

Componenta Corporation Extraordinary General Meeting 1 July 2019

Description of the transaction

Object of the transaction and the parties

- **Object of the transaction** shares and capital loans of Komasa
- **Purchaser** Componenta Corporation
- **Sellers** funds managed by CapMan, Fortaco Oy and private persons

KOMAS
KOVAA TYÖTÄ.

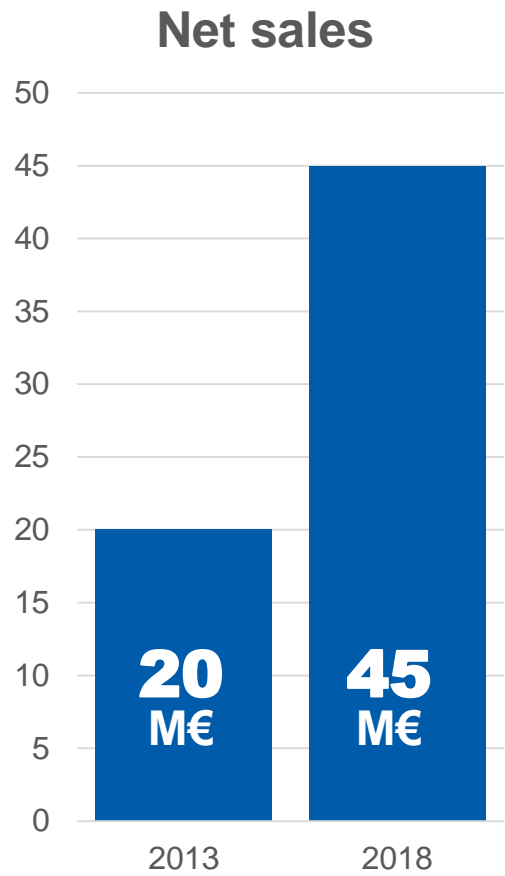


KOMAS

**COMPETITIVENESS FOR OUR CUSTOMERS BY
HIGH-QUALITY CONTRACT MANUFACTURING**

1 July 2019

Komas

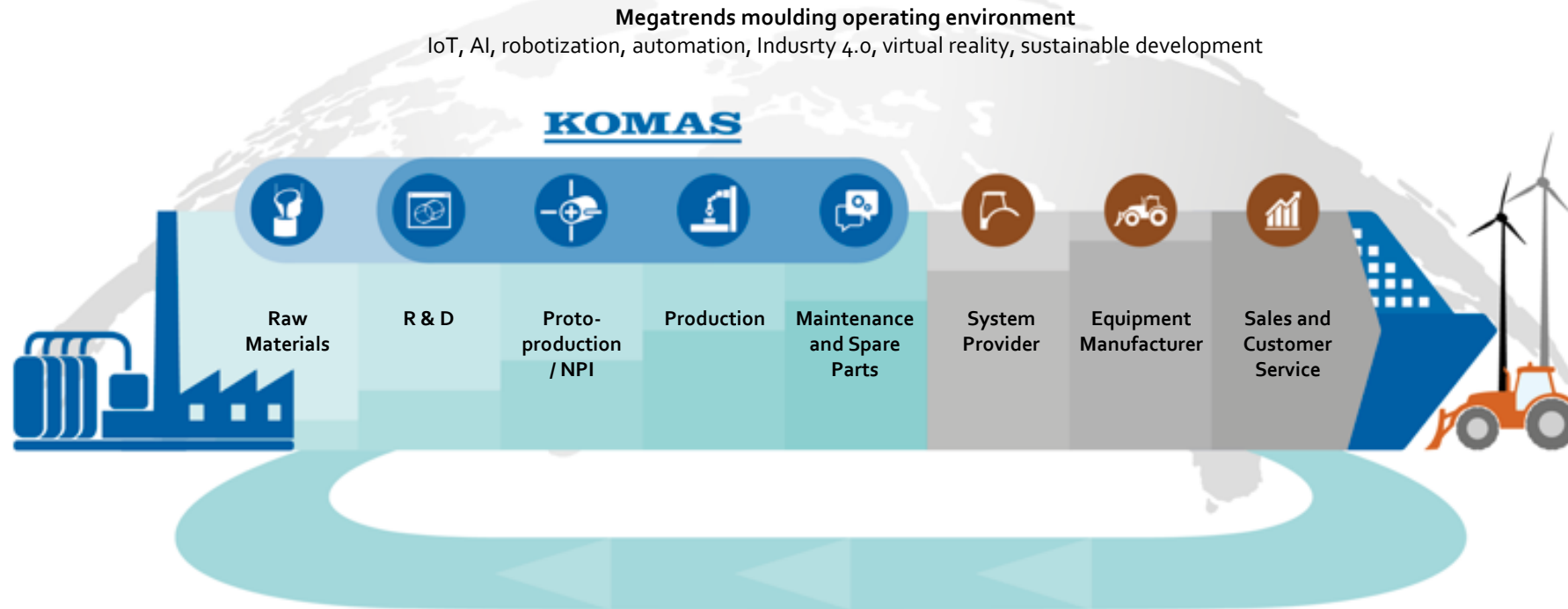


Personnel 300

- Machining 76%
- Hydraulics 12%
- Plate cutting 9%
- Forging 3%



Value chain and services



Raw Materials

- Audited supplier network
- Direct deliveries from the factories
- Procurement cooperation with the customers

R & D Support

- Manufacturability of the parts
- Cost savings
- Choosing the materials

Proto-production / new product introduction NPI

- Securing the quality of the product
- Testing and verifying of the production process before starting serial production

Production

- Small series and serial production with high delivery reliability
- Machining, forging, plate cutting, manufacturing of hydraulic tubes

Maintenance and Spare Parts

- Delivery to the central warehouse or to service point at the customer
- Securing availability of the spare parts
- Production of single items and small series

Customer's needs

- Costs for producing quality
- Increasing equipment requirements and new innovations
- Effortless cooperation
- All-inclusive service from one-stop-shop

Methods of manufacturing



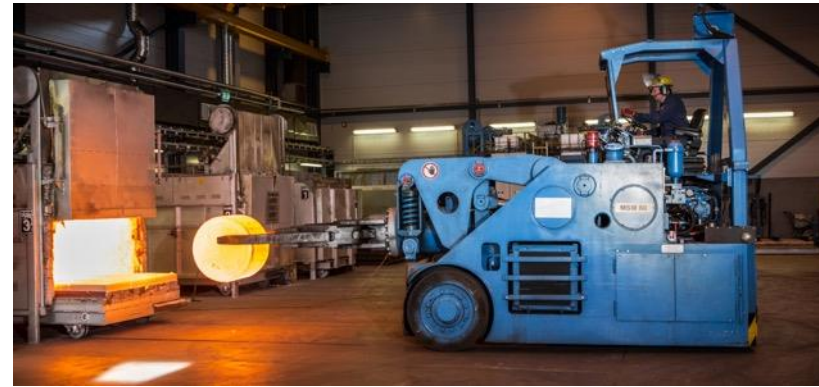
Machining



Production of hydraulic tubes



Plate cutting



Forging

Changes provide future possibilities



Operation that started from state-owned rifle factory has after weapon production evolved as strong competence to manufacture components. At present a large part of the production is exported around the world with the customers' products.

KOMAS

FURTHER INFORMATION

www.komas.fi

Purchase price

Purchase price is paid in its entirety in shares of Componenta Corporation:

- **60 million** new shares issued by Componenta, which is approximately 25.3% of issued Componenta Corporation shares or 24.3%, if all rights and privileges attached to shares are considered
- **EUR 6.6 million** if EUR 0.11 is used as share price (closing price of Componenta's share on signing date, 15 May 2019)
- **Final purchase price** is determined in accordance with the share price on the closing date

Directed share issue

Authorization for the Board of Directors

In this Extraordinary General Meeting the authorization is applied for the Board of Directors to execute directed share issue for payment of the purchase price



Execution of the transaction

- **The closing of the transaction** depends on the usual terms of business acquisitions, including possible approvals from the authorities and the decision on the share issue by the General Meeting
- **Original intention of the Parties** has been to conclude the transaction on 1 July 2019. Due to lack of one authority decision the intended closing is postponed
- **Komas will be consolidated to Componenta** on the date of closing of the transaction



Impact of the transaction

- **The transaction is estimated** to increase Componenta's net sales by approximately EUR 20 million in 2019, provided that the the transaction had been closed 1 July 2019
- **In addition, it is estimated** that the transaction has a positive impact on Componenta's EBITDA



Significantly stronger range of products for the customers

Strategic reasoning:

1

One-stop-shop

- Expanding range of products and services improves Componenta's customer service
- Customers wish to purchase cast components and machining services from a single supplier
- Machining services will strengthen Componenta's competitiveness

2

Basis for the development of the customership

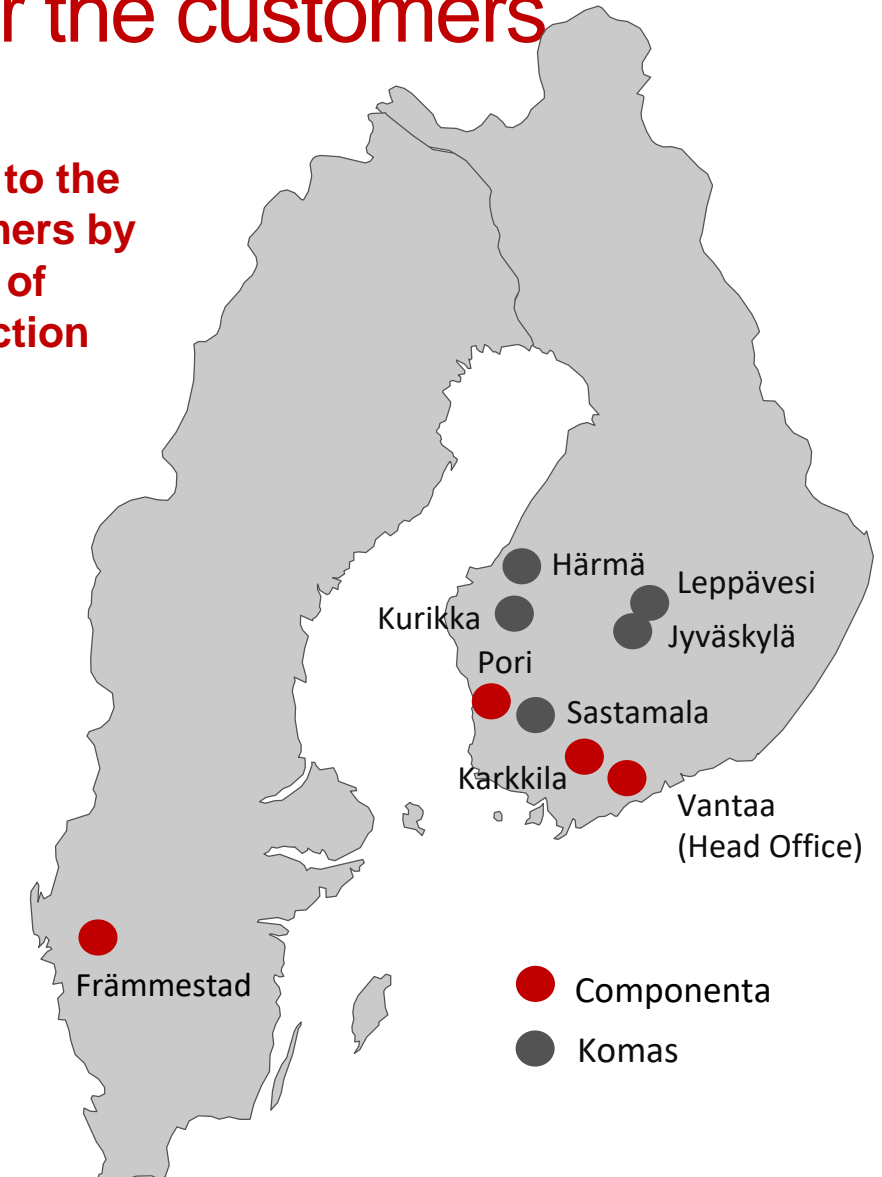
- Redirection of the machining services from external machining service provider network to in-house providers offers a possibility to improve customer service
- Improved basis for the customership development and customer acquisition in the long term
- The amount of OEM customers and deliveries to them is increased

3

Closer to the customers

- Strengthens presence in the Finnish industrial clusters
- Ability to provide services for broader clientele

Closer to the customers by means of transaction



Transaction strengthens competitiveness and creates an entity of nearly 1000 professionals

2018	Componenta	Komas
Net sales	EUR 120.7 million	EUR 44.9 million
Statement of financial position	EUR 48.9 million	EUR 13.5 million
Personnel	Approx 700	Approx 300
Business Units	3 Business Units in Finland 1 Business Unit in Sweden	5 Business Units in Finland
Main services	Cast and machined components	Machined components, forgings, hydraulic pipes and plate cuttings

Summary: Progress of the transaction

Publishing the transaction by stock exchange release	16 May 2019
Extraordinary General Meeting	1 July 2019
Necessary authority approvals	Ministry of Economic Affairs and Employment of Finland
Closing of the transaction	31 July 2019 at the earliest
New chairman of the Board of Directors commences	After closing of the transaction
New President and CEO commences	After closing of the transaction
Integration of the operations	Integration project commences after closing of the transaction