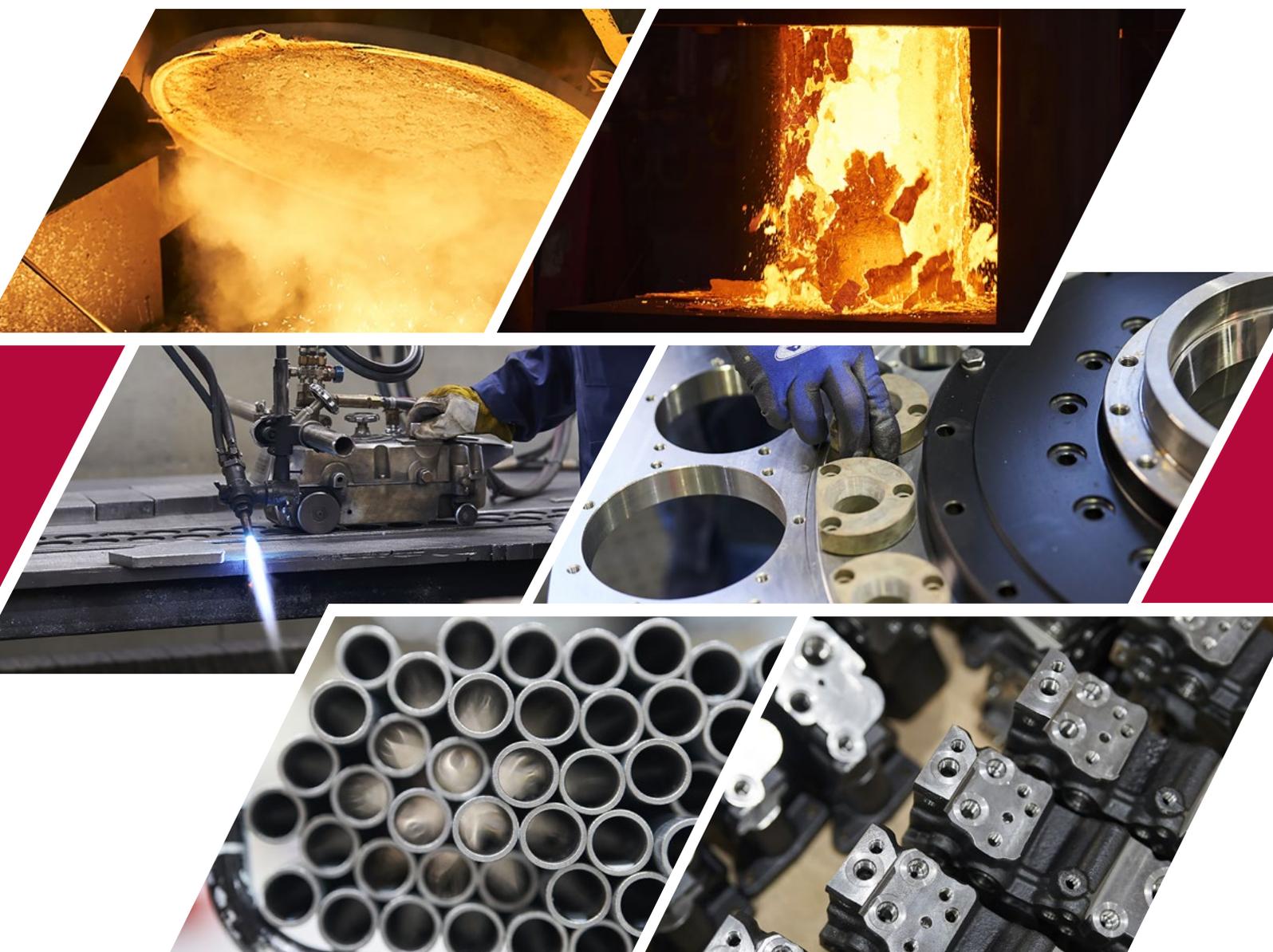


Componenta Corporation's Half-year Financial Report 2022



COMPONENTA

Componenta Corporation's Half-year Financial Report 1 January–30 June 2022

Net sales increased and EBITDA improved

January–June 2022

- Net sales increased to EUR 54.4 million (EUR 43.5 million).
- EBITDA improved to EUR 3.8 million (EUR 3.3 million).
- Operating result was EUR 1.0 million (EUR 0.4 million).
- Cash flow from operating activities was EUR 2.1 million (EUR 4.3 million).

April–June 2022

- Net sales increased to EUR 28.9 million (EUR 23.1 million).
- EBITDA improved to EUR 2.4 million (EUR 1.8 million).
- Operating result was EUR 1.0 million (EUR 0.3 million).
- Cash flow from operating activities was EUR 2.0 million (EUR 3.4 million).

The information presented in this half-year financial report concerns Componenta Group's performance in January–June 2022 and in the corresponding period of 2021, unless otherwise stated. Componenta has foundries in Pori and Karkkila, Finland, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland. The Group also includes real estate companies of minor importance in Finland. All Componenta Group's restructuring programmes were completed in 2021.

Sami Sivuranta, President and CEO:

"We managed well in an challenging operating environment during the first half of the year. Our net sales, EBITDA and market share continued to grow in line with our targets, and we are pleased with

the result. Our liquidity remained in a good level throughout the review period.

Our profitability during the review period was burdened somewhat by the exceptional price development of raw materials, materials and energy, which has significantly increased our manufacturing costs. In terms of our main raw materials and electricity, the cost development is largely tied to our customer agreements through indices, which are reflected in our sales prices with a delay. We have also separately agreed with our customers on compensation for cost increases in material prices not tied to any indices. These price agreements entered into force during the second quarter.

In addition, quality and productivity challenges at the Karkkila foundry affected our profitability to some extent. In our Karkkila unit, the recovery in demand and very good success in new sales have led to an exceptionally rapid growth in production volumes. This has generated special needs and challenges both, in terms of increasing resources in the workforce and in terms of rapidly increased technical process capacity. However, our activities to remedy the situation in Karkkila are progressing according to plan.

Our half-year result was also burdened by costs of EUR 0.3 million in the first quarter related to an acquisition that was not realized.

The prolonged crisis in Eastern Europe has increased challenges in the availability of materials and cost development. Componenta has no operations of its own in Russia or Ukraine. The direct impacts through our customers' and suppliers' business operations have been minor, as have the indirect impacts of the crisis for the time being. We are actively monitoring developments in our business environment and

seeking to ensure the availability of raw materials in all situations and circumstances.

Componenta's delivery capability has remained good throughout the COVID-19 pandemic. In our own operations, we have successfully managed our supply chain and secured our production and deliveries to customers. Our entire personnel have shown flexibility in maintaining our production and delivery reliability during these challenging times.

Our customers' forecasts and expectations have remained generally positive throughout the review period, and our order book was very strong at the end of the review period.

The circular economy plays a significant role in Componenta's production processes. We are committed to provide our customers high-quality and responsibly produced components. Our production operations are located close to our key customers, and we are able to respond quickly and flexibly to changes in the global market at the local level.

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 investing in close partnerships with our customers, aiming to be their preferred supplier with a sustainable and extensive offering."

Componenta's guidance for 2022 remains unchanged

Componenta expects the Group's net sales to be EUR 90–105 million in 2022. EBITDA is expected to improve from the previous year. The Group's net sales in 2021 were EUR 87.3 million, and its EBITDA was EUR 5.0 million.

Potential poor availability of raw materials, increases in the prices of raw materials and energy, the general economic situation and competitive climate, and the development of customers' sales volumes may affect business outlooks. Due to the COVID-19 pandemic and the crisis in Ukraine, the development of sales and profitability involves uncertainties and

poor predictability. An unfavourable development of the geopolitical situation related to Russia and Ukraine can 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.

Order book

Componenta's order book at the end of June 2022 was EUR 13.4 million (EUR 12.0 million). The order book contains the orders confirmed to customers for the next two months.

Net sales

Componenta's net sales increased by 25.2% from the previous year to EUR 54.4 million (EUR 43.5 million). Net sales were divided between customer industries as follows: machine building 48% (44%), agricultural machinery 30% (27%), forest machinery 7% (8%), the energy industry 8% (8%), the defence equipment industry 1% (6%) and other industries 6% (7%). The decrease in the share of the defence equipment industry is a result of investments in machinery and equipment that were implemented during the review period.

Result

The Group's EBITDA increased from the previous year, amounting to EUR 3.8 million (EUR 3.3 million). Its profitability improved as a result of higher sales volumes and systematic development measures. Productivity in the review period was burdened somewhat by quality and productivity challenges at the Karkkila foundry and by non-recurring advisory costs of EUR 0.3 million in the first quarter related to an acquisition that was not realized. In addition, the rising trend in the purchase prices of materials and the price of electricity had a negative impact on profitability. 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. In the comparison period, profitability was also improved by a one-time 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 1.0 million (EUR 0.4 million). The Group's net financial items totalled EUR -0.7 million (EUR -0.1 million). Net financial items in the comparison period include EUR 0.7 million in financial income that was realised when the parent company's restructuring debt of EUR 6.6 million was repaid at EUR 5.9 million.

Key figures

	Jan 1–Jun 30, 2021	Jan 1–Dec 31, 2021	Change, %	Jan 1–Jun 30, 2022
Net sales, EUR thousand	54,408	43,468	25.2	87,254
EBITDA, EUR thousand	3,827	3,290	16.3	4,959
Operating result, EUR thousand	1,049	358	193.2	13
Operating result, %	1.9	0.8	134.2	0.0
Result after financial items, EUR thousand	329	229	43.7	-405
Net result, EUR thousand	415	146	184.5	-405
Basic earnings per share, EUR	0.04	0.02	160.6	-0.04
Diluted earnings per share, EUR	0.04	0.02	163.9	-0.04
Cash flow from operating activities, EUR thousand	2,090	4,329	-51.7	2,837
Interest-bearing net debt, EUR thousand*	5,924	1,263	369.2	6,714
Net gearing, %	24.7	5.2	373.1	28.6
Return on equity, %	3.5	1.2	190.3	-1.7
Return on investment, %	6.0	5.5	9.8	3.2
Equity ratio, %	41.6	39.1	6.5	42.3
Capital expenditure incl. lease liabilities, EUR thousand	815	957	-14.9	1,249
Group's restructuring debt, EUR thousand**	0	3,608	-100.0	0
Number of personnel at the end of the period, incl. leased workers	644	596	8.0	612
Average number of personnel during the period, incl. leased workers	634	586	8.1	592
Order book at the end of the period, EUR thousand	13,429	11,954	12.3	13,954

*) Only interest-bearing part of restructuring debt included in comparison periods

***) All Componenta Group's restructuring programmes have ended prematurely in 2021

Balance sheet, financing and cash flow

At the end of the review period, the Group's invested capital stood at EUR 35.0 million (EUR 37.4 million), and the return on investment was 6.0% (5.5%). The return on equity was 3.5% (1.2%). The Group's equity ratio stood at 41.6% (39.1%) at the end of the review period. The improvement in the equity ratio was mainly due to the early repayment of Componenta Corporation's and Componenta Castings Oy's restructuring debt in 2021. The Group's equity was EUR 24.0 million (EUR 24.1 million). Its net gearing stood at 24.7% (5.2%) at the end of the review period. In the comparison period, net gearing was exceptionally low due to the liquid assets raised through a share issue at the end of 2020. In addition, only the

The Group's result after financial items was EUR 0.3 million (EUR 0.2 million). Taxes in the review period totalled EUR 0.1 million (EUR 0.0 million). In the review period, the tax income consisted of a change in deferred tax liabilities. The Group's net result for the period was EUR 0.4 million (EUR 0.1 million). Basic earnings per share were EUR 0.04 (EUR 0.02) for the review period.

interest-bearing debt included in the restructuring debt was considered in the calculation of the net gearing ratio.

Componenta Group's total liabilities on 30 June 2022 stood at EUR 33.6 million (EUR 37.6 million). The significant change from the comparison period resulted from the early repayment of the restructuring debt in 2021. Long-term liabilities amounted to EUR 9.5 million (EUR 14.0 million), and short-term liabilities totalled EUR 24.1 million (EUR 23.6 million). The Group's liabilities included EUR 2.1 million (EUR 3.9 million) in loans from financial institutions. The Group's other debt items mainly consisted of working capital items and lease liabilities. The long-term and short-term liabilities also included EUR 1.3 million (EUR 3.5 million) in payment relief granted by the

Tax Administration due to the COVID-19 pandemic on obligations that must be paid in accordance with separate payment schedules by 22 August 2023. The annual interest on the payment relief is 2.5%.

At the end of the review period, the Group's cash at bank and in hand totalled EUR 5.1 million (EUR 12.0 million). The funds of EUR 9.5 million raised through a rights issue improved liquidity at the end of the comparison period. These funds were used to repay restructuring debt during the 2021 financial year. The Group's liquidity remained at a good level in the review period. The Group had EUR 4.0 million in unused binding revolving credit facilities at the end of the review period. These are valid until November 2023. In addition, Componenta has access to a share subscription facility of USD 8 million.

The Group's net cash flow from operations in the review period was EUR 2.1 million (EUR 4.3 million). The change in cash flow is mainly due to seasonal fluctuation in working capital, which is typical for this line of business. The increase in working capital is also affected by the rising trend in the prices of materials and the fact that inventory levels are deliberately slightly higher than usual in case of weaker availability of raw materials. In addition, cash flow in 2022 has negatively affected by payments of EUR 0.7 million made in accordance with the payment schedule for the relief granted by the Tax Administration in 2020–2021 due to the COVID-19 pandemic.

Investoinnit

The Group's capital expenditure totalled EUR 0.8 million (EUR 1.0 million), including EUR 0.1 million (EUR 0.2 million) in lease liabilities recognised on the balance sheet. The Group's net cash from investing activities was EUR -0.7 million (EUR -0.7 million), which includes the Group's cash flow from capital expenditure in tangible and intangible assets.

Research and development activities

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

Personnel

The Group's average number of personnel during the review period was 581 (559), or 634 (586) including leased employees. The Group's average number of personnel at the end of the review period was 587 (566), or 644 (596) including leased employees.

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 is essential for the Group's business operations. The market prices for electricity remained at an exceptionally high level during the review period. Due to the COVID-19 pandemic, the recovery of the economy and the situation in Ukraine and Russia, uncertainties related to the availability of raw materials and other materials have increased 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 related 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. 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 with price agreements to adjust product prices in accordance with changes in the general index of raw material prices. An increase in raw material prices may tie more cash than expected to 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 going concern. However, these uncertainties can be mitigated, and it is the management's estimate that the future financing of operations does not involve significant uncertainties. This is discussed in more detail under "Accounting principles requiring management judgement".

The Group's liquidity was at a good level at the end of the review period. In addition, at the end of the review period, Componenta had EUR 4.0 million in unused binding revolving credit facilities and a share subscription facility of USD 8.0 million from GCF, an investor based in the United States. All Componenta Group's restructuring programmes were completed in 2021.

Flagging notifications

Componenta received no flagging notifications during the review period.

Resolutions of the Annual General Meeting and the Board of Directors

Componenta Corporation's Annual General Meeting (AGM) was held in Vantaa on 8 April 2022.

The AGM adopted the company's financial statements and consolidated financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the 2021 financial period. In accordance with the Board of Directors' proposal, the AGM decided that no dividend be paid based on the balance sheet confirmed for the financial year that ended on 31 December 2021.

The AGM decided that the Board of Directors consists of four (4) members. The AGM re-elected Tomas Hedenborg, Anne Leskelä, Harri Suutari and Petteri Walldén as the members of the Board. It was decided that the Board's remuneration will not be changed. 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. The AGM elected the audit firm PricewaterhouseCoopers Oy as the company's auditor, with Ylva Eriksson, Authorised Public Accountant, as the principal auditor.

The AGM authorised the Board of Directors to decide on share issues in accordance with the Board's proposal.

Share issues can be executed by issuing new shares or transferring treasury shares. The number of shares to be issued or transferred under the authorisation may not exceed 942,263 shares, which corresponds to around 9.9% of all shares in the company. The authorisation is valid until the end of the next AGM, but no later than 30 June 2023. The authorisation will not supersede any previous share issue authorisations that remain valid and unused.

A stock exchange release about the resolutions of the AGM 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 Hedenborg as the members of the Board. 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 30 June 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 capital and shares

The shares of Componenta Corporation are listed on the Nasdaq Helsinki. The average share price

during the review period was EUR 3.05 (EUR 3.49). The lowest price was EUR 2.53 (EUR 2.95), and the highest was EUR 3.65 (EUR 4.60). The quoted price at the end of the review period was EUR 2.65 (EUR 3.34). The market value of all shares in the company at the end of the review period was EUR 25.2 million (EUR 31.7 million), and the volume of shares traded during the review period year was 11.6% (33.7%) 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 review period. The total number of shares in the company was 9,517,813 (9,492,444) at the end of the review period. The company had 7,468 (8,129) shareholders at the end of the review period.

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 key financial ratios are presented at the end of this report.

Helsinki 22 July 2022

COMPONENTA CORPORATION
Board of Directors

Componenta Corporation is an international technology company and Finland's leading contract manufacturer in the machine building industry. Sustainability and customers' needs are at the core of the company's extensive technology portfolio. Componenta produces components for its global customers, which are manufacturers of machinery and equipment. The company's shares are listed on the Nasdaq Helsinki. www.componenta.com

Half-year financial report tables

Accounting principles

Componenta Corporation's half-year financial report for January–June 2022 has been prepared in line with IAS 34 Interim Financial Reporting, and should be read in conjunction with Componenta's financial statements for 2021, published on 16 March 2022. Componenta has applied the same accounting principles to its half-year financial report as it applied to its 2021 financial statements. The half-year financial report is unaudited.

Accounting principles requiring the management's judgement

When preparing the half-year financial report 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 12 months are presented below.

When preparing Componenta's half-year financial report, the management has used significant judgement when making assumptions about the company's ability to continue as a going concern. Uncertainties and risks are related to the 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 half-year financial report has been prepared based on the principle of going concern. When assessing the going concern principle, Componenta's management has considered the following aspects: During the 2020 financial year,

Componenta strengthened its sales operating model and sales resources for 2020–2022. Consequently, new deals were made during 2020–2022, which has been reflected in an increase in net sales. On 21 June 2021, Componenta entered into a three-year 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. Componenta's unused euro-denominated revolving credit facilities of EUR 4.0 million will continue to be valid until 30 November 2023. 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 in accordance with various scenarios. To adjust its costs, Componenta has adjusted its operations through temporary layoffs when necessary due to changes in the order backlog.

In addition to assessing the going concern, the management has made other significant estimates and assumptions in determining the valuation of assets in the review period, 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 trade receivables in terms of the impact of the COVID-19 pandemic and the war in Ukraine. 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 at the end of the

review period. Componenta regularly updates its credit loss provision. Componenta is continuously assessing the impact of the COVID-19 pandemic and the war in Ukraine on its financial reporting. Componenta closely monitors market development and its customers' situation and adjusts its operations accordingly.

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 or the pandemic or the war in Ukraine continues further, which may affect the recoverable amount of assets. More information about annual impairment testing is provided in the notes to the 2021 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 at the end of the review period 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 review period, other liabilities under other non-interest-bearing liabilities included EUR 1.3 million in tax liabilities, for which the Tax Administration has granted a payment relief. In accordance with the payment relief, 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 relief.

Consolidated income statement

EUR thousand	Jan 1–Jun 30, 2022	Jan 1–Jun 30, 2021	Jan 1–Dec 31, 2021
Net sales	54,408	43,468	87,254
Other operating income	35	113	323
Operating expenses	-50,615	-40,291	-82,618
EBITDA	3,827	3,290	4,959
% of net sales	7.0%	7.6%	5.7%
Depreciation, amortization and write-downs	-2,779	-2,932	-4,946
Operating result	1,049	358	13
% of net sales	1.9%	0.8%	0.0%
Financial income and expenses	-720	-129	-418
Result after financial items	329	229	-405
% of net sales	0.6%	0.5%	-0.5%
Income taxes	85	-83	0
Net result for the financial period	415	146	-405
Allocation of net result for the period			
To equity holders of the parent	415	146	-405
Earnings per share calculated on result attributable to the shareholders of the parent company			
- Basic earnings per share, EUR	0.04	0.02	-0.04
- Diluted earnings per share, EUR	0.04	0.02	-0.04

Consolidated statement of comprehensive income

EUR thousand	Jan 1–Jun 30, 2022	Jan 1–Jun 30, 2021	Jan 1–Dec 31, 2021
Net result	415	146	-405
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of buildings and land areas	0	0	-247
Other comprehensive income total	0	0	-247
Income tax on other comprehensive income	0	0	49
Other comprehensive income, net of tax	0	0	-198
Total comprehensive income	415	146	-602
Allocation of total comprehensive income			
To equity holders of the parent	415	146	-602

Consolidated statement of financial position

EUR thousand	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Assets			
Non-current assets			
Intangible assets	1,587	1,892	1,796
Goodwill	3,225	3,225	3,225
Tangible assets	26,977	29,678	28,332
Investment properties	17	17	17
Receivables	532	539	532
Total non-current assets	32,338	35,351	33,902
Current assets			
Inventories	14,059	10,417	12,187
Trade and other receivables	6,011	4,030	4,159
Cash and cash equivalents	5,110	11,983	5,231
Total current receivables	25,180	26,430	21,577
Total assets	57,518	61,781	55,479

EUR thousand	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	1,000	1,000	1,000
Other equity	22,938	23,136	22,458
Equity attributable to equity holders of the parent company	23,938	24,136	23,458
Shareholders' equity	23,938	24,136	23,458
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	8,458	10,178	9,137
Interest free liabilities and capital loans	899	3,523	1,117
Provisions	14	14	14
Deferred tax liabilities	129	347	214
Total non-current liabilities	9,500	14,062	10,482
Current liabilities			
Interest bearing liabilities	2,576	3,068	2,808
Interest free liabilities	21,149	19,973	18,385
Provisions	354	543	347
Total current liabilities	24,079	23,584	21,540
Total liabilities	33,580	37,646	32,021
Total shareholders' equity and liabilities	57,518	61,781	55,479

Condensed consolidated cash flow statement

EUR thousand	Jan 1–Jun 30, 2022	Jan 1–Jun 30, 2021	Jan 1–Dec 31, 2021
Cash flow from operating activities			
Result after financial items	329	229	-405
Depreciation, amortization and write-downs	2,779	2,932	4,946
Net financial income and expenses	720	129	418
Other income and expenses, adjustments to cash flow	-508	-876	-738
Change in net working capital	-556	2,383	-449
Cash flow from operations before financing and income taxes	2,763	4,797	3,771
Interest received and paid and dividends received	-673	-468	-934
Net cash flow from operating activities	2,090	4,329	2,837
Cash flow from investing activities			
Capital expenditure in tangible and intangible assets	-747	-715	-1,194
Acquisitions	-	-17	-
Net cash flow from investing activities	-747	-732	-1,194
Cash flow from financing activities			
Repayment of lease liabilities	-790	-765	-1,536
Share issue	-	-577	-577
Repayment of current loans	-674	-684	-1,362
Repayment of non-current loans and other changes	-	-6,340	-9,689
Net cash flow from financing activities	-1,464	-8,366	-13,163
Change in liquid assets	-121	-4,769	-11,521
Cash and cash equivalents at the beginning of the period	5,231	16,752	16,752
Cash and cash equivalents at the period end	5,110	11,983	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	Shareholders' equity total
Shareholders' equity Jan 1, 2022	1,000	16,522	382	2,507	3,047	23,458
Net result					415	415
Total comprehensive income	0	0	0	0	415	415
Transaction with owners:						
Option and share-based compensation					66	66
Transactions with owners, total	0	0	0	0	66	66
Shareholders' equity Jun 30, 2022	1,000	16,522	382	2,507	3,527	23,938

EUR thousand	Share capital	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Retained earnings	Shareholders' equity total
Shareholders' equity Jan 1, 2021	1,000	16,522	580	2,507	3,262	23,871
Net result					146	146
Total comprehensive income	0	0	0	0	146	146
Transaction with owners:						
Option and share-based compensation					119	119
Transactions with owners, total	0	0	0	0	119	119
Shareholders' equity Jun 30, 2021	1,000	16,522	580	2,507	3,527	24,136

Group development

Group development by quarter

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

Order book at period end

EUR thousand	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Order book	13,426	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–Jun 30, 2022	Jan 1–Jun 30, 2021	Jan 1–Dec 31, 2021
Finland	43,006	34,713	69,448
Sweden	6,118	5,796	11,194
Germany	2,060	1,146	2,269
Other European countries	2,717	1,590	3,873
Other countries	376	119	243
Rental income	138	113	241
Internal items/eliminations	-7	-9	-13
Total	54,408	43,468	87,254

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

Quarterly development of net sales by market area

EUR thousand	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Finland	23,035	20,109	19,994	14,869	18,617	16,209
Sweden	3,243	2,875	3,139	2,259	3,030	2,766
Germany	1,169	891	685	437	555	592
Other European countries	1,445	1,272	1,342	941	822	768
Other countries	32	344	93	31	65	54
Total	28,924	25,491	25,252	18,537	23,089	20,389

Net sales by business area

%	Jan 1–Jun 30, 2022	Jan 1–Jun 30, 2021	Jan 1–Dec 31, 2021
Machine building	48	44	45
Agricultural machinery	30	27	28
Forestry machinery	7	8	8
Energy industry	8	8	8
Defence equipment industry	1	6	4
Other industries	6	7	7
Total	100	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 net sales is 28.0% (24.1%).

Disaggregation of revenue from contracts with customers

Timing of revenue recognition, EUR thousand	Jan 1-Jun 30, 2022	Jan 1-Jun 30, 2021	Jan 1-Dec 31, 2021
At a point in time	54,408	43,468	87,254
Over time	0	0	0
Total	54,408	43,468	87,254

Changes in tangible assets

EUR thousand	Jan 1-Jun 30, 2022	Jan 1-Jun 30, 2021	Jan 1-Dec 31, 2021
Acquisition cost at the beginning of the period	133,345	130,970	130,970
Additions	815	726	1,181
Revaluation of buildings and land areas	357	551	574
Disposals and transfers between items	-209	-149	621
Acquisition cost at the end of the period	134,308	132,097	133,345
Accumulated depreciation at the beginning of the period	-105,013	-99,724	-99,724
Depreciations, amortizations and write-downs during the period	-2,318	-2,696	-5,290
Accumulated depreciation at the end of the period	-107,331	-102,419	-105,013
Carrying amount at the end of the period	26,977	29,678	28,332

Changes in intangible assets

EUR thousand	Jan 1-Jun 30, 2022	Jan 1-Jun 30, 2021	Jan 1-Dec 31, 2021
Acquisition cost at the beginning of the period	21,590	21,263	21,263
Additions	0	26	67
Disposals and transfers between items	51	143	260
Acquisition cost at the end of the period	21,641	21,432	21,590
Accumulated depreciation at the beginning of the period	-19,794	-19,302	-19,302
Depreciations, amortizations and write-downs during the period	-259	-238	-493
Accumulated depreciation at the end of the period	-20,053	-19,539	-19,794
Carrying amount at the end of the period	1,587	1,892	1,796

Goodwill

EUR thousand	Jan 1-Jun 30, 2022	Jan 1-Jun 30, 2021	Jan 1-Dec 31, 2021
Acquisition cost at the beginning of the period	3,225	3,225	3,225
Carrying amount at the end of the period	3,225	3,225	3,225

Changes in right-of-use assets

EUR thousand	Jan 1–Jun 31, 2022	Jan 1–Jun 31, 2021	Jan 1–Dec 31, 2021
Acquisition cost at the beginning of the period	9,015	9,976	9,721
Additions	67	36	66
Transfers between items	459	580	1,221
Depreciation	-964	-1,004	-1,992
Carrying amount at the end of the period	8,577	9,588	9,015

Values of financial assets and liabilities

EUR thousand, Jun 30, 2022	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		263			263
Current assets					
Cash and cash equivalents		5,110			5,110
Accounts receivables		3,890			3,890
Total financial assets		9,263			9,263
Non-current liabilities					
Loans from financial institutions		1,010			1,010
Lease liabilities				7,448	7,448
Other loans		0			0
Trade payables and advances received		366			366
Interest-bearing restructuring debts		0			0
Non-interest-bearing restructuring debts		0			0
Current liabilities					
Loans from financial institutions		1,086			1,086
Lease liabilities				1,432	1,432
Other loans		58			58
Trade payables and advances received		10,260			10,260
Interest-bearing restructuring debts		0			0
Non-interest-bearing restructuring debts		0			0
Total financial liabilities		12,781		8,880	21,661

EUR thousand, Jun 30, 2021	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		270			270
Current assets					
Cash and cash equivalents		11,983			11,983
Accounts receivables		2,385			2,385
Total financial assets		14,638			14,638
Non-current liabilities					
Loans from financial institutions		2,082			2,082
Lease liabilities				7,641	7,641
Other loans		58			58
Trade payables and advances received		1,327			1,327
Interest-bearing restructuring debts		397			397
Non-interest-bearing restructuring debts		2,196			2,196
Current liabilities					
Loans from financial institutions		1,241			1,241
Lease liabilities				1,568	1,568
Other loans		83			83
Trade payables and advances received		7,419			7,419
Interest-bearing restructuring debts		176			176
Non-interest-bearing restructuring debts		838			838
Total financial liabilities		15,817		9,209	25,026

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

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 COVID-19-pandemic, war in Ukraine and the rise in

interest rates regarding the most significant financial risks. The factors in question are not estimated to have a significant effect to Componenta's financial risks.

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	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Real-estate mortgages			
For own debts	0	3,150	600
Business mortgages			
For own debts	12,400	12,400	12,400
Pledges			
For own debts	7,800	7,800	7,800
Other leasing commitments	213	110	150
Other commitments	193	245	198
Total	20,606	23,705	21,149

Secured liabilities

EUR thousand	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Liabilities secured with pledges, real estate or business mortgages			
Interest-bearing restructuring debts	0	473	0
Loans from financial institutions	2,096	3,322	2,712
Total	2,096	3,795	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. 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, Board of Directors and management's and Board of Directors' related parties. The company management consists of the CEO and Executive Board. Management's and Board of Directors' related parties consist of their immediate family and controlled companies.

Componenta did not have any abnormal transactions with related parties during the reference period in 2022 nor during the reference period in 2021. Intra-group transactions have been eliminated from the Group's financial figures. Salaries and remunerations paid to the management are presented annually in the consolidated financial statements.

Key figures

	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Equity ratio, %	41.6	39.1	42.3
Equity per share, EUR	2.52	2.54	2.46
Invested capital at period end, EUR thousand	34,973	37,384	35,402
Return on investment, %	6.0	5.5	3.2
Return on equity, %	3.5	1.2	-1.7
Net interest-bearing debt, EUR thousand	5,924	1,263	6,714
Net gearing, %	24.7	5.2	28.6
Order book, EUR thousand	13,429	11,954	13,954
Capital expenditure excl. lease liabilities, EUR thousand	748	715	1,183
Capital expenditure incl. lease liabilities, EUR thousand	815	957	1,249
Capital expenditure incl. lease liabilities, % of net sales	1.5	2.2	1.4
Average number of personnel during the period	581	559	562
Average number of personnel during the period, incl. leased personnel	634	586	592
Number of personnel at period end	587	566	570
Number of personnel at period end, incl. leased personnel	644	596	612
Share of export and foreign activities in net sales, %	20.7	19.9	20.1
Contingent liabilities, EUR thousand	20,606	23,705	21,149

Per Share Data	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Basic earnings per share, EUR	0.04	0.02	-0.04
Diluted earnings per share, EUR	0.04	0.02	-0.04
Cash flow per share, EUR	0.14	0.46	-0.04

Calculation of key financial ratios

Return on equity, % (ROE)	= $\frac{\text{Profit (Group) after financial items - income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes + non-controlling interest (starting \& closing balance average)}}$
Return on investment, % (ROI)	= $\frac{\text{Profit (Group) after financial items + interest and other financial expenses} \times 100}{\text{Shareholders' equity + interest bearing liabilities (starting \& closing balance average)}}$
Equity ratio, %	= $\frac{\text{Shareholders' equity, preferred capital notes excluded + non-controlling interest} \times 100}{\text{Balance sheet total - advances received}}$
Basic earnings per share, EUR (EPS)	= $\frac{\text{Profit after financial items - income taxes +/- non-controlling interest}}{\text{Average number of shares during the financial period}}$
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, %	= $\frac{\text{Net interest bearing liabilities} \times 100}{\text{Shareholders' equity, preferred capital notes excluded + non-controlling interest}}$
EBITDA, EUR	= Operating profit + Depreciation, amortization and write-downs +/- Share of the associated companies' result

COMPONENTA

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