenta Främmestad AB decided to file for bankruptcy.

At the time of bankruptcy, Componenta Corporation and Componenta Castings Oy had around EUR 2.0 million of intra-Group receivables from Componenta Främmestad AB. As collateral for these receivables, Componenta Främmestad AB pledged its best-priority business mortgages. The nominal value of these mortgages is SEK 51.9 million. Componenta Främmestad AB's receivables from Componenta Corporation and Componenta Castings Oy totalled EUR 0.4 million at the time of its bankruptcy.

Componenta has recognized a full provision of write-off for the aforementioned receivable of EUR 2.0 million from Componenta Främmestad in its consolidated financial statements after Componenta Främmestad's bankruptcy. Componenta's intra-Group restructuring debt of EUR 0.4 million to Componenta Främmestad will increase Componenta's external debt in the future. Componenta Corporation and Componenta Castings Oy have not provided guarantees or other collateral for Componenta Främmestad AB's liabilities, apart from liabilities of around EUR 0.2 million concerning repurchase commitments related to lease agreements. The capital loan of EUR 27 million presented under "Other reserves" on Componenta Främmestad AB's balance sheet was removed from Componenta Group's balance sheet due to the bankruptcy. In addition, Componenta Främmestad AB's bankruptcy reduced the Group's restructuring debt by EUR 2.5 million.

Componenta recorded to its result of discontinued operations the positive effect on profit and loss of EUR 16.6 million caused by the loss of control after the bankruptcy of Componenta Främmestad AB. This profit and loss effect consists of the difference between the assets and liabilities of Componenta Främmestad AB, including the impact of translation differences accrued on equity, of the write-down of Componenta Group's receivables from Componenta Främmestad AB, as well as of the EUR 27.0 million capital loan of Componenta Främmestad AB to a third party which the Group had classified as equity and which, due to loss of control, was recognized through profit and loss account in the result of discontinued operations.

Componenta Främmestad AB's bankruptcy did not jeopardise the equity of Componenta Corporation, Componenta Castings Oy or the Group. Componenta Främmestad was classified as a discontinued operation in accordance with IFRS 5 on 25 September 2019, and will be presented as a discontinued operation in the 2019 consolidated financial statements.

Order book

At the end of 2019, Componenta's order book of continued operations stood at EUR 9.0 million (EUR 5.8 million). The order book contains the orders confirmed to customers for the next two months.

Key figures

	2019	2018	Change %
Net sales, continued operations, MEUR	50.7	39.3	29.0%
EBITDA, continued operations, MEUR	1.6	3.2	-50.2%
Operating result, continued operations, MEUR	-1.7	1.0	-274.7%
Operating result, continued operations, %	-3.3	2.4	-235.4%
Result after financial items, continued operations, MEUR	-2.1	0.9	-322.9%
Net result, continued operations, MEUR	-2.1	0.9	-321.8%
Net result, including discontinued operations, MEUR	14.6	1.0	1,295.6%
Basic earnings per share, EUR	0.08	0.01	1,278.7%
Diluted earnings per share, EUR	0.08	0.01	660.1%
Cash flow from operating activities, continued operations, MEUR	4.1	1.3	211.5%
Interest-bearing net debt	8.7	-3.4	359.8%
Return on equity, %	83.0	5.6	1,392.5%
Return on investment, %	3.2	6.0	-47.1%
Equity ratio, %	29.4	39.3	-25.2%
Gross investments incl. lease liabilities, continued operations, MEUR	2.8	1.1	155.1%
Group's restructuring debt	12.3	16.0	-23.2%
Number of personnel at the end of the period, incl. leased workers, continued operations	617	439	40.5%
Average number of personnel during the period, incl. leased workers, continued operations	508	473	7.4%
Order book at the end of the review period, continued operations, MEUR	9.0	5.8	56.0%

Net sales

Continued operations during the financial period included foundries in Pori and Karkkila, Finland, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland. Additionally, the Group has real estate business operations in Finland that are of limited importance.

Net sales of continued operations increased by 29.0% from the previous year to EUR 50.7 million (EUR 39.3 million). Componenta's net sales increased due to the consolidation of Komasa Oy (currently Componenta Manufacturing Oy) into Componenta Group as of 1 September 2019.

By customer segment, Componenta's net sales in the financial period were as follows: Machine building 39%, agricultural machinery 25%, forestry machines 10%, energy industry 12%, defence industry 3% and other industries in all 11%.

Result

EBITDA of the Group's continued operations weakened from the previous year to EUR 1.6 million (EUR 3.2 million). The impact of exchange rate differences on EBITDA was EUR 0.0 million (EUR 0.0 million). The operating result of the Group's continued operations weakened from the previous year to

EUR -1.7 million (EUR 1.0 million). Besides the decrease in sales volumes during the last quarter, Componenta's profitability was burdened by slightly increased quality costs and EUR 0.4 million in advisory fees related to the acquisition of Komasa (currently Componenta Manufacturing Oy), recognized in profit and loss. The advisory fees entered in equity were EUR 0.3 million. In addition, the Group's administrative costs have increased in proportion to its continued operations' net sales and operating result because of Componenta Främmestad AB's bankruptcy, since the administrative costs of Componenta Corporation, the parent company, have not changed due to Componenta Främmestad AB's bankruptcy, but continue to burden the continued operations' result while Componenta Främmestad AB's net sales and direct costs are no longer part of the continued operations' result.

The net financing items of the Group's continued operations, including the items affecting comparability, were EUR -0.4 million (EUR 0.0 million). The change was due to increased expenses of interest-bearing debt related to the acquisition of Komasa Oy (currently Componenta Manufacturing Oy). The continued operations' result after financial items was EUR -2.1 million (EUR 0.9 million). The taxes of the continued operations totalled EUR 0.0 million (EUR 0.0 million) for the financial period.

The result of the Group's continued operations totalled EUR -2.1 million (EUR 0.9 million) for the financial period.

In 2019, Componenta had discontinued operations due to the bankruptcy of Componenta Främmestad AB, and the result of discontinued operations was EUR 16.6 million (EUR 0.1 million).

The Group's result for the financial period was EUR 14.6 million (EUR 1.0 million). The undiluted result per share for the financial period was EUR 0.08 (EUR 0.01), and the undiluted result per share of continued operations was EUR -0.01 (EUR 0.01). The diluted result per share for the financial period was EUR 0.08 (EUR 0.01), and the diluted result per share of continued operations was EUR -0.01 (EUR 0.01).

Balance sheet, financing and cash flow

At the end of the financial period, the Componenta Group's total liabilities were EUR 38.2 million (EUR 29.7 million), of which the external restructuring debts were EUR 12.3 million (EUR 16.0 million). Componenta Corporation's share of the external restructuring debts was EUR 7.5 million (EUR 7.8 million) and Componenta Castings Oy's share was EUR 4.7 million (EUR 5.7 million). The external restructuring debt includes EUR 0.7 million (EUR 0.8 million) of interest-bearing debt, of which EUR 0.1 million (EUR 0.1 million) is short-term. In addition, other long-term liabilities amounted to EUR 10.7 million (EUR 2.6 million) and short-term accounts payable, accrued debts and other debts amounted to EUR 15.2 million (EUR 11.2 million). Other long-term and short-term debts increased mainly due to the acquisition of Komax (Componenta Manufacturing Oy).

At the end of 2019, net gearing stood at 54.9% (-17.5%). Net gearing includes only interest-bearing liabilities of the restructuring debts. At the end of 2019, the Group's equity ratio stood at 29.4% (39.3%). The change in net gearing and equity ratio is mainly due to the acquisition of Komax Oy (Componenta Manufacturing Oy). Each of the Group companies had positive equity at the end of 2019. The Group's equity was positive at EUR 15.9 million (EUR 19.2 million).

At the end of the financial period, the company's invested capital stood at EUR 29.1 million (EUR 21.2 million), the return on investment was 3.2% (6.0%) and the return on equity 83.0% (5.6%).

At the end of the financial period, cash funds and bank receivables totalled EUR 4.5 million (EUR 5.3 million). Additionally at the end of the financial period, Group had EUR

2.8 million undrawn binding loan commitments. The net cash flow of continued operations for the financial period was EUR 4.1 million (EUR 1.3 million). The improved net cash flow from continued operations is mainly due to the favourable development of working capital. At the end of the financial period, working capital of continued operations (incl. inventory and receivables deducted by accounts payable) was EUR 6.7 million (EUR 5.4 million). Less capital is employed in inventory and days payables outstanding (DPO) has prolonged. Furthermore, days sales outstanding (DSO) has shortened.

Investments

The investments of continued operations amounted to EUR 1.3 million (EUR 1.1 million). The Group's net cash flow from investments was EUR -0.7 million (EUR -0.2 million), which includes the cash flow from the Group's investments in tangible and intangible assets, and the additions due to acquisition of a subsidiary. The cash flow from investments of continued operations was EUR -0.2 million (EUR 0.6 million).

Research and development activities

During the financial period, the research and development costs of Componenta's continued operations totalled EUR 0.0 million (EUR 0.0 million). There were no research and development costs, because Componenta manufactures customer products.

Continued operations

Continued operations during the review period included foundries in Pori and Karkkila, Finland, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland. Furthermore, the continued operations include Finnish real estate companies of limited importance.

Discontinued operations

The Sweden-based company Componenta Främmestad AB filed for bankruptcy on 25 September 2019. Componenta recorded to its result of discontinued operations the positive effect on profit and loss of EUR 16.6 million caused by the loss of control after the bankruptcy of Componenta Främmestad AB. The profit and loss impact consists of the difference between the assets and liabilities of Componenta Främmestad AB, including

the impact of translation differences accrued on equity, of the write-down of Componenta Group's receivables from Componenta Främmestad AB, as well as of the EUR 27.0 million capital loan of Componenta Främmestad AB to a third party which the Group had classified as equity and which, due to loss of control, was recognized through profit and loss in the result of discontinued operations.

Risks and business-related uncertainties

The most significant risks to Componenta's business operations are risks linked to the operating environment (competitive situation, price risks, commodity risks and environmental risks), risks relating to business operations (customer, supplier, productivity, production and process risks, labour market disruptions, contractual and product liability risks, personnel and data security risks) and financing risks (risks relating to the availability of financing and liquidity; currency, interest rate and credit risks).

The availability of certain raw materials, such as recycled steel and pig iron, and energy at competitive prices is essentially important for the company's business. The cost risk associated with raw materials is mainly managed with price agreements according to which the prices of products are adjusted to correspond with the changes in commodity prices. An increase in raw material prices may tie more money than expected in working capital.

Componenta's potential risks associated with the availability of working capital and liquidity may have a negative impact on the volumes of new trade in the future and may mean that the customers place smaller orders for new products replacing discontinued ones. Possible cases of losing customers due to commercial reasons may also reduce the volumes.

When assessing the ability to continue as a going concern, the most significant estimates and assumptions as well as uncertainties by the company and its management are as follows:

- Componenta Corporation and Componenta Castings Oy will be able to make the payments in accordance with the restructuring programme. A material risk to the success of the restructuring programmes is the availability of working capital, because the main customers will support Componenta with shorter-than-normal payment terms and because the Group companies undergoing restructuring do not at the moment have access to external financing.
- Componenta Castings Oy will be able to partly make up for the volume that has decreased due to the bankruptcy of Componenta Främmestad AB with new orders placed by existing and new customers and succeed with the adaptation measures, particularly at the Pori foundry.
- When analysing cash flow and liquidity forecasts for the companies over the next 12 months, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs.

Restructuring programmes

The implementation of restructuring programmes progressed as planned. The repayment programmes of Componenta Corporation and Componenta Castings Oy began in 2019 and will end in 2023.

In 2019, Componenta Corporation paid the following instalments compliant with the restructuring programme: EUR 0.3 million in May and EUR 0.3 million in November of external restructuring debts, and EUR 0.03 million in May and EUR 0.001 million in November of intra-Group restructuring debts. Similarly, Componenta Castings Oy paid the following instalments compliant with the restructuring programme: EUR 0.5 million in May and EUR 0.5 million in November of external restructuring debts, and EUR 0.4 million in May and EUR 0.4 million in November of intra-Group restructuring debts.

On 31 December 2019, the Group's external restructuring debt totalled EUR 12.3 million (31 December 2018: EUR 16.0 million, including EUR 2.5 million of external restructuring debts of Componenta Främmestad AB). Of the Group's external restructuring debts, short-term debts amounted to EUR 1.6 million. The external restructuring debts included EUR 0.7 million of interest-bearing debt, of which EUR 0.1 million was short-term.

According to the restructuring programmes, a supplementary payment obligation to creditors is incurred for Componenta Corporation and Componenta Castings Oy, if the company's generated operating cash flow exceeds in any calendar year (starting from 2018 and ending in 2022) the operating cash flow predicted in the programme balance sheet for the calendar year in question, from which the operating cash flow shortfall from 2018 or later in proportion to the operating cash flow predicted in the programme balance sheet will be deducted once.

Repayment schedule for external restructuring debt

MEUR	2020	2021	2022	2023	Total
Componenta Corporation	0.7	0.7	0.7	5.4	7.5
Componenta Castings Oy	0.9	1.0	0.9	1.9	4.7
Total	1.7	1.7	1.7	7.2*	12.3

*) The larger final instalment in Componenta Corporation and Componenta Castings Oy's repayment programme is due to the fact that income from the sale of properties not included in core business operations has been taken into account. This income will be used to pay debt at the end of the programme. The final instalment also includes an additional obligation of EUR 3.2 million arising from the expiry of a loan guarantee of EUR 80 million.

Repayment schedule for the intra-Group restructuring debt

MEUR	2020	2021	2022	2023	Total
Componenta Corporation	0.0	0.0	0.0	0.0	0.0
Componenta Castings Oy	0.7	0.7	0.7	1.5	3.6
Total	0.7	0.7	0.7	1.5	3.6

Only the company's unsecured creditors are entitled to supplementary payments. In that case, the company has an obligation to pay a supplementary payment 50% of the amount by which the generated operating cash flow exceeded the operating cash flow predicted in the programme balance sheet for the calendar year in question, from which the operating cash flow shortfall from 2018 or later in proportion to the operating cash flow predicted in the programme balance sheet. However, there will be no supplementary payment obligation if the generated operating cash flow has exceeded the operating cash flow predicted in the programme balance sheet by a maximum of 10%. For 2019, no obligation to make a supplementary payment was created for Componenta Corporation or Componenta Castings Oy.

Notifications of major shareholding

During 2019, Componenta received four notifications of major shareholding compliant with the Securities Markets Act and issued separate stock exchange releases for them.

According to the notifications of major shareholding, the share of Etra Capital Oy of the total number of shares and voting rights in Componenta Corporation fell below 10% (on 4 September 2019), the share of Mutual Pension Insurance Company Varma of the total number of shares and voting rights in Componenta Corporation fell below 5% (on 5 September 2019), the share of Elo Mutual Pension Insurance Company of the total number of shares and voting rights in Componenta Corporation fell below 5% (on 5 September 2019), and the share of CapMan Buyout VIII Fund A L.P. and its portfolio company

Fortaco Oy of the total number of shares and voting rights in Componenta Corporation exceeded 15% (on 5 September 2019).

The announced changes in ownership were associated with Componenta's directed share issue arranged for paying the price of the acquisition of Komasa Oy (currently Componenta Manufacturing Oy). In the directed share issue, 60 million new shares were subscribed, after which the total number of Componenta Corporation's shares was 237,269,224.

Resolutions of the Annual General Meeting

The Annual General Meeting of Componenta Corporation, held on 16 May 2019, adopted the financial statements and the consolidated financial statements for the financial period from 1 January to 31 December 2018 and discharged the members of the Board of Directors and the CEO from liability concerning the financial period. In accordance with the proposal of the Board of Directors, the General Meeting resolved that no dividend shall be distributed for the financial period ended which on 31 December 2018.

The number of the members of the Board of Directors was resolved to be four (4). The General Meeting resolved to re-elect Anne Leskelä, Asko Nevala and Petteri Walldén, all currently members of the Board Directors, and to elect Harri Pynnä as a new member of the Board of Directors.

The General Meeting resolved that the annual remuneration payable to the Chairman of the Board shall be EUR 50,000 and the annual remuneration payable to other members of the Board of Directors shall be EUR 25,000.

In addition, the members of possible committees of the Board of Directors will be paid an annual remuneration of EUR 5,000. Travel expenses of the members of the Board of Directors shall be compensated in accordance with the company's travel policy.

The General Meeting elected Authorized Public Accountants PricewaterhouseCoopers Oy as the company's auditor.

The General Meeting resolved to amend the Articles of Association of the company so that general meetings may be held, in addition to the domicile of the company, alternatively in Vantaa, Espoo or Karkkila.

After the amendment, Section 8 of the Articles of Association reads as follows:

"8. Notice of meeting: "The notice of General Meeting shall be delivered by releasing the notice of meeting on the company's webpage and as stock exchange release no more than three (3) months and no less than three (3) weeks prior to the General Meeting, however, always at least nine (9) days prior to the record date of the General Meeting. The Board of Directors may in addition decide to announce the notice of meeting in other ways. A shareholder wishing to participate in the General Meeting shall register his/her participation as required in the notice of meeting and at the latest on the date stated in the notice, which may be no earlier than ten (10) days before the meeting. The General Meeting may be held either at the company's domicile or in Vantaa, Espoo or Karkkila."

Resolutions of the Extraordinary General Meeting

The Extraordinary General Meeting of Componenta Corporation held on 1 July 2019 resolved to give required authorizations for the Board of Directors of the company to conclude the transaction related to the acquisition of shares and capital loans of Komasa Oy (currently Componenta Manufacturing Oy). The resolutions of the Extraordinary General Meeting included the following main items:

In accordance with the terms and conditions of the corporate transaction, the contract price will be paid by giving the sellers the company's shares. The General Meeting resolved to authorise the Board of Directors to decide on a new share issue so that the maximum number of shares to be issued by virtue of the authorization is 60,000,000 new shares, equivalent to approximately 33.8% of the

total number of all shares of the company on the date of notice of meeting. The shares to be issued by virtue of the authorization may be used as payment in the contemplated transaction. New shares may be issued through a directed share issue in deviating from the shareholders' pre-emptive subscription right if there is a weighty financial reason for the deviation from the company's point of view. The subscription price of the new shares can be paid as a contribution in kind. Based on the authorization, the Board of Directors is entitled to resolve on all other matters related to the share issue. The authorization is valid until 30 June 2020 at the latest.

In accordance with the provisions of the transaction, the company would take its own shares issued to the sellers as a security. The General Meeting resolved to authorize the Board of Directors to decide on taking the company's own shares up to a maximum of 12,000,000 shares as a security in one or more tranches. Based on the authorization, the Board of Directors may not make a resolution based on which the number of shares to be taken as a security, together with the shares possibly held by the company or its subsidiaries, would constitute one tenth or more of the total number of shares in the company. The Board of Directors is, based on the authorization, entitled to resolve on all other conditions for acquiring and/or taking own shares as a security. The authorization is valid until 30 June 2020 at the latest.

With respect to the possible realization of the company's own shares taken as a security based on the authorization given above, the General Meeting resolved to authorize the Board of Directors to decide on the transfer of own shares held by the company in one or several parts, either against payment or without payment. The total number of new shares to be transferred may amount to a maximum of 12,000,000 shares, equivalent to approximately 6.8% of the total number of shares of the company on the date of the notice of meeting. The authorization entitles the Board of Directors to decide on all terms and conditions related to the transfer of shares, including the right to deviate from the shareholders' pre-emptive subscription rights. The authorization is valid until 31 December 2020 at the latest.

The General Meeting resolved that the number of the members of the Board of Directors be increased from four to five. It was resolved to elect Harri Suutari as a new Board member for a term ending at the close of the next Ordinary General Meeting. President and CEO Harri Suutari had earlier stated that if he is elected Board member, he

will resign his post as President and CEO and a new President and CEO will be appointed for the company. Marko Penttinen assumed the position of Componenta's President and CEO when the acquisition of Komasa Oy was implemented.

The General Meeting resolved that the annual remuneration payable to a board member in accordance with the resolution of the Ordinary General Meeting dated 16 May 2019 shall be paid to Harri Suutari *pro rata temporis* for the duration of his term. In other respects, the resolutions of the Ordinary General Meeting held on 16 May 2019 regarding remuneration of the Board of Directors remain in force unaltered.

Board of Directors and management

At its organisation meeting held after the Annual General Meeting on 16 May 2019, the Board of Directors elected Petteri Walldén as Chairman of the Board and Anne Leskelä as Vice Chairman of the Board. The Extraordinary General Meeting held on 1 July 2019 resolved to increase the number of Board members from four to five, and Harri Suutari was elected new member of the Board. He started as a Board member on 30 August 2019 when the acquisition of Komasa Oy (currently Componenta Manufacturing Oy) was implemented. The Board meeting held on 2 September 2019 elected Harri Suutari as Chairman of the Board, and Petteri Walldén, Anne Leskelä, Asko Nevala and Harri Pynnä continued as Board members.

The Corporate Executive Team was supplemented on 2 September 2019 by appointing Miikka Jämsen as Director, Sales and Marketing, Arto Pitkämö as Director, Machining Services and Sami Sivuranta as Director, Development. The composition of the Corporate Executive Team as of 31 December 2019 was: Marko Penttinen, President and CEO; Mervi Immonen, General Counsel; Miikka Jämsen, Director, Sales and Marketing; Marko Karppinen, CFO; Pasi Mäkinen, Director, Material Services; Arto Pitkämö, Director, Machining Services; and Sami Sivuranta, Director, Development.

Share-based incentive scheme

On 12 November 2018, the Board of Directors of Componenta Corporation decided to introduce two share-based incentive schemes for the Group's key employees: an option scheme and a restricted share plan. The schemes

are used to encourage key employees to commit to long-term employment at the Company in order to increase shareholder value. The schemes are also used to make the key employees commit to the Company.

On 10 February 2020, the Board of Directors of Componenta Corporation decided to convert option rights 2018A returned to the company into option rights 2018B. After conversion of the option rights, there are a total of 2,013,750 option rights 2018A, a total of 2,861,500 option rights 2018B and a total of 2,445,250 option rights 2018C.

The subscription periods for shares to be subscribed using the option rights are as follows: 1 December 2021–30 November 2023 for option rights 2018A, 1 December 2022–30 November 2024 for option rights 2018B and 1 December 2023–30 November 2025 for option rights 2018C. One option right entitles to the subscription of one share.

The share subscription price using option right 2018A is EUR 0.17 per share, i.e. the trading volume-weighted average price at Nasdaq Helsinki Oy during the period of 12 October–8 November 2018, the share subscription price using option right 2018B is EUR 0.128 per share, i.e. the trading volume-weighted average price at Nasdaq Helsinki Oy during the period of 14 October–8 November 2019, and the share subscription price using option right 2018C will be the trading volume-weighted average price at Nasdaq Helsinki Oy during the period of 12 October–6 November 2020. The subscription price of the share decreases by the amount of dividends and distribution of assets decided before the subscription. The share subscription price is entered in the company's unrestricted equity reserve.

The reward of the restricted share unit plan for 2018 is based on the key employee's existing contract of employment or service and continuation of the employment during the commitment period. The reward will be paid partly in shares and partly in cash after the commitment period that ends in November 2021, by the end of December 2021 at the latest. The purpose of the cash portion is to cover the taxes and tax-like levies incurred by the key employee. The total remuneration payable from the plan shall not exceed the value of 1,999,500 shares of Componenta Corporation, including the portion paid in cash.

Share capital and shares

The shares of Componenta Corporation are listed on the Nasdaq Helsinki stock exchange. During the financial year, the average share price was EUR 0.13, the lowest price was EUR 0.11 and the highest was EUR 0.17. The share price at the end of 2019 was EUR 0.11 (EUR 0.15). At the end of the financial period, the market value of the company's shares was EUR 26.6 million (EUR 26.6 million). Out of the entire share capital, 25.4% (61.6%) were traded during the financial year.

Componenta Corporation's share capital was EUR 1.0 million (EUR 1.0 million) at the end of the financial year. At the end of the financial year, the total number of company's shares was 237,269,224 (177,269,224). The company had 7,632 (7,633) shareholders at the end of the financial year.

Events after the financial period

As published in a stock exchange release on 27 February 2020, the number of members of the Corporate Executive Team of Componenta Group will decrease from seven to five effective 1 March 2020. The aim of the change is to have a cost-efficient administration and clarity in the management's responsibilities. In connection with this change, Pasi Mäkinen, currently Director, Material Services will be appointed Chief Operating Officer as of 1 March 2020.

The composition of the Corporate Executive Team as of 1 March 2020 will be: President and CEO Marko Penttinen, General Counsel Mervi Immonen, CFO Marko Karppinen, COO Pasi Mäkinen and Director, Development Sami Sivuranta.

Miikka Jämsen who was earlier responsible for sales and marketing in the Corporate Executive Team will be reporting to Pasi Mäkinen, and Arto Pitkämö who was earlier responsible for machining services will leave the employment of Componenta.

Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held on 16 April 2020 at 09.00 EET in Vantaa, Finland. The notice of meeting will be published as a separate stock exchange release.

Financial communication in 2020

In 2020, Componenta will publish its financial reports as follows:

- Business review for January–March on Friday, 8 May 2020
- Half-year financial report for January–June 2020 on Friday, 24 July 2020
- Business review for January–September 2020 on Friday, 6 November 2020

The annual review for 2019 including the financial statements and report by the Board of Directors will be published at the latest on 17 March 2020.

Alternative performance measures

Componenta no longer reports adjusted net sales, adjusted EBITDA and adjusted operating result as alternative performance measures. Componenta will continue to publish certain publicly available performance measures that can be derived from the IFRS financial statements. The calculation of these key financial figures is presented at the end of this statement.

Helsinki, 28 February 2020

COMPONENTA OYJ
Board of Directors

Componenta is a technology company that specialises in supplying cast and machined components for its global customers manufacturing vehicles, machines and equipment. The company's share is listed on the Nasdaq Helsinki.

Financial statements release tables

Accounting principles

Componenta Corporations' financial statement release for 2019 has been prepared in accordance with the accounting policies set out in IAS 34, Interim Financial Reporting, and should be read in conjunction with Componenta's Financial Statements for 2018, published on 12 April 2019. Componenta has applied the same accounting principles in preparing this financial statement release as in the financial statements for 2018, except for the adoption of new IFRS-standards and IFRIC-interpretations effective in 2019. This financial statement release is unaudited.

New applied standards

The consolidated financial statements have been prepared using the same accounting principles as in 2018, except for the following new amended standard that the Group has applied as of 1 January 2019:

● IFRS 16, Leases

As of January 2019, Componenta adopted the new IFRS 16 "Leases" standard. This standard presents the definition of recognition, the measurement of lease agreements, presentation and other information given in relation to lease agreements in the consolidated financial statements. Due to applying the new standard, the lease agreements of the lessee are recognized on the balance sheet, since operating leases and finance leases are no longer separated. According to the new standard, an asset (right-of-use asset) and a financial liability regarding rental payments are recognized on the balance sheet.

On adoption of the new standard, lease liabilities were recognized in relation to leases which had previously been classified as operating leases under the principles of IAS 17 Leases. The liabilities were measured at the present value of the remaining lease payments, discounted by using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average of the lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.5%.

Regarding leases valid until further notice, company management has estimated the future lease period and recognized the right-of-use assets and lease liabilities based on this assumption. These estimates and assumptions are updated quarterly.

When applying the new standard, Componenta has used the modified retrospective method, and therefore the comparatives for the 2018 reporting period have not been restated. Componenta has utilized the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with remaining lease term of less than 12 months on 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application
- not applying the standard on leases of low value assets, but instead recognizing the rents as an expense for the lease period

There was no need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of IFRS 16.

A right-of-use asset EUR 0.4 million and correspondingly a lease liability EUR 0.4 million as a non-current and current interest-bearing liability, were recognized in the opening balance. At the end of the reporting period, EUR -1.2 million was recorded as depreciations as an impact on the result, and a change of liabilities of EUR 7.9 million in the consolidated statement of financial position. EBITDA improved by EUR 1.2 million due to rental expenses that were transferred to depreciations and financial items. In the cash flow statement, payments regarding lease agreements are presented as financing activities and interest as operating activities. Previously all rental payments of operational lease agreements were presented as operating activities. At the end of the reporting period the impact on operating activities was EUR 0.8 million, on investing activities EUR 0.0 million and on financing activities -0.8 million.

Restructuring programmes

The District Court of Helsinki issued its decision regarding the commencement of the corporate restructuring proceedings in respect of Componenta Corporation and Componenta Castings Oy (previously Componenta Finland Oy) on 30 September 2016. The District Court of Helsinki appointed Mr Mika Ilveskero, Attorney-at-Law, from Castrén & Snellman Attorneys to act as an administrator (hereinafter referred to as the "Administrator") in respect of the corporate restructurings of Componenta Corporation and Componenta Castings Oy. Furthermore, in connection with both corporate restructurings, the District Court of Helsinki appointed creditor committees, which act as the joint representatives of the creditors in the restructuring proceedings. Various creditor groups, including secured creditors, trade creditors, creditors with supplier guarantees and other unsecured creditors, are represented in the creditor committees appointed by the court. The creditor committees of Componenta Corporation and Componenta Castings Oy have different compositions due to different creditors.

The District Court of Helsinki confirmed the corporate restructuring programmes of Componenta Corporation and Componenta Castings Oy on 23 August 2017. On the basis of the restructuring programme, the unsecured debts of Componenta Corporation were cut by approximately 94% and the lowest-priority debts were cut in their entirety. The secured debts of Componenta Castings Oy will be paid in their entirety, whereas unsecured debts were cut by 75%. The payment programmes for both companies commenced in May 2019 and will end in November 2023.

On 4 August 2017, Componenta Corporation signed an agreement to sell its shareholding in Componenta Dökümcülük Ticaret ve Sanayi A.Ş., amounting to 93.6% of the company's shares and votes, to Döktaş Metal Sanayi ve Ticaret A.Ş. The transaction was completed on 27 September 2017. The agreement covered all the company's iron, machine shop and aluminium business in Turkey. The transaction had no impact on cash flow. In connection with the closing of the sale of the shareholding, the Turkish club loan banks discharged Componenta Corporation from all liabilities and obligations based on the club loan agreement, including the discharge from a loan guarantee of EUR 80 million.

The Sweden-based companies Componenta Wirsbo AB and Componenta Arvika AB were declared bankrupt on 17 July 2017. According to the confirmed restructuring programmes, the companies were supposed to pay the restructuring debts, approximately EUR 4.9 million, in July 2017. The primary objective was to agree on the postponement of payment of the restructuring debts with the creditors and to arrange re-financing by January 2018. In July 2017, it became clear that arranging external financing and postponing the payment of the restructuring debts until January 2018 was unlikely in July 2017 due to insufficient support from the creditors.

The restructuring application of Componenta Främmestad AB was approved and the restructuring proceedings started on 1 September 2016. In March 2016, Componenta Främmestad AB paid off its restructuring debts, EUR 2.3 million of external restructuring debts and a salary guarantee of EUR 0.6 million to the Swedish government. These amounts would have matured in July 2018. In 2019, Componenta Främmestad AB tried to improve profitability and reduce the capital employed in business operations. As part of its profitability improvement measures, the company engaged in negotiations to renew its significant customer agreements. These negotiations were not successful in terms of ensuring future profitability of operations. Therefore, Componenta Främmestad AB decided to file for bankruptcy on 25 September 2019.

Componenta Corporation and Componenta Castings Oy had around EUR 2.0 million in intra-Group receivables from Componenta Främmestad AB at the time of its bankruptcy. As collateral for these receivables, Componenta Främmestad AB pledged its best-priority Sweden mortgages. The nominal value of these mortgages is SEK 51.9 million. Componenta Främmestad AB's receivables from Componenta Corporation and Componenta Castings Oy totalled EUR 0.4 million at the time of its bankruptcy.

Componenta has written down the entire aforementioned receivable of EUR 2.0 million from Componenta Främmestad AB in its consolidated financial statements after Componenta Främmestad's bankruptcy. Componenta Group's internal restructuring debt of EUR 0.4 million to Componenta Främmestad AB increased Componenta's external debt. Componenta Corporation

and Componenta Castings Oy have not provided guarantees or other collateral for Componenta Främmestad AB's liabilities, apart from liabilities of around EUR 0.2 million concerning repurchase commitments related to lease agreements. The capital loan of EUR 27.0 million presented under "Other reserves" on Componenta Främmestad AB's balance sheet was removed from Componenta Group's balance sheet due to the bankruptcy. In addition, Componenta Främmestad AB's bankruptcy reduced the Group's restructuring debt by EUR 2.5 million. Componenta Group recorded a positive result impact of EUR 16.7 million in the result of discontinued operations due to the loss of controlling interest resulting from the bankruptcy of Componenta Främmestad AB. The impact on result consists of the difference between the assets and liabilities of Componenta Främmestad AB, including the impact of translation differences accumulated in the equity, of the write-down of Componenta Group's receivables from Componenta Främmestad AB, as well as of the EUR 27.0 million capital loan of Componenta Främmestad AB to a third party which in the Componenta Group was classified as equity and which was in connection with losing the controlling interest recognised through profit and loss in the result of discontinued operations.

Componenta Främmestad AB's bankruptcy does not jeopardise the equity of Componenta Corporation, Componenta Castings Oy or the Group. The bankruptcy is also not expected to have any material impact on the management's assessment of the Group's ability to continue as a going concern. Componenta Främmestad AB was classified as a discontinued operation on 25 September 2019 and will be presented as a discontinued operation in the 2019 consolidated financial statements.

Main contents of Componenta Corporation's restructuring programme

In Finland, the District Court of Helsinki issued its decision regarding the commencement of the corporate restructuring proceedings in respect of Componenta Corporation on 30 September 2016. The District Court of Helsinki confirmed the corporate restructuring programme of Componenta Corporation on 23 August 2017. On the basis of the restructuring program, the unsecured debts of Componenta Corporation were cut by approximately 94% as the Turkish credit guarantee was eliminated, and the lowest-priority debts were cut in their entirety. The payment programme commenced

in May 2019 and will end in November 2023. When the restructuring programme of Componenta Corporation was confirmed, the company's debt cuts entered into force. The debt cuts mean that the debts on the company's balance sheet decreased by approximately EUR 118 million, which strengthens the company's equity through the result.

In compliance with the restructuring programme, the company has sold off the real estate companies that are not part of its core business, and any participations in them, to parties external to the Group and dissolved its dormant subsidiaries through liquidation proceedings. The company may face an additional payment obligation due to its cash flow exceeding expectations. Only the company's non-preferential creditors will be entitled to receive the additional payment. The company may also face an additional payment obligation, if the final amount of conditional and maximal restructuring debts included in the restructuring guarantees exceeds the amount set out in the restructuring programme.

Main contents of Componenta Castings Oy's restructuring programme

In Finland, the District Court of Helsinki issued its decision regarding the commencement of the corporate restructuring proceedings in respect of Componenta Castings Oy on 30 September 2016. The District Court of Helsinki confirmed the corporate restructuring programme of Componenta Castings Oy on 23 August 2017. The secured debts of Componenta Castings Oy will be paid in their entirety, whereas unsecured debts were cut by 75%. The payment programme commenced in May 2019 and will end in November 2023. When the restructuring programme of Componenta Castings Oy was confirmed, the company's debt cuts entered into force. The debt cuts mean that the debts on the company's balance sheet decreased by approximately EUR 28 million, which strengthens the company's equity through the result. After the debt cuts, the total external restructuring debts on the balance sheet of Componenta Castings Oy will amount to approximately EUR 5.8 million when the payments allocated for the debts considered as a conditional and maximum amount have been taken into account.

In compliance with the restructuring programme, the company has sold off almost all real estate companies that are not part of its core business, and any participations in them, to parties external to the Group and dissolved

its dormant subsidiaries through liquidation proceedings. The restructuring programme also obligates the company to sell off any fixed assets that are not associated with its core business. Most of these assets have been sold by the balance sheet date. The company may face an additional payment obligation due to its cash flow exceeding expectations. Only the company's non-preferential creditors will be entitled to receive the additional payment.

Basis for consolidation

Following the confirmation of the restructuring decision, a restructuring programme supervisor was assigned to Componenta. According to the restructuring programme, the supervisor is required to submit a report on the implementation of the restructuring programme annually, as well as a final report at the conclusion of the restructuring programme. At the request of a creditor or the supervisor, the court may order that the restructuring programme to lapse. Despite the limitations related to control under IFRS 10, the company believes that the inclusion of Componenta Castings Oy and Componenta Främmestad AB in the consolidated financial statements of Componenta is justified and gives a true and accurate picture of the Group's result and financial position.

Still in the management's opinion, the preparation of a consolidated financial statement is justified because the functions of the company and its consolidated subsidiaries are closely related to each other and are interdependent. Accordingly, Componenta's financial information is given as a consolidated financial statement, which covers the company and its subsidiaries under corporate restructuring as well as other companies under the parent company's control.

Assumption of ability to continue as a going concern

The financial statements for the financial year 2019 were prepared on the going concern basis. It is assumed that Componenta can, during the foreseeable future, realize its assets and pay back its liabilities as part of normal operations within the framework of the restructuring programmes. When assessing the going concern principle, Componenta's management has taken into account the uncertainties and risks related to the

various confirmed restructuring programmes, available funding sources and the cash flow estimates of the companies for the next 12 months. Due to limitations arising from the restructuring programmes, Componenta's assessment is that it has only a limited opportunity to influence how it can transfer cash funds and bank receivables between Group companies (such as subsidiaries' ability to distribute funds in the form of dividends, Group contributions or intra-Group loans) and the nature of new financing that the Group can acquire. In assessing the ability to continue as a going concern, the management has analysed the impact of the approved restructuring programmes on the financial position and cash flow of the Group, the companies under restructuring proceedings and the parent company.

The Group's liquidity and the company's financial performance, as well as the success of the restructuring programmes and financing transactions are affected by the material uncertainties in accordance with the IFRS standards, which the Group management has taken into account when assessing the company's ability to continue as a going concern. It is possible that the restructuring will be unsuccessful, and the Group companies will file for bankruptcy. The implementation of the restructuring programmes may be unsuccessful due to, for example, the companies under restructuring being unable to repay the restructuring debts confirmed in the restructuring programmes confirmed by the courts, and the creditors in such circumstances being unwilling to renegotiate debt repayment arrangements that the companies would be able to satisfy.

When assessing the ability to continue as a going concern, the significant estimates and assumptions as well as uncertainties by the company and its management are as follows:

- Componenta Corporation and Componenta Castings Oy will be able to make the payments in accordance with the restructuring programme. A material risk to the success of the restructuring programmes is the availability of working capital, because the main customers will support Componenta with shorter-than-normal sales terms and because the Group companies undergoing restructuring do not at the moment have access to external financing.

- Componenta Castings Oy will be able to partly make up for the volume that has decreased due to the bankruptcy of Componenta Främmestad AB with new orders placed by existing and new customers and succeed with the adaptation measures, particularly at the Pori foundry.
- When analysing cash flow and liquidity forecasts for the companies over the next 12 months, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs.

These estimates are subject to material uncertainty in accordance with the IFRS standards, as there is no certainty that the anticipated sales volumes, sales prices and EBITDA margins will be achieved or that capital expenditure can be implemented as expected.

Acquired operations

In 2019, Componenta acquired the entire capital stock and capital loans of Komax Oy (currently Componenta Manufacturing Oy) from funds managed by CapMan, Fortaco Oy and certain private individuals. The company manufactures machined components, forged blanks, hydraulic pipes and metal sheet cuttings. The transaction was completed on 30 August 2019. Komax Oy (currently Componenta Manufacturing Oy) will be consolidated on the transaction date.

Discontinued operations

In 2019, Componenta Främmestad AB was classified as a discontinued operation when the Group lost control when the company filed for bankruptcy on 25 September 2019. The result of discontinued operations is shown as a separate item in the consolidated statement of comprehensive income. The cash flows of discontinued operations are shown as separate items in the condensed consolidated cash flow statement. The income statement and cash flow statement of the comparison period were adjusted accordingly. Componenta did not discontinue any operations in 2018.

Segment information

Componenta offers its customers services throughout the whole supply chain including planning, casting, machining, painting and logistical services, thus creating total solutions bringing added value to customers. The main products sold by Componenta are non-machined, machined and painted iron cast components. In addition, the company sells machining services for the customer's own materials. Componenta serves selected industries that have synergies with each other and have customers with which Componenta has strong and long-term relationships. Geographically Componenta operates in Europe, but collaborations exist with companies that operate globally. Sales revenue that is insignificant from the Group's perspective is received from the leasing of office space and industrial premises.

The highest operative decision-maker at Componenta is its President and CEO. The Corporate Executive Team of the Group assists and supports the President and CEO in his duties.

Due to the business and organisation model of Componenta and the nature of operations, Componenta's business operations are reported as one entity.

Accounting principles requiring judgement by the management

When preparing these consolidated financial statements in accordance with International Financial Reporting Standards, the management needs to make estimates and assumptions concerning the future. The estimates and assumptions that involve a significant risk of material changes in the carrying amounts of assets and liabilities during the next financial period are presented below.

When preparing Componenta's financial statements, the management has used significant judgements when making assumptions about the company's ability to continue as a going concern. Uncertainties related to the ability to continue as a going concern are presented in more detail above in the chapter Assumption of the ability to

continue as a going concern. The management has made significant estimates and assumptions in determining the valuation of assets such as investment properties, tangible and intangible assets, inventories, the realizability of deferred tax receivables and the contingent liabilities.

Alternative performance measures used for financial reporting

Componenta no longer reports adjusted net sales, adjusted EBITDA and adjusted operating result as alternative performance measures. Componenta will continue to publish certain publicly available performance measures that can be derived from the IFRS financial statements.

Foreign currency –denominated items

The result and financial position of the Group's units are measured in currencies that are the main currencies of their respective operating environments. The consolidated financial statements are presented in euro, which is the operating and reporting currency of Componenta Corporation.

Foreign currency –denominated transactions are recorded in the operating currency using the exchange rate of the transaction date. Receivables and liabilities were converted into euros at the exchange rate of the balance sheet date.

The translation differences created by business-related receivables and debts and their associated hedging items are included in the operating result. The translation differences of financial assets and liabilities and the result of their associated hedging instruments are presented under financial items in the income statement.

Consolidated income statement

MEUR	Jan 1– Dec 31. 2019	Jan 1– Dec 31. 2018*	Jul 1– Dec 31. 2019	Jul 1– Dec 31. 2018*
Continued operations:				
Net sales	50.7	39.3	28.5	18.0
Other operating income	0.0	1.9	0.1	0.8
Operating expenses	-49.1	-38.0	-29.5	-17.6
EBITDA	1.6	3.2	-1.0	1.3
<i>% of net sales</i>	3.1%	8.1%	-3.5%	7.2%
Depreciation, amortization and write-downs	-3.3	-2.2	-2.3	-1.2
Operating result	-1.7	1.0	-3.3	0.0
<i>% of net sales</i>	-3.3%	2.4%	-11.8%	0.3%
Financial income and expenses	-0.4	0.0	-0.4	0.0
Result after financial items	-2.1	0.9	-3.7	0.0
<i>% of net sales</i>	-4.0%	2.3%	-13.1%	0.2%
Income taxes	0.0	0.0	0.0	0.0
Net result of continued operations	-2.1	0.9	-3.8	0.0
Discontinued operations:				
Net result of discontinued operations	16.6	0.1	17.6	-0.4
Net result	14.6	1.0	13.9	-0.4
Allocation of net profit for the period				
To equity holders of the parent	14.6	1.0	13.9	-0.4
Earnings per share calculated on the profit attributable to equity holders of the parent				
- Basic earnings per share, Group, EUR	0.08	0.01	0.07	0.00
- Diluted earnings per share, Group, EUR	0.08	0.01	0.07	0.00

*) The comparative figures from 2018 on income statement and cash flow statement have been adjusted because Componenta Främmestad AB's operations have been classified as discontinued operations according to the IFRS 5 standard.

Consolidated statement of comprehensive income

MEUR	Jan 1– Dec 31, 2019	Jan 1– Dec 31, 2018*	Jul 1– Dec 31, 2019	Jul 1– Dec 31, 2018*
Net result	14.6	1.0	13.9	-0.4
Continued operations:				
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedges	0.0	0.0	0.0	0.0
Total items that may be reclassified to profit or loss subsequently	0.0	0.0	0.0	0.0
Income tax on other comprehensive income	0.0	0.0	0.0	0.0
Other comprehensive income of continued operations, net of tax	0.0	0.0	0.0	0.0
Discontinued operations:				
Revaluation of buildings and land areas, net of tax	0.6	-	0.6	
Translation differences	1.0	-0.1	1.2	0.9
Other items	-27.2	-	-27.2	
Other comprehensive income of discontinued operations, net of tax	-25.5	-0.1	-25.4	0.9
Total comprehensive income	-11.0	0.9	-11.6	0.5
Allocation of total comprehensive income				
To equity holders of the parent	-11.0	0.9	-11.6	0.5
Total comprehensive income	-11.0	0.9	-11.6	0.5

*) The comparative figures from 2018 on income statement and cash flow statement have been adjusted because Componenta Främmestad AB's operations have been classified as discontinued operations according to the IFRS 5 standard.

Consolidated statement of financial position

MEUR	Dec 31, 2019	Dec 31, 2018
Assets		
Non-current assets		
Intangible assets	2.1	0.4
Goodwill	3.2	-
Tangible assets	31.8	20.4
Investment properties	0.0	0.0
Receivables	0.4	0.3
Total non-current assets	37.5	21.1
Current assets		
Inventories	9.2	14.3
Trade and other receivables	3.0	8.2
Cash and cash equivalents	4.5	5.3
Total current receivables	16.6	27.8
Total assets	54.1	48.9
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	1.0	1.0
Other equity	14.9	18.2
Equity attributable to equity holders of the parent company	15.9	19.2
Shareholders' equity	15.9	19.2
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	10.4	1.5
Interest free liabilities and capital loans	10.4	13.7
Provisions	0.0	0.0
Deferred tax liabilities	0.6	1.4
Total non-current liabilities	21.4	16.6
Current liabilities		
Interest bearing liabilities	2.8	0.5
Interest free liabilities	13.6	12.6
Tax liabilities	0.0	0.0
Provisions	0.3	0.0
Total current liabilities	16.8	13.1
Total liabilities	38.2	29.7
Total shareholders' equity and liabilities	54.1	48.9

Condensed consolidated cash flow statement

MEUR	Jan 1– Dec 31, 2019	Jan 1– Dec 31, 2018*
Cash flow from operating activities		
Continued operations		
Result after financial items of continued operations	-2.1	0.9
Depreciation, amortization and write-downs, continued operations	3.3	2.2
Net financial income and expenses, continued operations	0.4	0.0
Other income and expenses, adjustments to cash flow, continued operations	1.5	-0.9
Change in net working capital, continued operations	1.4	-0.9
Cash flow from operations before financing and income taxes, continued operations	4.5	1.3
Interest received and paid and dividends received, continued operations	-0.4	-0.1
Taxes paid, continued operations	0.0	0.0
Net cash flow from operating activities, continued operations	4.1	1.3
Net cash flow from operating activities, discontinued operations	1.3	2.2
Net cash flow from operating activities	5.3	3.5
Cash flow from investing activities		
Continued operations		
Capital expenditure in tangible and intangible assets, continued operations	-1.3	-1.1
Proceeds from tangible and intangible assets, continued operations	-	1.7
Acquisitions	1.1	-
Net cash flow from investing activities, continued operations	-0.2	0.6
Net cash flow from investing activities, discontinued operations	-0.5	-0.8
Net cash flow from investing activities	-0.7	-0.2
Cash flow from financing activities		
Continued operations		
Repayment of lease liabilities	-0.8	0.0
Cost of share issue	-0.3	-
Draw-down of current loans	1.1	0.0
Repayment of current loans	-1.6	0.0
Repayment of non-current loans and other changes	-2.0	-0.1
Net cash flow from financing activities, continued operations	-3.6	-0.1
Net cash flow from financing activities, discontinued operations**	-1.9	-3.4
Net cash flow from financing activities	-5.5	-3.5
Change in liquid assets	-0.8	-0.2
Cash and cash equivalents at the beginning of the period	5.3	5.5
Effects of exchange rate changes on cash	0.0	0.0
Cash and cash equivalents at the period end	4.5	5.3

*) The comparative figures from 2018 on income statement and cash flow statement have been adjusted because Componenta Främmestad AB's operations have been classified as discontinued operations according to the IFRS 5 standard.

***) Includes the derecognition of cash funds of the discontinued operations from the Group's statement of financial position in the comparison period.

Statement of changes in consolidated shareholders' equity

MEUR	Share capital	Share premium account	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Cash flow hedges	Translation differences	Retained earnings	Shareholders' equity total
Shareholders' equity Jan 1, 2019	1.0	0.0	0.4	-0.1	29.5	0.0	-1.0	-10.6	19.2
Net result								14.6	14.6
Comprehensive income items:									
Cash flow hedges						0.0			0.0
Comprehensive income items, discontinued operations				0.6	-27.0		1.0	-0.2	-25.5
Total comprehensive income	0.0	0.0	0.0	0.6	-27.0	0.0	1.0	14.4	-11.0
Transaction with owners:									
Directed share issue			7.5						7.5
Option and share-based compensation								0.2	0.2
Transactions with owners, total	0.0	0.0	7.5	0.0	0.0	0.0	0.0	0.2	7.6
Shareholders' equity Dec 31, 2019	1.0	0.0	7.9	0.6	2.5	0.0	0.0	3.9	15.9

MEUR	Share capital	Share premium account	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Cash flow hedges	Translation differences	Retained earnings	Shareholders' equity total
Shareholders' equity Jan 1, 2018	1.0	0.0	0.4	-0.1	29.5	0.0	-0.9	-11.6	18.3
Net result								1.0	1.0
Comprehensive income items:									
Translation differences							-0.1	0.0	-0.1
Cash flow hedges						0.0			0.0
Total comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	1.0	1.0
Transaction with owners:									
Option and share-based compensation								0.0	0.0
Transactions with owners, total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity Dec 31, 2018	1.0	0.0	0.4	-0.1	29.5	0.0	-1.0	-10.6	19.2

Group development

Group development by quarter, continued operations

MEUR	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18
Net sales	18.4	10.0	11.3	11.0	8.9	9.1	11.1	10.3
EBITDA	-0.3	-0.7	1.0	1.6	0.9	0.4	1.0	0.9
Operating result	-1.8	-1.6	0.6	1.1	0.1	-0.1	0.5	0.4
Net financial items	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0
Result after financial items	-1.8	-2.0	0.6	1.1	0.1	-0.1	0.5	0.4

Order book at period end, continued operations

MEUR	Q4/19	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18
Order book	9.0	10.8	4.3	6.2	5.8	6.0	4.4	5.6

Acquisitions

On 16 May 2019, Componenta announced that it had signed an agreement on purchasing the shares and capital loans of Komasa Oy ("Komasa"), a machining operation company, from funds managed by CapMan, Fortaco Oy and certain private individuals. Komasa is a manufacturer of machined components, forged blanks, hydraulic pipes and plate cuttings. In 2018, Komasa had net sales of EUR 44.9 million in accordance with the Finnish Accounting Standards (FAS), and its EBITDA was EUR 2.0 million (FAS). At the end of 2018, the company had 313 employees in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala in Finland. Its key customers include major international OEMs of machinery and equipment.

The transaction was completed on 30 August 2019. Componenta conducted a directed share issue for the sellers of Komasa as a form of paying the purchase price. The purchase price of the acquisition was paid by issuing shares in the company to the sellers in accordance with

the authorisation granted by Componenta's Extraordinary General Meeting of Shareholders on 1 July 2019. The purchase price consisted of 60 million new shares issued by Componenta. After the new share issue, these shares represent approximately 25.3% of the outstanding shares in the company. The purchase price, EUR 7.8 million, was based on the share price at the time of the transaction.

Goodwill identified on acquisition was EUR 3.2 million. Goodwill is based on acquired competent work force and expected synergy benefits. The acquisition expands Componenta's range of products and services and improves the quality of customer service by creating a one-stop-shop for industries purchasing cast and machined components. The acquisition will improve the level of expertise within the Group and expand presence in the Finnish market.

Assets and liabilities of the acquired business at fair value

MEUR	Jan 1–Dec 31, 2019
Intangible assets	1.7
Tangible assets	15.8
Deferred tax assets	0.6
Inventories	4.9
Trade and other receivables	1.0
Cash and cash equivalents	1.1
Total assets	25.1
Interest bearing liabilities	12.7
Non-interest bearing liabilities	6.9
Provisions	0.3
Deferred tax liabilities	0.7
Total liabilities	20.5
Total net assets	4.6
Acquisition cost, paid in shares	7.8
Acquisition cost at date of acquisition	7.8
Goodwill	3.2

Analysis of cash flow of acquisition

MEUR	Jan 1–Dec 31, 2019
Acquisition cost, paid in cash	0.0
Cash and cash equivalents in acquired company	1.1
Net cash flow on acquisition	1.1

Key figures after acquisition date related to acquired company

MEUR	Aug 30–Dec 31, 2019
Net sales	13.1
EBITDA	1.7
Operating result	0.4

Business divestments

Componenta had no business divestments in 2019.

Componenta sold one real estate property and two parcels of land in Pietarsaari on 23 February 2018. The real estate and both parcels were sold at market price and the total cash flow impact of all sales on the Group was EUR 0.2 million. On 5 April 2018, a subsidiary of Componenta Corporation, Oy Högfors–Ruukki Ab, sold the whole capital stock of a real estate company called

Kiinteistöosakeyhtiö Pietarsaaren Tehtaankatu 13. The sale was carried out at market price and the total cash flow impact on the Group was EUR 0.4 million. Additionally, Componenta Finland Ltd sold the shares of a housing company called Asunto-osakeyhtiö Iisalmen Ahjolansato on 25 June 2018. The sale was carried out at market price and the total cash flow impact on the Group was EUR 0.2 million. All sales mentioned above had a total impact of EUR 0,2 million on the Group result.

Discontinued operations

Componenta Främmestad AB, subsidiary of Componenta Castings Oy, filed an application for bankruptcy on 25 September 2019. Componenta Främmestad AB was classified in September 2019 as a discontinued operation in accordance with IFRS 5 standard "Non-current Assets Held for Sale and Discontinued operations", and the consolidation of the statements of financial position was discontinued in September 2019.

In 2019 the net result of discontinued operations, Componenta Främmestad AB was EUR 16.6 million (EUR 0.1 million). In 2019 write-downs of receivables registered by the remaining consolidated companies for continued operations was 2.0 million in total.

Net result of discontinued operations

MEUR	Jan 1– Dec 31, 2019	Jan 1– Dec 31, 2018
Income	57.5	83.2
Expenses	-41.5	-82.9
Result after financial items	16.0	0.3
Taxes	0.6	-0.2
Net result of discontinued operations	16.6	0.1

Componenta Främmestad AB bankruptcy and derecognition from Group's statement of financial position, impact to Group shareholders' equity, reconciliations

MEUR	Dec 31, 2019
Derecognition of net assets from the statement of financial position through income statement or through statement of other comprehensive income	-6.9
All write-downs of receivables registered by the remaining consolidated companies within the corporation	-2.0
Bankruptcy and derecognition from Group's statement of financial position, impact to Group shareholders' equity	-8.9

MEUR	Dec 31, 2019
Derecognition of external assets from the Group's statement of financial position	-18.0
Derecognition of external liabilities from the Group's statement of financial position	9.1
Bankruptcy and derecognition from Group's statement of financial position, impact to Group shareholders' equity	-8.9

Cash flow of discontinued operations

MEUR	Jan 1– Dec 31, 2019	Jan 1– Dec 31, 2018
Cash flow from operating activities	1.3	2.2
Cash flow from investing activities	-0.5	-0.8
Cash flow from financial activities	-1.9	-3.4
Change in liquid assets	-1.1	-2.0

Changes in tangible assets

Changes in tangible assets

MEUR	Jan 1–Dec 31, 2019	Jan 1–Dec 31, 2018
Acquisition cost at the beginning of the period	142.8	142.9
Right-of-use assets (IFRS 16)	0.4	–
Translation differences	–1.6	–1.5
Additions	2.5	1.5
Companies acquired	18.0	0.0
Revaluation of buildings and land areas	0.0	0.3
Disposals and transfers between items	–35.9	–0.4
Acquisition cost at the end of the period	126.2	142.8
Accumulated depreciation at the beginning of the period	–122.4	–121.9
Translation differences	1.4	1.0
Accumulated depreciation on disposals and transfers	33.8	0.7
Accumulated depreciation on companies acquired	–2.6	0.0
Depreciation, amortization and write-downs during the period	–4.6	–2.3
Accumulated depreciation at the end of the period	–94.4	–122.4
Carrying amount at the end of the period	31.8	20.4

Changes in intangible assets

MEUR	Jan 1–Dec 31, 2019	Jan 1–Dec 31, 2018
Acquisition cost at the beginning of the period	18.4	18.5
Translation differences	–0.1	0.0
Additions	0.2	0.3
Companies acquired	2.3	0.0
Disposals and transfers between items	0.0	–0.3
Acquisition cost at the end of the period	20.9	18.4
Accumulated depreciation at the beginning of the period	–18.0	–18.0
Translation differences	0.1	0.0
Accumulated depreciation on disposals and transfers	0.0	0.0
Accumulated depreciation on companies acquired	–0.7	0.0
Depreciation, amortization and write-downs during the period	–0.2	–0.1
Accumulated depreciation at the end of the period	–18.8	–18.0
Carrying amount at the end of the period	2.1	0.4

Goodwill

MEUR	Jan 1–Dec 31, 2019	Jan 1–Dec 31, 2018
Acquisition cost at the beginning of the period	0.0	–
Additions	3.2	–
Disposals and transfers between items	–	–
Write-downs during the period	–	–
Carrying amount at the end of the period	3.2	–

Lease liabilities

MEUR	Jan 1, 2019
Operating lease commitments disclosed on Dec 31, 2018	0.6
Discounted using the incremental borrowing rates on Jan 1, 2019	0.6
Finance lease liabilities recognized on Dec 31, 2018	0.7
Recognition exemption for:	
- short-term leases	-0.2
- leases of low value assets	0.0
Lease liabilities recognised on Jan 1, 2019	1.0
Finance lease liabilities recognized on Dec 31, 2018	-0.7
Additional lease liabilities as a result of the initial application of IFRS 16	0.4

Changes in right-of-use assets

MEUR	Dec 31, 2019
Acquisition cost, Jan 1, 2019	1.7
Transaction effect of IFRS 16-standard	0.4
Additions	1.4
Disposals	-0.5
Companies acquired	8.2
Depreciation	-1.2
Translation differences	-0.1
Carrying amount, Dec 31, 2019	10.0

Values of financial assets and liabilities

The Group's financial assets are initially classified in the following categories: assets measured at amortized cost, at fair value through profit and loss or at fair value through other comprehensive income. When assessing the expected impairment for financial assets measured at amortized cost, the expected credit losses are measured and recognized based on aging classification. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit and loss and financial liabilities at amortized cost.

Loans are initially recognized at fair value and valued thereafter at amortized cost using the effective interest rate method. Substantial transaction costs are taken into account when calculating the acquisition cost.

Cash and cash equivalents include cash in hand and cash in bank accounts as well as short-term bank deposits.

The Group does not have derivative financial instruments on which hedge accounting would be applied.

MEUR, Dec 31, 2019	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Investments measured at fair value through other comprehensive income	Lease liabilities	Other financial assets and liabilities	Total
Non-current assets						
Other receivables		0.1				0.1
Current assets						
Cash and cash equivalents		4.5				4.5
Accounts receivables		1.8				1.8
Total financial assets		6.3				6.3
Non-current liabilities						
Lease liabilities				7.7		7.7
Other loans		2.1				2.1
Trade payables and advances received		0.3				0.3
Interest-bearing restructuring debts		0.5				0.5
Current liabilities						
Lease liabilities				1.5		1.5
Other loans		1.2				1.2
Trade payables and advances received		4.3				4.3
Interest-bearing restructuring debts		0.1				0.1
Total financial liabilities		8.5		9.3		17.7

MEUR, Dec 31, 2018	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Investments measured at fair value through other comprehensive income	Lease liabilities	Other financial assets and liabilities	Total
Non-current assets						
Other receivables		0.1				0.1
Current assets						
Cash and cash equivalents		5.3				5.3
Accounts receivables		6.6				6.6
Total financial assets		12.0				12.0
Non-current liabilities						
Lease liabilities				0.4		0.4
Other loans		0.4				0.4
Trade payables and advances received		0.4				0.4
Interest bearing restructuring debts		0.7				0.7
Current liabilities						
Lease liabilities				0.2		0.2
Other loans		0.1				0.1
Trade payables and advances received		4.1				4.1
Interest bearing restructuring debts		0.1				0.1
Total financial liabilities		5.8		0.6		6.4

Interest free restructuring debts are not included in the table.

Contingent liabilities

Contingent liabilities

MEUR	Dec 31, 2019	Dec 31, 2018
Real-estate mortgages		
For own debts	3.2	3.2
Business mortgages		
For own debts	10.0	-
Pledges		
For own debts	7.8	-
Other leases	0.1	0.6
Other commitments	0.2	0.8
Total	21.3	4.5

The comparability of lease commitments is affected by the adoption of IFRS 16-Leases on 1 January 2019. Due to adoption of the standard, part of the operating lease commitments has been recognized in the balance sheet.

Related party transactions

Componenta Group's related parties include the parent company, subsidiaries, company management and their related parties. The company management consists of the Board of Directors, CEO and Executive Board. Management related parties consist of their immediate family and closely associated parties.

Componenta did not have any transactions with related parties in 2019 nor 2018. Salaries and remunerations paid to the management are presented annually in the consolidated financial statements.

Key figures

	Dec 31, 2019	Dec 31, 2018
Equity ratio, %	29.4	39.3
Equity per share, EUR	0.07	0.11
Invested capital at period end, MEUR	29.1	21.2
Return on Investment, %	3.2	6.0
Return on equity, %	83.0	5.6
Net interest-bearing debt, MEUR	8.7	-3.4
Net gearing, %	54.9	-17.5
Order book, MEUR, continued operations	9.0	5.8
Investments in non-current assets incl. lease liabilities, MEUR, continued operations	2.8	1.1
Investments in non-current assets incl. lease liabilities, MEUR, discontinued operations	0.4	0.8
Investments in non-current assets excl. lease liabilities, MEUR, Group	1.3	1.8
Investments in non-current assets incl. lease liabilities, MEUR, Group	3.1	1.8
Investments in non-current assets incl. lease liabilities, % of net sales, continued operations	5.4	2.8
Average number of personnel during the period, continued operations	480	414
Average number of personnel during the period, incl. leased personnel, continued operations	508	473
Average number of personnel during the period, Group	602	596
Average number of personnel during the period, incl. leased personnel, Group	650	703
Number of personnel at period end, continued operations	617	412
Number of personnel at period end, incl. leased personnel, continued operations	617	439
Number of personnel at period end, Group	617	602
Number of personnel at period end, incl. leased personnel, Group	617	668
Share of export and foreign activities in net sales, %, continued operations	23.2	31.8
Contingent liabilities, MEUR	21.2	4.5
Per share data	Dec 31, 2019	Dec 31, 2018
Basic earnings per share, EUR	0.08	0.01
Diluted earnings per share, EUR	0.08	0.01
Cash flow per share, EUR	0.00	0.02

Calculation of key financial figures

Return on equity, % (ROE)	= $\frac{\text{Profit (Group) after financial items} - \text{income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes} + \text{non-controlling interest}}$ (average of the figures for the accounting period)
Return on investment, % (ROI)	= $\frac{\text{Profit (Group) after financial items} + \text{interest and other financial expenses} \times 100}{\text{Shareholders' equity} + \text{interest bearing liabilities}}$ (average of the figures for the accounting period) Adjusted return on equity and adjusted return on investment are computed similarly as above mentioned, except that the income statement items included in the numerator are excluding items affecting comparability.
Equity ratio, %	= $\frac{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest} \times 100}{\text{Balance sheet total} - \text{advances received}}$
Earnings per share, EUR (EPS)	= $\frac{\text{Profit after financial items} - \text{income taxes} + / - \text{non-controlling interest} - \text{deferred and paid interest on hybrid loan}}{\text{Average number of shares during the financial period}}$
Earnings per share with dilution, EUR	= As above, the number of shares has been increased with the possible warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price (= average trading price). After tax interest expense of the possible convertible loan has been added to the profit of the period. Number of shares that can be subscribed by the loan has been added to the number of total shares.
Cash flow per share, EUR (CEPS)	= $\frac{\text{Net cash flow from operating activities}}{\text{Average number of shares during the financial period}}$
Equity per share, EUR	= $\frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Net interest bearing debt, MEUR	= Interest bearing liabilities + preferred capital notes - cash and bank accounts
Net gearing, %	= $\frac{\text{Net interest bearing liabilities} \times 100}{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest}}$
EBITDA, EUR	= Operating profit + Depreciation, amortization and write-downs + / - Share of the associated companies' result

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