

**Financial
Statements Release**
1 January – 31 December 2022



COMPONENTA

Net sales increased and EBITDA improved clearly

January–December 2022

- Net sales increased clearly from the previous year, amounting to EUR 109.1 million (EUR 87.3 million)
- EBITDA also improved clearly, amounting to EUR 7.1 million (EUR 5.0 million)
- The operating result was EUR 1.6 million (EUR 0.0 million)
- Cash flow from operating activities was EUR 6.2 million (EUR 2.8 million).

October–December 2022

- Net sales increased to EUR 30.1 million (EUR 25.3 million)
- EBITDA was EUR 2.8 million (EUR 1.4 million).
- The operating result was EUR 1.4 million (EUR 0.8 million)
- Cash flow from operating activities was EUR 3.5 million (EUR 2.3 million).

The information presented in this Financial Statements Release concerns the Componenta Group's performance in January–December 2022 and in the corresponding period in 2021 unless otherwise stated. The figures in this release have not been audited.

Sami Sivuranta, President and CEO:

"We managed well in the very challenging operating environment through the financial year. Our net sales developed very well throughout the year, and our market share and EBITDA continued to grow in line with our strategy in 2022. Considering the circumstances, we are pleased with the result. Our liquidity also remained at a very good level through the year.

We strengthened our liquidity in the last quarter of the year by signing an agreement on a EUR 4 million working capital loan to prepare for Componenta's continuously growing volumes and rapid price fluctuations, ensure the availability of key materials, and enable the continuity of our own development measures.

Our full-year profitability was burdened by the very exceptional price development of raw materials, materials and especially electricity, which caused our manufacturing costs to increase significantly during the second half of the year in particular. In terms of our main raw materials and electricity, the cost development is largely tied to our customer agreements through indices that are reflected quarterly

in our sales prices with a delay. We have also separately agreed with our customers on compensation for cost increases not tied to any indices. In our own operations, we have successfully managed our supply chain and secured our production and deliveries to customers in a challenging operating environment.

Quality and productivity challenges at the Karkkila foundry affected our profitability to some extent during the year under review. The exceptionally rapid growth in the production volumes of our Karkkila unit has created special needs and challenges in terms of increasing human resources and rapidly growing the technical process capacity. Our measures to address these challenges in Karkkila have progressed as planned, and the performance indicators developed favourably during the second half of the year.

In the course of the second half of the year in particular, we also had to prepare for significant fluctuations in the price of electricity and possible availability restrictions. In our most energy-intensive operations, we increased the amount of night-time production, which

contributed to the manageability of the electricity system in Finland. The highest volatility in the energy market is currently easing, but the situation will remain uncertain for at least the first half of the year.

Our employees' flexibility and strong commitment ensured a solid foundation for positive development. Our employees' ability to adapt to changes in the operating environment has ensured good service capability. The availability of production labour began to improve during 2022, and our personnel resources are in line with the current production situation. All our personnel showed excellent flexibility in maintaining our production and delivery reliability through the year under review.

The prolonged situation in Ukraine has increased overall market uncertainty and challenges in material availability and cost development, in addition to having a strong impact on the price of electricity. The impacts through our customers' and suppliers' business operations have been minor. We are actively monitoring developments in our business environment and seeking to ensure the availability of raw materials in all situations and circumstances.

Our customers' order backlogs, forecasts and expectations remained generally positive through 2022, and our order book was at a very strong level at the end of the year. Thanks to the current customer outlook and our own sales success, our expectations for 2023 are positive.

As communicated by our customers they are moving their production chains closer to Europe and its neighbouring regions to improve their operations in terms of risk management and sustainability.

We will actively continue our efforts to strengthen our market position and further improve our profitability as part of our growth strategy. In addition, we are focusing on our service capability, close customer relationships, sustainability and highly competent personnel, as well as on expanding our offering. We are aiming for close partnerships with our customers and to be their preferred supplier with an extensive offering and excellent service."

Dividend proposal

The Group's profit for the financial year was EUR 0.1 million (EUR -0.4 million). On 31 December 2022, the Financial Statements Release 2022

parent company's distributable funds totalled EUR 16.4 million (EUR 15.7 million). Based on the balance sheet to be confirmed for the financial year that ended on 31 December 2022, the Board of Directors proposes that no dividend be paid for 2022.

Componenta's guidance for 2023

Componenta expects the Group's net sales to be EUR 110–120 million in 2023. EBITDA is expected to improve from the previous year. The Group's net sales in 2022 were EUR 109.1 million, and its EBITDA was EUR 7.1 million.

Poor availability of raw materials, increases in the prices of raw materials and electricity, the general economic situation and competitive climate, and the development of customers' sales volumes may affect business outlooks. Because of the crisis in Ukraine and the COVID-19 pandemic, the development of sales and profitability involves uncertainties and poor predictability. An unfavourable development of the geopolitical situation in relation to Russia and Ukraine may have a negative impact on the financial market, sales volumes, the availability and price development of raw materials and electricity, and the availability of foreign labour, all of which increase uncertainty in terms of forecasts.

Summary of key events in 2022

Our net sales, EBITDA and market share continued to grow throughout the year in a very challenging operating environment, thanks to higher delivery volumes and the implementation of our own development measures as planned. Consequently, Componenta Corporation issued a positive profit warning on 25 October 2022, adjusting its net sales guidance upwards for 2022.

The situation in Ukraine increased overall market uncertainty and challenges in material availability and cost development, in addition to having a strong impact on the price of electricity. This situation also affected Componenta's customer prices. Because of the significant fluctuations in electricity prices, Componenta Manufacturing Oy introduced an electricity fee during the last quarter of the year. This fee tied electricity cost development to sales prices through indices that are updated quarterly. In Componenta's foundry operations, which are more energy-intensive, electricity fee has already been in place in previous years.

In response to Componenta's growing market share and to increase sales further, its sales organisation was reinforced in Finland and Sweden during 2022.

On 30 August 2022, Componenta Corporation's Board of Directors decided to carry out a EUR 0.497 million directed share issue as part of the USD 8 million share subscription facility previously agreed with Global Corporate Finance LLC (GCF), which the company announced on 21 June 2021. The share subscription facility was used for the first time on 30 August 2022. In connection with this, a total of 194,944 shares was offered to be subscribed for by GCF. This corresponded to around 2.0% of all the shares in the company following the implementation of the arrangement.

On 21 December 2022, Componenta Corporation announced that it had agreed on a EUR 4 million working capital loan with LocalTapiola and Elo Mutual Pension Insurance Company. The loan is expected to be fully drawn down by 31 March 2023. The loan period is five years, with customary terms and conditions.

Order book

Componenta's order book at the end of 2022 was EUR 18.5 million (EUR 14.0 million). The order book contains the orders confirmed to customers for the next two months. The increase in the order book was

mainly driven by successful sales and a good level of demand.

Net sales

Net sales increased by 25% from the previous year amounting to EUR 109.1 million (EUR 87.3 million). The increase was due to completed new sales to existing and new customers, higher delivery volumes and index-based increases in sales prices based on the higher materials and energy prices. Componenta's net sales were divided between customer industries as follows: machine building 46% (45%), agricultural machinery 31% (28%), forest machinery 7% (8%), the energy industry 8% (8%), the defence equipment industry 2% (4%) and other industries 6% (7%).

Result

The Group's EBITDA increased from the previous year, amounting to EUR 7.1 million (EUR 5.0 million). Its profitability improved as a result of higher sales volumes and systematic development measures. Quality and productivity challenges at the Karkkila foundry affected profitability to some extent during the financial year. Quality and productivity at the Karkkila foundry improved during the second half of the year, and development measures continue to be implemented. Profitability was also burdened by the rising trend in the purchase prices of materials and

Key figures

	2022	2021	Change, %
Net sales, EUR thousand	109,087	87,254	25.0
EBITDA, EUR thousand	7,086	4,959	42.9
Operating result, EUR thousand	1,555	13	11,864.5
Operating result, %	1.4	0.0	9,524.9
Result after financial items, EUR thousand	-107	-405	73.5
Net result, EUR thousand	52	-405	112.9
Basic earnings per share, EUR	0.01	-0.04	123.5
Diluted earnings per share, EUR	0.01	-0.04	123.8
Cash flow from operating activities, EUR thousand	6,171	2,837	117.5
Interest-bearing net debt, EUR thousand	4,818	6,714	-28.2
Net gearing, %	20.0	28.6	-30.1
Return on equity, %	0.2	-1.7	111.7
Return on investment, %	4.3	3.2	35.5
Equity ratio, %	41.1	42.3	-2.9
Capital expenditure incl. lease liabilities, EUR thousand	3,617	1,249	189.7
Number of personnel at the end of the period, incl. leased workers	643	612	5.1
Average number of personnel during the period, incl. leased workers	643	592	8.6
Order book at the end of the period, EUR thousand	18,481	13,954	32.4

the price of electricity, as well as high inflation in general. Most of the increases in purchase prices and the price of electricity will be reflected in sales prices with a delay in line with the index terms included in customer agreements. Because of the nature of the systems, the index-based increases in sales prices that offset the impact of higher purchase prices and electricity prices do not have margins, which reduces relative profitability. In the first quarter of the financial year, profitability was also burdened by costs of EUR 0.3 million related to an acquisition that was not realized. As a whole, the Group's operations developed favourably throughout the 2022 financial year, as well as in the fourth quarter. In the previous year, profitability was also improved by a one-off payment of EUR 0.1 million from the bankruptcy estate of Componenta BV, a former subsidiary, for receivables that had been previously written down.

The Group's operating result increased from the previous year, amounting to EUR 1.6 million (EUR 0.0 million). In 2021, a revaluation of buildings and structures in the Group's tangible assets was carried out in accordance with IAS 16, resulting in the recognition of a net profit of EUR 0.7 million in the Group. The Group's net financial items totalled EUR -1.7 million (EUR -0.4 million). Compared with the previous year, the change was affected by the increase in market interest rates during the financial year, and by higher revolving credit facility costs arising from Componenta's maintenance shutdowns and the seasonality typical of the industry because of summer holidays. In addition, net financial items in the comparison period included EUR 0.9 million in financial income that was realised when the parent company's restructuring debt of EUR 6.6 million in the accounts was repaid at EUR 5.9 million, and Componenta Castings Oy's restructuring debt of EUR 3.6 million in the accounts was repaid at EUR 3.4 million. The Group's result after financial items was EUR -0.1 million (EUR -0.4 million). Taxes totalled EUR 0.2 million (0.0 million) for the financial year. The Group's profit for the financial year was EUR 0.1 million (EUR -0.4 million).

Basic earnings per share were EUR 0.01 (EUR -0.04) for the financial year. Diluted earnings per share were EUR 0.01 (EUR -0.04) for the financial year.

Balance sheet, financing and cash flow

At the end of the financial year, the company's capital employed stood at EUR 37.5 million (EUR 35.4 million),
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and the return on capital employed was 4.3% (3.2%). The return on equity was 0.2% (-1.7%). The Group's equity ratio stood at 41.1% (42.3%) at the end of the financial year. The decrease was due to a EUR 4 million working capital loan, of which EUR 2 million had been drawn down on the latter part of December. The Group's equity was EUR 24.1 million (EUR 23.5 million). Its net gearing stood at 20.0% (28.6%) at the end of the financial year. The improvement was mainly affected by the fact that the cash position at the end of 2022 was stronger than at the end of 2021.

Componenta Group's total liabilities on 31 December 2022 stood at EUR 34.7 million (EUR 32.0 million). Long-term liabilities amounted to EUR 10.6 million (EUR 10.5 million), and short-term liabilities totalled EUR 24.1 million (EUR 21.5 million). The Group's liabilities included EUR 3.5 million (EUR 2.7 million) in loans from financial institutions. In the last quarter of the financial year, Componenta signed an agreement on a EUR 4 million working capital loan, of which EUR 2 million had been drawn down on the financial statement date. The Group's other debt items included EUR 10.4 million in working capital, EUR 10.0 million in lease liabilities and EUR 10.8 million in other liabilities. Its current liabilities also included EUR 0.9 million (EUR 2.1 million) in payment relief granted by the Tax Administration to Componenta Manufacturing Oy in relation to the COVID-19 pandemic. The payment relief must be repaid in accordance with separate payment schedules by 22 August 2023. The annual interest on the payment relief is 2.5%.

On 21 June 2021, Componenta signed an agreement with Global Corporate Finance LLC (GCF), a company based in New York in the United States, on a share subscription facility of up to USD 8 million, which is valid for three years. GCF's total commitment is USD 8 million. The facility enables Componenta to increase its equity at its sole request. The company may offer new shares to GCF by way of derogation from the shareholders' subscription rights in several instalments of up to USD 1 million. The subscription price per share for each instalment corresponds to 94% of the volume-weighted average price of the company's share over five consecutive trading days from the date on which the company submits the withdrawal request for the instalment in question. During the financial year, Componenta used EUR 0.5 million of the share subscription facility for a directed share issue for GCF. The share issue was carried out in response to Componenta's continuously growing volumes and to

ensure the availability of key materials and the continued implementation of its own development measures. Through the directed share issue, a total of 194,944 shares was offered to be subscribed for by Global Corporate Finance LLC, which corresponded to around 2.0% of all the shares in Componenta following the execution of the arrangements. The subscription price per share was EUR 2.55, corresponding to 94% of Componenta's volume-weighted average share price on the Nasdaq Helsinki stock exchange between 18 and 24 August 2022. The new shares were entered into the Trade Register maintained by the Finnish Patent and Registration Office on 8 September 2022. Following the registration of the new shares, the total number of Componenta's outstanding shares is 9,712,757. Trading in the new shares began on the Nasdaq Helsinki stock exchange list on 12 September 2022.

At the end of the financial year, the Group's cash and cash equivalents totalled EUR 8.6 million (EUR 5.2 million). The Group's liquidity has remained at a good level since the end of the 2022 financial year. The Group had EUR 4.0 million in unused binding revolving credit facilities at the end of the financial year. These revolving credit facilities were renewed during the 2022 financial year and are valid until November 2023. In addition, the second and final instalment of EUR 2.0 million of the EUR 4 million working capital loan is expected to be drawn down during the first quarter of 2023.

The Group's net cash flow from operating activities in the financial year was EUR 6.2 million (EUR 2.8 million). The change was partly due to higher profitability than in the previous year. In 2021, cash flow was burdened by relatively higher changes in working capital, such as capital employed in inventories and receivables. Cash flow was also burdened by the payment of the underlying tax liabilities in relation to the payment relief granted by the Tax Administration because of the pandemic. These tax liabilities totalled EUR 1.2 million net during the financial year (EUR 1.2 million). At the end of the financial year, the Group's working capital (including inventories and accounts receivable, less accounts payable) was EUR 5.3 million (EUR 7.3 million). The change was because more capital was employed in accounts payable.

Capital expenditure

Capital expenditure made by the Group totalled EUR 3.6 million (EUR 1.2 million). The increase from the

previous year was affected by purchases of equipment in response to growing delivery volumes. The Group's net cash from investing activities was EUR -2.4 million (EUR -1.2 million), which includes the Group's cash flow from capital expenditure in tangible and intangible assets.

Research and development activities

There were no research and development costs, because Componenta engages in contract manufacturing operations and has no products of its own.

Risks and business-related uncertainties

The most significant risks related to Componenta's business operations are risks associated with the operating environment (competitive situation, prices, commodities and the environment), risks related to business operations (customers, suppliers, productivity, production processes, labour market disruptions, contracts, product liability, personnel and information security) and financing risks (availability, liquidity, currency, interest rate and credit).

The availability of certain raw materials such as recycled steel, pig iron, structural steel, aluminium and energy at competitive prices, as well as the uninterrupted supply of energy, is essential for the Group's business operations. Market prices for electricity remained at an exceptionally high level during the review period. Due to the coronavirus pandemic, the recovery of the economy and the situation in Ukraine and Russia, uncertainties related to the availability of raw materials and other materials continue to exist in Componenta's operational activities. In addition, global challenges with the availability of certain components for customers may lead to production disruptions in our end customers' plants and thereby affect Componenta's sales volumes in the short term. To ensure the availability of raw materials and other materials, Componenta maintains active interaction with its suppliers, continuously updates its needs forecast and optimises its inventory levels to meet longer-term demand, closely monitors the situation of its suppliers and market changes and responds to these changes as necessary.

According to Componenta's estimate, the Group has no significant and immediate risk concentrations in relation to Russia and Ukraine among its customers or suppliers of goods. Componenta has no operations of its own in Russia or Ukraine. The war in Ukraine has had an impact

on the general price development and availability of raw materials such as structural steel and pig iron, and on the development of energy prices. The war in Ukraine has had an indirect impact on the supply chains of Componenta's manufacturers of steel materials and wholesalers through the price development and availability of iron ore and coal, for example.

A prolonged war in Ukraine can continue to have a negative impact on the financial market, sales volumes, the availability and price development of raw materials and energy and the availability of foreign labour, which increases uncertainty in terms of forecasts.

The cost risk associated with raw materials is mainly managed through index-based price agreements, based on which the sales prices of products are updated retrospectively in response to changes in the prices of raw materials. An increase in raw material prices may increase capital employed in working capital. In terms of commercial risks, future volumes may be weakened by customers switching to cheaper alternatives due to price competition.

Componenta is continuously monitoring the liquidity risk. Componenta's current revolving credit facilities will need to be renewed in November 2023. The Group also finances its operations through factoring arrangements for receivables. Any termination or non-renewal of factoring arrangements or revolving credit facilities can create uncertainties for Componenta's liquidity and the continuity of its operations. However, these uncertainties can be mitigated, and it is the management's estimate that the future financing of operations does not involve significant uncertainties. Until June 2024, Componenta has access to a share subscription facility, which can be used to finance operations as necessary.

The Group's liquidity was at a good level at the end of the financial year. At the end of the review period, Componenta also had EUR 4.0 million in unused binding revolving credit facilities and a USD 7.5 million unused portion of its USD 8.0 million share subscription facility from GCF, an investor based in the United States. In addition, the final instalment of EUR 2.0 million of the EUR 4 million working capital loan agreed in December is expected to be drawn down during the first quarter of 2023. All the Componenta Group's restructuring programmes were completed in 2021. A

more detailed description of the uncertainties related to the continuity of the company's operations and other business risks is provided under "Accounting principles requiring the management's judgement".

The Componenta Group has no significant unresolved disputes or legal proceedings. Componenta Corporation owns 3.6% of Majakka Voima Oy, which has been placed in liquidation and is subject to claims because of the Fennovoima project. According to Componenta's estimate, it is unlikely that any significant financial liabilities will arise from this matter for Componenta.

Flagging notifications

Componenta did not receive any flagging notifications in 2022.

Resolutions of the Annual General Meeting

On 8 April 2022, Componenta Corporation announced the resolutions of its Annual General Meeting. The related press release is available in full on the company's website.

Board of Directors and management

On 8 April 2022, Componenta's Annual General Meeting (AGM) confirmed, in accordance with the proposal of the Shareholders' Nomination Board, that the Board of Directors consisted of four (4) members. The AGM re-elected Harri Suutari, Anne Leskelä, Petteri Walldén and Tomas Hedeberg as Board members. The Board members' term of office ends at the close of the next AGM.

At its organisation meeting after the AGM, the Board of Directors elected Harri Suutari as Chair of the Board and Anne Leskelä as Vice Chair of the Board.

On 31 December 2022, the Group's Corporate Executive Team consisted of the following members: Sami Sivuranta, President and CEO; Marko Karppinen, CFO; Pasi Mäkinen, COO; and Hanna Seppänen, General Counsel.

Share-based incentive scheme

On 12 November 2018, Componenta Corporation's Board of Directors 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 encourage the key employees to commit to the company.

On the financial statement date, the company had three option programmes: 2018A, 2018B and 2018C. Their valuation was carried out using the Black-Scholes model. The maximum number of option rights is 146,410, and they entitle their holders to a maximum of 292,820 new shares in the company or shares held by the company. The subscription prices are as follows: EUR 5.25 for a 2018A option right; EUR 3.85 for a 2018B option right; and EUR 3.03 for a 2018C option right. The subscription period for the 2018A option programme began in December 2021, and the subscription period for the 2018B option programme began in December 2022. Subscription rights had not been exercised by the financial statement date.

A total of 9,750 option rights returned to the company during 2022. The option rights returned to the company had not been transferred to the members of the programme by the financial statement date.

The restricted share plan has been based on key employees' existing contracts of employment or service, and on the continuation of their employment during the commitment period. The restricted share plan ended in December 2021.

Share capital and shares

The shares of Componenta Corporation are listed on the Nasdaq Helsinki. The average share price during the financial year was EUR 2.77 (EUR 3.51). The lowest price was EUR 2.02 (EUR 2.95), and the highest was EUR 3.65 (EUR 4.60). The quoted price at the end of the financial year was at EUR 2.34 (EUR 3.34). The market value of all shares in the company at the end

of the financial year was EUR 22.7 million (EUR 31.8 million), and the volume of shares traded during the financial year was 23.9% (61.8%) of all shares in the company.

Componenta Corporation's share capital was EUR 1.0 million (EUR 1.0 million) at the end of the financial year. The total number of shares in the company was 9,712,757 (9,517,813) at the end of the financial year. The company had 7,257 (7,700) shareholders at the end of the financial year.

Annual General Meeting

Componenta Corporation's Annual General Meeting will be held on 13 April 2023 at 9 am EEST in Vantaa, Finland. The notice of meeting will be published as a separate stock exchange release.

Financial communication in 2023

In 2023, Componenta will publish its financial reports as follows:

- Business review for January–March 2023 on Friday 5 May 2023
- Half-year financial report for January–June 2023 on Tuesday 25 July 2023
- Business review for January–September 2023 on Friday 3 November 2023

The 2022 Annual Review, including the financial statements and the Board of Directors' report, will be published during the week beginning 13 March 2023 at the latest.

Alternative key financial ratios

Componenta publishes certain commonly used key financial ratios that can be derived from the IFRS financial statements. The calculation formulas for these performance measures are presented at the end of this release.

Helsinki 2 March 2023

COMPONENTA CORPORATION

Board of Directors

Financial statements release tables

Accounting principles

Componenta Corporation's 2022 financial statements release has been prepared in line with IAS 34 Interim Financial Reporting and should be read in connection with Componenta's 2021 financial statements, which were published on 16 March 2022. Componenta has applied the same accounting principles to the financial statements release as it applied to its 2021 financial statements. The Financial Statements Release has not been audited.

New applied standards

The consolidated financial statements have been prepared in accordance with the same accounting principles as in 2021.

Segment information

Componenta provides its customers with services throughout the supply chain, including procedure design, casting, machining, metal sheet cutting, pipe products, forged blanks, surface treatments and logistics services, thus creating value-added total solutions for customers. Componenta's main products for sale are cast and machined metal components, as well as forged blanks, pipe products and metal sheet cutting. The company's subcontracting network further expands its offering. Componenta's high-quality metal components are used in mechanical engineering, agricultural and forestry machinery and the energy industry. Componenta's customers are global machine and equipment manufacturers, with whom Componenta has long-term customer relationships. Sales revenue that is insignificant from the Group's perspective is received from the leasing of office space and industrial premises.

The Chief Operating Decision Maker at Componenta is its President and CEO. The Group's Corporate Executive Team and other management assist and support the President and CEO in its duties.

Due to the business and organisational model of Componenta and the nature of its operations, the company's business operations are reported as a single entity.

Accounting principles requiring the management's judgement

When preparing the consolidated financial statements in accordance with the 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 judgement when making assumptions about the company's ability to continue as a going concern. Uncertainties and risks exist relating to going concern, but these can be mitigated at the management's discretion. Therefore, the going concern is not subject to any significant uncertainty in accordance with the International Financial Reporting Standards. The 2022 financial statements have been prepared based on the principle of going concern. When assessing the going concern principle, Componenta's management has considered the following aspects.

Componenta has strengthened its sales operating model, which was already clarified in 2020, and its sales resources. Consequently, new deals have been made in 2022, which has been reflected in an increase in net sales. The situation in Ukraine and the COVID-19 did not have a significant impact on Componenta's business operations during the 2022 financial year. On 21 June 2021, Componenta entered into an agreement on a share subscription facility of up to USD 8 million with Global Corporate Finance LLC, a company based in New York in the United States. The facility supports the company's financing

for the next three years, enabling the company to focus on achieving its growth and profitability targets for the coming years. In 2022, Componenta used the aforementioned financing tool. Componenta agreed on a working capital loan of a total of four million euros in December 2022. At the financial statement date, the loan had been withdrawn for 2 million euros, and the withdrawal of the second and last installment is planned to be done during the first quarter of 2023. Componenta's unused euro-denominated revolving credit facilities (EUR 4 million total) were extended until 30 November 2023 at the end of June 2022. This concerns both Componenta Manufacturing Oy and Componenta Castings Oy. It is the company's view that the Group also has access to debt financing from the market if necessary. The management has analysed the companies' cash flow forecasts for the next 12 months. To adjust its costs, Componenta has a possibility to adjust its operations through temporary layoffs when necessary due to changes in the order book.

In addition to assessing the going concern principle, the management has made other significant estimates and assumptions in determining the valuation of assets in the financial statements, such as investment properties, goodwill, tangible and intangible assets and inventories, as well as the realisability of deferred tax receivables and contingent liabilities. The management has also assessed accounts receivables. The management has assessed the situation in terms of both the company's own industry and the overall economic situation. The assessment did not have a material impact on the credit loss provision in the financial statements. Componenta regularly updates its credit loss provision. Componenta continuously

assesses the impact of the situation in Ukraine and the COVID19 pandemic on its financial reporting. Componenta closely monitors market development and its customers' situation and adjusts its operations accordingly. The management has assessed any indications of impairment of assets. The management has also assessed the recoverable amounts of assets and concluded that there are no indications of impairment, and that there is no need to write down assets. These estimates and assumptions involve risks and uncertainty, and it is therefore possible that these forecasts will change when the circumstances change, which may affect the recoverable amount of assets. More information about annual impairment testing is provided in the notes to the 2022 financial statements.

In addition, the management's judgement has been applied to determining the balance sheet value of a piece of equipment acquired by Componenta Manufacturing Oy and the related liability. The valuation of the asset and the financial liability has been affected by an estimate of the operating hours of the equipment over the next 10 years, and by the effective interest method.

At the end of the financial year, other liabilities under other non-interest-bearing liabilities included EUR 0.9 million in tax liabilities, for which the Tax Administration has granted a payment arrangement. In accordance with the payment arrangement, the company must pay the tax liability in equal instalments so that it will be fully repaid by August 2023. An interest rate of 2.5% applies to the debt covered by the payment arrangement.

Consolidated income statement

EUR thousand	Jan 1–Dec 31, 2022	Jan 1–Dec 31, 2021	Jul 1–Dec 31, 2022	Jul 1–Dec 31, 2021
Net sales	109,087	87,254	54,679	43,786
Other operating income	328	323	293	210
Operating expenses	-102,329	-82,618	-51,714	-42,327
EBITDA	7,086	4,959	3,258	1,669
% of net sales	6.5%	5.7%	6.0%	3.8%
Depreciation, amortization and write-downs	-5,530	-4,946	-2,751	-2,014
Operating result	1,555	13	507	-345
% of net sales	1.4%	0.0%	0.9%	-0.8%
Financial income and expenses	-1,662	-418	-942	-289
Result after financial items	-106	-405	-435	-634
% of net sales	-0.1%	-0.5%	-0.8%	-1.4%
Income taxes	158	0	73	83
Result for the financial period	52	-405	-362	-550
Allocation of result for the period				
To equity holders of the parent	52	-405	-362	-550
Earnings per share calculated on result attributable to the shareholders of the parent company				
- Basic earnings per share, EUR	0.01	-0.04	-0.03	-0.08
- Diluted earnings per share, EUR	0.01	-0.04	-0.03	-0.08

Consolidated statement of comprehensive income

EUR thousand	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2021	Jul 1–Dec 31, 2021	Jul 1–Dec 31, 2021
Net result	52	-405	-362	-550
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of buildings and land areas	0	-247	0	-247
Other comprehensive income total	0	-247	0	-247
Income tax on other comprehensive income	0	49	0	49
Other comprehensive income, net of tax, continued operations	0	-198	0	-198
Total comprehensive income	52	-602	-362	-748
Allocation of total comprehensive income				
To equity holders of the parent	52	-602	-362	-748

Consolidated statement of financial position

EUR thousand	Dec 31, 2022	Dec 31, 2021
Assets		
Non-current assets		
Intangible assets	1,985	1,796
Goodwill	3,225	3,225
Tangible assets	27,296	28,332
Investment properties	17	17
Receivables	521	532
Total non-current assets	33,044	33,902
Current assets		
Inventories	13,258	12,187
Trade and other receivables	3,945	4,159
Cash and cash equivalents	8,600	5,231
Total current receivables	25,804	21,577
Total assets	58,848	55,479

EUR thousand	Dec 31, 2022	Dec 31, 2021
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	1,000	1,000
Other equity	23,127	22,458
Equity attributable to equity holders of the parent company	24,127	23,458
Shareholders' equity	24,127	23,458
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	9,850	9,137
Interest free liabilities and capital loans	688	1,117
Provisions	14	14
Deferred tax liabilities	56	214
Total non-current liabilities	10,608	10,482
Current liabilities		
Interest bearing liabilities	3,568	2,808
Interest free liabilities	20,183	18,385
Provisions	363	347
Total current liabilities	24,114	21,540
Total liabilities	34,721	32,021
Total shareholders' equity and liabilities	58,848	55,479

Condensed consolidated cash flow statement

EUR thousand	Jan 1-Dec 31, 2022	Jan 1-Dec 31, 2021
Cash flow from operating activities		
Result after financial items	-107	-405
Depreciation, amortization and write-downs	5,530	4,946
Net financial income and expenses	1,662	418
Other income and expenses, adjustments to cash flow	-1,026	-738
Change in net working capital	1,771	-449
Cash flow from operations before financing and income taxes	7,829	3,771
Interest received and paid and dividends received	-1,658	-934
Net cash flow from operating activities	6,171	2,837
Cash flow from investing activities		
Capital expenditure in tangible and intangible assets	-2,441	-1,194
Sale of tangible and intangible assets	40	0
Net cash flow from investing activities	-2,401	-1,194
Cash flow from financing activities		
Repayment of lease liabilities	-1,542	-1,536
Share issue	497	0
Cost of share issue	-9	-577
Repayment of current loans	-1,347	-1,362
Draw-down of non-current loans	2,000	0
Repayment of non-current loans and other changes	0	-9,689
Net cash flow from financing activities	-401	-13,163
Change in liquid assets	3,369	-11,521
Cash and cash equivalents at the beginning of the period	5,231	16,752
Cash and cash equivalents at the period end	8,600	5,231

Statement of changes in consolidated shareholders' equity

EUR thousand	Share capital	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Retained earnings	Share holders' equity total
Shareholders' equity Jan 1, 2022	1,000	16,522	382	2,507	3,047	23,458
Net result					52	52
Comprehensive income items:						
Revaluation of buildings and land areas						
Total comprehensive income	0	0	0	0	52	52
Transaction with owners:						
Option and share-based compensation					129	129
Directed share issue		488				488
Transactions with owners, total	0	488	0	0	129	617
Shareholders' equity Dec 31, 2022	1,000	17,010	382	2,507	3,228	24,127

EUR thousand	Share capital	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Retained earnings	Share holders' equity total
Shareholders' equity Jan 1, 2021	1,000	16,522	580	2,507	3,262	23,871
Net result					-405	-405
Comprehensive income items:						
Revaluation of buildings and land areas			-198			-198
Total comprehensive income	0	0	-198	0	-405	-602
Transaction with owners:						
Option and share-based compensation					189	189
Directed share issue						
Transactions with owners, total	0	0	0	0	189	189
Shareholders' equity Dec 31, 2021	1,000	16,522	382	2,507	3,047	23,458

Group development

Group development by quarter

EUR thousand	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Net sales	30,062	24,617	28,896	25,512	25,260	18,526	23,085	20,384
EBITDA	2,583	470	2,374	1,453	1,402	267	1,779	1,510
Operating result	1,208	-907	999	50	797	-1,142	317	41
Net financial items	-371	-571	-334	-386	47	-336	-363	235
Result after financial items	836	-1,478	665	-336	844	-1,478	-47	275

Order book at period end

EUR thousand	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Order book	18,481	18,741	13,429	16,193	13,954	16,049	11,954	11,862

Net sales

Componenta Corporation is an international technology group and Finland's leading contract manufacturer in the engineering industry. Componenta and its predecessors have more than 200 years of experience in metal processing, method design, product development co-operation and various manufacturing methods, as well as their development. The group's operational functions are located in Finland. Componenta's technology portfolio is extensive. The group manufactures both cast and machined metal components as well as forgings, pipe products and plate sections.

Componenta's business model is built on long-term customer relationships. The group's customers are global machine and equipment manufacturers. Componenta's production is focused on serving the customer flexibly, especially in short and medium-sized production series. The wide range of production units covers sizes ranging from hundreds of grams to thousands of kilograms, volumes available from pieces to tens of thousands of series, and many different material options.

Net sales by market area

EUR thousand	Jan 1–Dec 31, 2022	Jan 1–Dec 31, 2021
Finland	87,093	69,448
Sweden	12,377	11,194
Germany	3,462	2,269
Other European countries	5,234	3,873
Other countries	657	243
Rental income	279	241
Internal items/eliminations	-16	-13
Total	109,087	87,254

Country-specific net sales reflect the destination where goods have been delivered.

Quarterly development of net sales by market area

EUR thousand	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Finland	24,676	19,552	23,035	20,109	19,994	14,869	18,617	16,209
Sweden	3,373	2,886	3,243	2,875	3,139	2,259	3,030	2,766
Germany	784	618	1,169	891	685	437	555	592
Other European countries	1,189	1,329	1,445	1,272	1,342	941	822	768
Other countries	44	237	32	344	93	31	65	54
Total	30,066	24,622	28,924	25,491	25,253	18,537	23,089	20,389

Net sales by business area

%	Jan 1-Dec 31, 2022	Jan 1-Dec 31, 2021
Machine building	46	45
Agricultural machinery	31	28
Forestry machinery	7	8
Energy industry	8	8
Defence equipment industry	2	4
Other industries	6	7
Total	100	100

Net sales by customer

Componenta has one significant customer, which share of the net sales is over 10%. The customer's share of the Group's net sales is 26.7% (25.0%).

Disaggregation of revenue from contracts with customers

Timing of revenue recognition, EUR thousand	Jan 1-Dec 31, 2022	Jan 1-Dec 31, 2021
At a point in time	109,087	87,254
Over time	0	0
Total	109,087	87,254

Changes in tangible and intangible assets

Changes in tangible assets

EUR thousand	Dec 31, 2022	Dec 31, 2021
Acquisition cost at the beginning of the period	133,345	130,970
Additions	3,192	1,181
Revaluation of buildings and land areas	0	574
Disposals and transfers between items	760	621
Acquisition cost at the end of the period	137,298	133,345
Accumulated depreciation at the beginning of the period	-105,013	-99,724
Depreciations, amortizations and write-downs during the period	-4,988	-5,290
Accumulated depreciation at the end of the period	-110,001	-105,013
Carrying amount at the end of the period	27,296	28,332

Changes in intangible assets

EUR thousand	Dec 31, 2022	Dec 31, 2021
Acquisition cost at the beginning of the period	21,590	21,263
Additions	424	67
Disposals and transfers between items	306	260
Acquisition cost at the end of the period	22,321	21,590
Accumulated depreciation at the beginning of the period	-19,794	-19,302
Depreciations, amortizations and write-downs during the period	-542	-493
Accumulated depreciation at the end of the period	-20,336	-19,794
Carrying amount at the end of the period	1,985	1,796

Goodwill

EUR thousand	Dec 31, 2022	Dec 31, 2021
Acquisition cost at the beginning of the period	3,225	3,225
Carrying amount at the end of the period	3,225	3,225

Lease liabilities

Changes in right-of-use assets

EUR thousand	Dec 31, 2022	Dec 31, 2021
Acquisition cost at the beginning of the period	9,015	9,721
Additions	1,176	66
Transfers between items	1,256	1,221
Depreciation	-1,926	-1,992
Carrying amount at the end of the period	9,521	9,015

Values of financial assets and liabilities

Dec 31, 2022, EUR thousand	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	Total
Non-current assets					
Other receivables		90			90
Current assets					
Cash and cash equivalents		8,600			8,600
Accounts receivables		2,455			2,455
Total financial assets		11,145			11,145
Non-current liabilities					
Loans from financial institutions		1,527			1,527
Lease liabilities				8,323	8,323
Other loans		0			0
Trade payables and advances received		189			189
Current liabilities					
Loans from financial institutions		1,909			1,909
Lease liabilities				1,639	1,639
Other loans		20			20
Trade payables and advances received		10,511			10,511
Total financial liabilities		14,155		9,962	24,117

Dec 31, 2021, EUR thousand	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	Total
Non-current assets					
Other receivables		90			90
Current assets					
Cash and cash equivalents		5,231			5,231
Accounts receivables		2,795			2,795
Total financial assets		8,116			8,116
Non-current liabilities					
Loans from financial institutions		1,466			1,466
Lease liabilities				7,652	7,652
Other loans		19			19
Trade payables and advances received*		189			189
Current liabilities					
Loans from financial institutions		1,247			1,247
Lease liabilities				1,483	1,483
Other loans		78			78
Trade payables and advances received		7,668			7,668
Total financial liabilities		10,666		9,135	19,801

The fair values of financial assets and liabilities are materially similar to their carrying amounts.

* Tax reliefs due to COVID-19 pandemic admitted by the Finnish Tax Administration were deducted from non-current payables and advances received in 2021.

The Group's financial assets are initially classified in the following categories: assets measured at amortised 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 amortised cost, the expected credit losses are measured and recognised based on aging classification. Financial liabilities are classified in the following categories: financial liabilities at fair value through profit and loss, lease liabilities and financial liabilities at amortised cost.

Componenta has also assessed the impact of the situation in Ukraine and COVID-19-pandemic on the most significant financial risks. From Componenta's point of view, the situation in Ukraine and

COVID-19-pandemic has had the greatest impact on the funding and liquidity risk.

Loans are initially recognised at fair value and valued thereafter at amortised 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.

Contingent liabilities

EUR thousand	Dec 31, 2022	Dec 31, 2021
Real-estate mortgages		
For own debts	0	600
Business mortgages		
For own debts	17,600	12,400
Pledges		
For own debts	7,800	7,800
Other leasing commitments	281	150
Other commitments	188	198
Total	25,869	21,149

Secured liabilities

EUR thousand	Dec 31, 2022	Dec 31, 2021
Liabilities secured with pledges, real estate or business mortgages		
Loans from financial institutions	3,436	2,712
Total	3,436	2,712

Componenta Corporation owns 3.6% of the shares of Majakka Voima Oy. Majakka Voima Oy owns Voimaosakeyhtiö SF's shares. Voimaosakeyhtiö SF is the main owner of Fennovoima Oy. Componenta has not participated in further funding of Majakka Voima Oy after 2013 and has fulfilled its obligations towards Majakka Voima Oy. Finnish Patent and Registration Office has placed Majakka Voima Oy into liquidation on 16 September 2022. Componenta has written down Majakka Voima Oy's shares in its accounting

completely in 2016. Voimaosakeyhtiö SF and some of its shareholders have approached Majakka Voima Oy with claims based on Voimaosakeyhtiö SF's shareholder agreement and related financial commitments. According to Componenta's assessment, it is unlikely that there are significant financial consequences to Componenta, as a result of which Componenta's figures for the review period do not include provisions or contingent liabilities related to this matter.

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's related parties consist of their immediate family and closely associated parties. Componenta did not have any related party transactions in 2022 that deviated from the usual

commercial terms. In 2021 management included in the related parties of Componenta received shares worth EUR 50,888.14 through direct share issue without consideration after the vesting period of Restricted Share Plan ended in 2021. Salaries and remunerations paid to the management are presented annually in the consolidated financial statements.

Group's key figures

	Dec 31, 2022	Dec 31, 2021
Equity ratio, %	41.1	42.3
Equity per share, EUR	2.48	2.46
Invested capital at period end, EUR thousand	37,544	35,402
Return on investment, %	4.3	3.2
Return on equity, %	0.2	-1.7
Net interest-bearing debt, EUR thousand	4,818	6,714
Net gearing, %	20.0	28.6
Order book, EUR thousand	18,481	13,954
Capital expenditure excl. lease liabilities, EUR thousand	2,298	1,183
Capital expenditure incl. lease liabilities, EUR thousand	3,474	1,249
Capital expenditure incl. lease liabilities, % of net sales	3.2	1.4
Average number of personnel during the financial period	588	562
Average number of personnel during the financial period, incl. leased personnel	643	592
Number of personnel at financial period end	592	570
Number of personnel at financial period end, incl. leased personnel	643	612
Share of export and foreign activities in net sales, %	19.9	20.1
Contingent liabilities, EUR thousand	25,869	21,149

Per Share Data	Dec 31, 2022	Dec 31, 2021
Basic earnings per share, EUR	0.01	-0.04
Diluted earnings per share, EUR	0.01	-0.04
Cash flow per share, EUR	0.63	0.30

Calculation of key financial ratios

Return on equity, % (ROE)	= $\frac{\text{Profit (Group) after financial items - income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes} + \text{non-controlling interest (starting \& closing balance average)}}$
Return on investment, % (ROI)	= $\frac{\text{Profit (Group) after financial items} + \text{interest and other financial expenses} \times 100}{\text{Shareholders' equity} + \text{interest bearing liabilities (starting \& closing balance average)}}$
Equity ratio, %	= $\frac{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest} \times 100}{\text{Balance sheet total} - \text{advances received}}$
Basic earnings per share, EUR (EPS)	= $\frac{\text{Profit after financial items} - \text{income taxes} +/- \text{non-controlling interest}}{\text{Average number of shares during the financial period}}$
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)	= $\frac{\text{Net cash flow from operating activities}}{\text{Average number of shares during the financial period}}$
Average trading price, EUR	= $\frac{\text{Trading volume}}{\text{Number of shares traded during the financial period}}$
Equity per share, EUR	= $\frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Dividend per share, EUR	= $\frac{\text{Dividend}}{\text{Number of shares at period end}}$
Payout ratio, %	= $\frac{\text{Dividend} \times 100}{\text{Earnings (as in Basic earnings per share)}}$
Effective dividend yield, %	= $\frac{\text{Dividend per share} \times 100}{\text{Market share price at period end}}$
Market capitalization, EUR	= Number of shares x market share price at period end
P/E multiple	= $\frac{\text{Market share price at period end}}{\text{Basic earnings per share}}$
Net interest bearing debt, EUR	= 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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