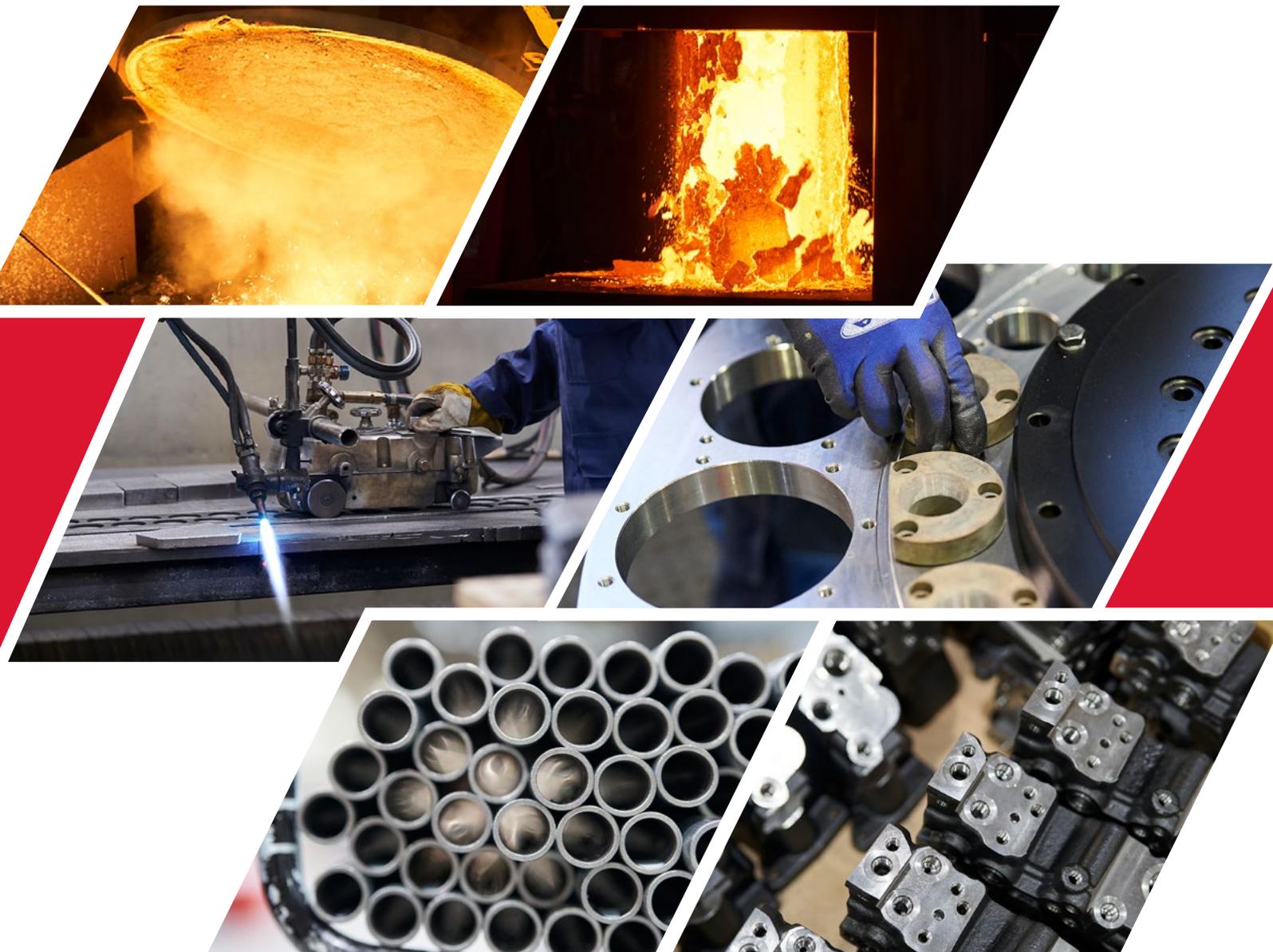


# Financial Statements Release

1 January – 31 December 2021



COMPONENTA

# Net sales increased and EBITDA improved clearly

## January– December 2021

- Net sales increased clearly from the previous year, amounting to EUR 87.3 million (EUR 70.0 million).
- EBITDA also improved clearly, amounting to EUR 5.0 million (EUR 3.7 million).
- The operating result was EUR 0.0 million (EUR -2.0 million).
- Cash flow from operating activities was EUR 2.8 million (EUR 6.4 million).

## October– December 2021

- Net sales increased to EUR 25.3 million (EUR 17.5 million).
- EBITDA was EUR 1.4 million (EUR 1.9 million).
- The operating result was EUR 0.8 million (EUR 0.4 million).
- Cash flow from operating activities was EUR 2.4 million (EUR -0.6 million).

The information presented in this Financial Statements Release concerns the development of Componenta Group's continued operations in January–December 2021 and in the corresponding period in 2020 unless otherwise stated. The figures in this release have not been audited.

## Sami Sivuranta, President and CEO:

“We managed well and mainly according to our expectations in the challenging operating environment during the 2021 financial year. Our profitability improved clearly, and operational development continued throughout the year. Non-recurring items, totalling EUR 0.6 million, improved the result for the fourth quarter of the previous year. Our net sales continued to improve, thanks to successful new sales, increased market shares and the overall market recovery.

Our employees' resilience and strong commitment ensured a solid foundation for positive development throughout the year, which was characterised by the COVID-19 pandemic. Our employees' ability to

adapt and commit to our strict restrictive measures significantly improved health security and wellbeing in our units and also ensured good delivery and service capability throughout the year.

Due to increased sales volumes, we increased our capacity and our production personnel resources throughout 2021. However, there have been challenges related to labour availability, and the work permit processing times for foreign labour have been exceptionally long. By our active efforts, we have been able to ensure good service capability, even with our increasing delivery volumes, but this had a temporary negative impact on productivity during the second half of the year.

Our customers' forecasts and expectations for 2022 are mainly positive, which is why our order book was very strong at the end of the review period. This gives us an excellent start to the year.

The continued challenges with the availability of materials and components, as well as problems in international supply chains, continued in our operating environment and our customers' operations in the fourth quarter. However, we successfully managed our supply chains and ensured our own production, and customers incurred no material shortages caused by Componenta.

In addition to the rising trend in purchase prices, the historically high prices in the electricity market in December had a negative impact on profitability in the fourth quarter. In terms of our main raw materials and electricity the cost development is tied to indices included in customer pricing agreements and will be revised in sales prices with a delay.

Componenta Castings Ltd's restructuring programme was completed in October 2021. This means all the restructuring programmes within the Group were completed ahead of schedule during 2021. This will significantly improve Componenta's position and credibility from the perspective of our customers and suppliers, as well as other stakeholders.

Our liquidity remained at a good level throughout the year. Due to the strong growth in volumes, we responded to the availability challenges related to certain materials by increasing our safety stock levels at our discretion. Our liquidity has remained at a good level since the end of the review period.

In 2022, we will continue our efforts to further strengthen Componenta's market position and profitability as part of our growth strategy. In addition, we are seeking to invest in our service capability, close customer relationships, sustainability and highly competent personnel, as well as in expanding our offering. We are investing in close partnerships with our customers, aiming to be our customers' preferred supplier with a comprehensive offering and excellent service."

### **Dividend proposal**

The Group's result for the financial year was EUR -0.4 million (EUR -0.9 million). On 31 December 2021, the parent company's distributable funds totalled EUR 15.7 million (EUR 14.7 million). Based on the balance sheet to be confirmed for the financial year that ended on 31

December 2021, the Board of Directors proposes that no dividend be paid for 2021.

### **Componenta's guidance for 2022**

Componenta expects its net sales from continued operations to be EUR 90–105 million in 2022. EBITDA is expected to improve from the previous year. Net sales from continued operations in 2021 were EUR 87.3 million and EBITDA was EUR 5.0 million.

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, the development of sales and profitability involves uncertainties and poor predictability. According to Componenta's assessment the Group has no significant and immediate risk concentrations related to Russia and Ukraine in customers or suppliers. Componenta has no own operations in Russia or Ukraine. Unfavourable developments in the geopolitical situation in Russia and Ukraine could have an impact on financial markets, sales volumes, the availability and price development of raw materials and energy, and the availability of foreign labour, leading to uncertainty when making future estimates.

### **Summary of key events in 2021**

Net sales and profitability increased clearly due to higher delivery volumes and systematic development measures, although profitability was somewhat burdened by the increasing trend in the prices of raw materials and energy.

Componenta Corporation's restructuring programme ended on 27 April 2021 when the restructuring programme supervisor approved the restructuring debt payments carried out by the company on 31 March 2021 and provided the creditors with a final report on the restructuring programme. The company's Board of Directors had decided on 25 February 2021 on the completion of the restructuring programme ahead of schedule and the repayment of debt, totalling around EUR 5.9 million, in accordance with the restructuring programme.

Componenta Castings Ltd's restructuring programme ended on 22 October 2021 when the restructuring programme supervisor approved the restructuring debt payments carried out by the company on 15 October 2021 and provided the creditors with a final report on the restructuring programme. Componenta Corporation's

Board of Directors decided on 13 October 2021 that around EUR 3.4 million be paid to the Group's external restructuring creditors, and around EUR 2.2 million to the Group's internal creditors. The Group's internal restructuring debt was repaid in full through the conversion of the restructuring debt into a new debt.

On 21 June 2021, Componenta signed an agreement with Global Corporate Finance LLC, 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.

### Order book

At the end of 2021, Componenta's order book in continued operations stood at EUR 14.0 million (EUR 9.5 million). The order book contains the orders confirmed to customers for the next two months. The increase in the order book was mainly due to successful sales and the recovery of the economy and demand.

### Net sales

Net sales from continued operations increased by 24.6% from the previous year to EUR 87.3 million (EUR 70.0 million). Componenta's net sales were divided

between customer industries as follows: machine building 45% (43%), agricultural machinery 28% (26%), forest machinery 8% (7%), the energy industry 8% (10%), the defence equipment industry 4% (7%) and other industries 7% (7%).

### Result

EBITDA from the Group's continued operations increased from the previous year, amounting to EUR 5.0 million (EUR 3.7 million). Profitability improved as a result of higher sales volumes and systematic development measures. The non-recurring payment of EUR 0.1 million from the former bankrupt subsidiary Componenta BV for receivables that had been previously written down also contributed to our profitability. Profitability in 2021 was somewhat burdened by the rising trend in raw material prices, as well as in energy prices, especially in the fourth quarter. Most of the increases in the purchase prices of the main raw materials and electricity will be reflected in sales prices with a delay in line with the index terms included in customer agreements. In addition, profitability was somewhat burdened by challenges related to labour availability in the second half of the year, especially in the foundry business in Karkkila, Finland. These challenges caused production lead times to increase in some manufacturing operations.

### Key figures

	2021	2020	Change, %
Net sales, continued operations, EUR thousand	87,254	70,040	24.6
EBITDA, continued operations, EUR thousand	4,959	3,750	32.2
Operating result, continued operations, EUR thousand	13	-2,034	100.6
Operating result, continued operations, %	0.0	-2.9	100.5
Result after financial items, continued operations, EUR thousand	-405	-3,489	88.4
Net result, continued operations, EUR thousand	-405	-3,175	87.3
Net result, including discontinued operations, EUR thousand	-405	-949	57.4
Basic earnings per share, EUR	-0.04	-0.20	78.3
Diluted earnings per share, EUR	-0.04	-0.20	79.0
Cash flow from operating activities, continued operations, EUR thousand	2,837	6,355	-55.4
Interest-bearing net debt, EUR thousand	6,714	-2,584	359.8
Net gearing, %	28.6	-10.8	364.3
Return on equity, %	-1.7	-5.8	70.8
Return on investment, %	3.2	0.7	386.3
Equity ratio, %	42.3	37.3	13.3
Capital expenditure incl. leases, continued operations, EUR thousand	1,249	5,134	-75.7
Group's restructuring debt, EUR thousand	0	10,694	-100.0
Number of personnel at the end of the period, incl. leased workers, continued operations	612	574	6.6
Average number of personnel during the period, incl. leased workers, continued operations	592	589	0.5
Order book at the end of the review period, continued operations, EUR thousand	13,954	9,536	46.3

As a whole, the Group's operations developed favourably throughout the 2021 financial year, as well as in the fourth quarter, considering that non-recurring items of EUR 0.9 million improved profitability in the previous financial year. The non-recurring items included development aid of EUR 0.3 million recognised through profit and loss account granted by Business Finland and cost support received from the State Treasury. The remaining part EUR 0.6 million was related to the sale of unnecessary fixed assets and the further specification of accounting principles for inventories in Componenta Manufacturing Ltd in the fourth quarter of 2020.

Operating result from the Group's continued operations improved from the previous year, amounting to EUR 0.0 million (EUR -2.0 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 realisation of a net profit of EUR 0.7 million in the Group. The profit EUR 0.8 million was recognised in depreciation, amortization and write-downs and as an expense EUR 0.2 million in income taxes. Net financial items in the Group's continued operations were EUR -0.4 million (EUR -1.5 million). Net financial items in the Group's continued operations include EUR 0.9 million in financial income that was realised when the parent company's restructuring debt (EUR 6.6 million in the accounts) was repaid at EUR 5.9 million and Componenta Castings Ltd's restructuring debt (EUR 3.6 million in the accounts) was repaid at EUR 3.4 million. The Group's continued operations' result after financial items was EUR -0.4 million (EUR -3.5 million). The taxes of the continued operations totalled EUR 0.0 million (0.3 million) for the financial year. The Group's continued operations' result for the financial year was EUR -0.4 million (EUR -3.2 million).

The Group had no transactions recognised through profit or loss in its discontinued operations in the financial year. The Group's result for the financial year was EUR -0.4 million (EUR -0.9 million). Basic earnings per share were EUR -0.04 (EUR -0.20) for the financial year. Diluted earnings per share were EUR -0.04 (EUR -0.20) for the financial year.

### Balance sheet, financing and cash flow

At the end of the financial year, the company's invested capital stood at EUR 35.4 million (EUR 38.0 million), and the return on investment was 3.2% (0.7%). The return on equity was -1.7% (-5.8%). The Group's equity ratio stood at 42.3% (37.3%) at the end of the financial year. The improvement in the equity ratio was mainly due to the early repayment of Componenta Corporation's and

Componenta Castings Ltd's restructuring debt in 2021. The Group's equity was EUR 23.5 million (EUR 23.9 million). Its net gearing stood at 28.6% (-10.8%) at the end of the financial year. In 2020, net gearing was exceptionally low due to the liquid funds raised through a share issue at the end of the year. In addition, only the interest-bearing debt included in the restructuring debt was considered in the calculation of the net gearing ratio.

Componenta Group's total liabilities on 31 December 2021 stood at EUR 32.0 million (EUR 40.1 million). The significant change compared with 2020 resulted from the early repayment of the restructuring debt. Long-term liabilities amounted to EUR 10.5 million (EUR 21.7 million), and short-term liabilities totalled EUR 21.5 million (EUR 18.5 million). The Group's liabilities included EUR 2.7 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 2.1 million (EUR 3.5 million) in payment relief granted by the Tax Administration due to the COVID-19 pandemic, including new payment relief (EUR 1.2 million) granted by the Tax Administration to Componenta Manufacturing Ltd during the 2021 financial year. 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%.

In November–December 2020, Componenta carried out a rights issue, raising around EUR 9.5 million in gross assets. On 25 February 2021, the company's Board of Directors decided to pay EUR 5.9 million to the creditors of the parent company's restructuring programme and complete the programme early. The early completion of the restructuring programme was funded with cash assets raised through the rights issue mentioned above. Componenta Corporation's restructuring programme ended on 27 April 2021 when the supervisor of the parent company's restructuring programme approved the restructuring debt payments carried out by the company on 31 March 2021 and provided the creditors with a final report on the restructuring programme.

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. The share subscription facility will be implemented with GCF as a share purchase agreement, in which GCF's total commitment is USD 8 million. The agreement enables Componenta to increase its equity at its sole request. The company may offer new shares to GCF by in deviation of the shareholders' subscription rights in

multiple tranches 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 during five consecutive trading days following the date when the company issues drawdown request for that tranche.

At the end of the financial year, the Group's cash and cash equivalents totalled EUR 5.2 million (EUR 16.8 million). The funds (EUR 9.5 million) raised through the rights issue towards the end of 2020 improved liquidity at the end of the previous year. These funds were used to repay restructuring debt during the previous year. The Group's liquidity has remained at a good level also after the end of the 2021 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 2021 financial year and are valid until November 2022.

Cash flow from continued operations for the financial year was EUR 2.8 million (EUR 6.4 million). The decrease was due to changes in working capital, such as capital employed in inventory and receivables, as well as the payment of tax liabilities (EUR 1.2 million net) during the financial year. The tax liabilities were related to payment relief granted by the Tax Administration due to the pandemic. In the comparison period, the cash flow from continued operations was improved by payment relief (EUR 3.4 million) granted by pension companies and the Tax Administration due to the pandemic, as well as by aid of EUR 0.3 million received from the State Treasury and Business Finland. At the end of the financial year, the continued operations' working capital (including inventories and accounts receivable, less trade payable) was EUR 7.3 million (EUR 5.2 million). More capital is employed in inventories, and days sales outstanding (DSO) has remained on the same level, but days payables outstanding (DPO) has increased due to better payment terms.

### Capital expenditure

Capital expenditure made by continued operations totalled EUR 1.2 million (EUR 3.4 million). Continued operations' capital expenditure, including lease liabilities recognised on the balance sheet, totalled EUR 1.2 million (EUR 5.1 million). The decrease from 2020 was affected by the timing of two major capital expenditures. These capital expenditures will be realised during the 2022 financial year. The Group's net cash from investing activities was EUR -1.2 million (EUR -3.4 million), which includes the Group's cash flow from capital

expenditure in tangible and intangible assets. The largest capital expenditure in the 2020 financial year was related to an equipment acquisition made in the Härmä unit. With this capital expenditure, Componenta secured its deliveries to key customers over the long term, expanded the offering of the Härmä unit and improved its competitiveness in heavy machining.

### Research and development activities

During the financial year, the research and development costs of Componenta's continued operations amounted to EUR 0.0 million (EUR 0.0 million). There were no research and development costs, because Componenta engages in contract manufacturing operations and has no products of its own.

### Continued operations

Continued operations during the financial year included foundries in Pori and Karkkila, Finland, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland. The continued operations also include real estate companies of minor importance in Finland.

### Discontinued operations

Componenta did not have any discontinued operations in 2021. In 2020, discontinued operations included Componenta Främmostad AB, in which the Group lost its controlling interest when the company filed for bankruptcy on 25 September 2019. On 16 November 2020, the bankruptcy estate of Componenta Främmostad AB paid EUR 1.9 million as an advance proportionate share against Componenta's receivables from the bankruptcy estate.

### Impact of the COVID-19 pandemic

Employees' health security has been very important for Componenta during the COVID-19 pandemic. Componenta's proactive efforts to protect the health of its personnel have minimised the impact of the pandemic, and the Group has been able to serve its customers, complete its deliveries and keep all functions running without any major problems. Componenta is closely monitoring official instructions, market development and the operating environment and business situation of its customers, and will adapt its operations accordingly, if necessary. Componenta continues to actively implement the necessary measures to maintain health and wellbeing and prevent the spread of the pandemic.

## 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. Energy prices increased steeply, especially between October and December, and the market price of electricity was at a record high. Due to the COVID-19 pandemic and the current rapid recovery of the economy, uncertainties related to the availability of raw materials and other materials have increased somewhat in Componenta's operational activities. In addition, global challenges with the availability of certain components for customers, especially semiconductors and other electronic components, 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 requirements to meet longer-term demand, closely monitors the situation of its suppliers and market changes and responds to these changes as necessary.

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.

According to Componenta's assessment the Group has no significant and immediate risk concentrations related to Russia and Ukraine in customers or suppliers. Componenta has no own operations in Russia or Ukraine. Unfavourable developments in the geopolitical situation in Russia and Ukraine could have an impact on financial markets, sales volumes, the availability and price development of raw materials and energy, and the availability of foreign labour, leading to uncertainty when making future estimates.

Componenta's current revolving credit facilities will need to be renewed in November 2022. The Group also finances its operations through factoring arrangements for accounts receivable. Any termination or non-renewal of factoring arrangements or revolving credit facilities creates 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, Componenta Corporation has available a share subscription facility of USD 8 million from GCF, an investor based in the United States.

## Restructuring programmes

The restructuring programmes of Componenta Corporation and its subsidiary Componenta Castings Ltd were confirmed in August 2017, after which the companies implemented them accordingly.

In November–December 2020, Componenta carried out a rights issue, raising around EUR 9.5 million in gross funds. The company intended to enter into negotiations with its creditors on the early payment of Componenta Corporation's restructuring debt. The purpose of the rights issue was also to strengthen the company's financial position.

On 25 February 2021, Componenta Corporation's Board of Directors decided to pay EUR 5.9 million to the creditors of the parent company's restructuring programme and complete the programme early. The early completion of the restructuring programme was funded with cash assets raised through the rights issue mentioned above. On 31 March 2021, Componenta made the above-mentioned payments of around EUR 5.9 million to its creditors. The amount of the payments was adjusted slightly during March 2021. In connection with this, net income of EUR 0.7 million was realised in the Group when Componenta Corporation's external restructuring debt of 6.6 million in the accounts was repaid at EUR 5.9 million. The income was recognised in financial items in continued operations in the Group's income statement. The Company also reached agreements with creditors of the conversion into new maximum amount debts of approximately EUR 0.1 million conditional and maximum amount restructuring debts based on guarantee liabilities which were included in

the previous mentioned amount. Following the conversion the Company had fulfilled its liability towards these creditors arising from the restructuring programme. As a consequence of the payments and conversion, the Company viewed that the payment obligations of its restructuring programme had been fully fulfilled.

Componenta Corporation's restructuring programme ended on 27 April 2021 when the parent company's restructuring programme supervisor approved the payments of restructuring debt carried out by the company on 31 March 2021 and provided the creditors with a final report on the restructuring programme.

On 13 October 2021, Componenta Corporation's Board of Directors decided to pay EUR 5.6 million in total to the creditors of Componenta Castings Ltd (formerly Componenta Finland Ltd) under the restructuring programme and thereby complete the programme ahead of schedule. On 15 October 2021, Componenta Castings Ltd made these payments of EUR 5.6 million to its creditors: EUR 3.4 million to the Group's external restructuring creditors and EUR 2.2 million to the Group's internal creditors. The Group's internal restructuring debt to the parent company was repaid in full through the conversion of the restructuring debt into a new debt. In connection with this, a net income of around EUR 0.2 million was realised in the Group when the Group's external restructuring debt (EUR 3.6 million in the accounts) was repaid at EUR 3.4 million. The income was recognised in financial items in continued operations in the Group's income statement. Componenta Castings Ltd's restructuring programme ended on 22 October 2021 when the restructuring programme supervisor approved the restructuring debt payments carried out by the company on 15 October 2021 and provided the creditors with a final report on the restructuring programme.

All Componenta Group's restructuring programmes were completed during 2021.

### Flagging notifications

Componenta did not receive any flagging notifications in 2021.

### Resolutions of the Annual General Meeting

Componenta Corporation's Annual General Meeting (AGM) was held in Vantaa on 9 April 2021. Due to the COVID-19 pandemic, it was impossible to attend the

meeting on site. Shareholders and their proxies were able to attend the meeting and use their shareholder rights only by voting and presenting counterproposals and questions in advance.

The AGM was in favour of all the proposals made and approved the remuneration report. The AGM adopted the financial statements and consolidated financial statements for 2020 and discharged the members of the Board of Directors and the CEO from liability for the 2020 financial year (1 January to 31 December 2020).

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 2020.

The AGM decided that the annual remuneration payable to the Chair of the Board of Directors would be EUR 50,000, and that the annual remuneration payable to other members of the Board would be EUR 25,000, in accordance with the proposal of the Shareholders' Nomination Board. In addition, the members of any committees of the Board of Directors will be paid an annual remuneration of EUR 5,000. The Board members will be reimbursed for their travel expenses in accordance with the company's travel policy.

The AGM elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the company's auditor until the close of the next AGM, with Samuli Perälä, Authorised Public Accountant, as the principal auditor. The auditor's fee will be paid against an invoice approved by the company.

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 maximum number of shares to be issued or transferred under the authorisation is 940,000, which corresponds to around 9.9% of all shares in the company. New shares may be issued or treasury shares may be transferred against payment or without consideration. The Board of Directors will decide on all terms and conditions related to share issues. Based on the authorisation, the Board of Directors may also decide on a directed share issue, deviating from the shareholders' pre-emptive right, in accordance with the Finnish Limited Liability Companies Act. The Board of Directors may use the authorisation as consideration in acquisitions, to expand the company's ownership base, when the company acquires assets related

to its business operations, to finance or implement other arrangements related to business operations, or for other purposes approved by the Board. The authorisation is valid until the end of the next AGM, but no later than 30 June 2022. The authorisation will not supersede any previous share issue authorisations that remain valid and unused.

### **Board of Directors and management**

On 9 April 2021, 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 and Petteri Wallén as Board members and elected Tomas Hedenborg as a new Board member. 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.

Hanna Seppänen, LL.M., was appointed as Componenta Corporation's new General Counsel and a member of its Corporate Executive Team. She started her work on 1 November 2021. On 31 December 2021, the Group's Corporate Executive Team consisted of the following members: President and CEO Sami Sivuranta, CFO Marko Karppinen, COO Pasi Mäkinen and General Counsel Hanna Seppänen.

### **Share-based incentive scheme**

On 12 November 2018, Componenta Corporation's Board of Directors decided to introduce two share-based incentive plans for the Group's key employees: a Stock Option Plan and a Restricted Share Plan. The plans are used to encourage key employees to commit to long-term employment at the company in order to increase shareholder value. The plans are also used to encourage the key employees to commit to the company. The Restricted Share Plan was based on key employees' existing contracts of employment or service, and on the continuation of their employment during the vesting period.

On 21 June 2021, Componenta Corporation's Board of Directors decided to convert 2018A and 2018B option rights returned to the company into 2018C option rights. Componenta announced the issue of option rights on 12

November 2018. The Board of Directors has converted 6,625 2018A option rights and 20,932 2018B option rights into 2018C option rights. Currently, there are 33,650 2018A option rights, 36,298 2018B option rights and 76,462 2018C option rights. The Board has decided to distribute the 2018C option rights to the Group's key personnel.

The theoretical market value of a 2018C option right is around EUR 2.788, and the total theoretical market value of the 2018C option rights is around EUR 213,188. Each 2018C option right entitles its holder to subscribe for two new shares in the company or two treasury shares. The theoretical market value of 2018C option rights has been calculated applying the Black-Scholes model under the following assumptions: share price EUR 3.50; share subscription price EUR 3.025 under an option right; risk-free interest rate 0%; option right validity around 4.4 years; and volatility 43.08%.

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. Subscription rights had not been exercised by the balance sheet date.

On 10 December 2021, Componenta Corporation's Board of Directors decided to carry out a directed share issue without consideration to pay rewards under the 2018 Restricted Share Plan of Componenta Group. The vesting period for the restricted share plan ended in November 2021. Through the share issue, a total of 25,369 new shares in Componenta Corporation were issued without consideration. The shares were entered into the Trade Register on 29 December 2021, and they were issued without consideration to the key persons covered by the Restricted Share Plan in accordance with the terms of the plan. The total number of shares in the company increased by 25,369, to 9,517,813. The decision on the directed share issue without consideration was based on the authorisation granted to the Board of Directors by the AGM on 9 April 2021.

### **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 3.51 (EUR 2.63). The lowest price was EUR 2.95 (EUR 1.81), and the highest was EUR 4.60

(EUR 4.32). The quoted price at the end of the year was at EUR 3.34 (EUR 3.16). The market value of all shares in the company at the end of the year was EUR 31.8 million (EUR 30.0 million), and the volume of shares traded during the financial year was 61.8% (96.1%) 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 7,700 (8,704) shareholders at the end of the review period.

### Annual General Meeting

Componenta Corporation's Annual General Meeting will be held on 8 April 2022 at 9 am in Vantaa, Finland. The notice of meeting will be published as a separate stock exchange release.

### Financial communication in 2022

In 2022, Componenta will publish its financial reports as follows:

- Business review for January–March 2022: Friday 6 May 2022
- Half-year report for January–June 2022: Friday 22 July 2022.
- Business review for January–September 2022: Friday 4 November 2022.

The 2021 Annual Review, including the financial statements and the Board of Directors' report, will be published during the week beginning 14 March 2022 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 key financial ratios are presented at the end of this release.

Helsinki 4 March 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 customer needs are at the core of the company's broad technology portfolio. Componenta Corporation manufactures components for its customers, which are global manufacturers of machinery and equipment. The company's stock is listed on Nasdaq Helsinki. [www.componenta.com](http://www.componenta.com)

# Financial statements release tables

## Accounting principles

Componenta Corporation's 2021 financial statements release has been prepared in line with IAS 34 Interim Financial Reporting and should be read in connection with Componenta's 2020 financial statements, which were published on 12 March 2021. Componenta has applied the same accounting principles to the financial statements release as it applied to its 2020 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 2020.

## 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. Such uncertainties and risks include the possible impact of the recent completion of the restructuring procedure on the refinancing of working capital and loans. The 2021 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:

The restructuring debt was repaid during the 2021 financial year, and all restructuring programmes have been ended. The company had no external restructuring debt on the financial statement date (31 December 2021). During the 2020 financial year, Componenta strengthened its sales operating model and sales resources. Consequently, new deals were made during 2020 and 2021, which has been reflected in an increase in net sales. The COVID-19 pandemic did not have a significant impact on Componenta's business operations during the 2021 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. Componenta's unused euro-denominated revolving credit facilities (EUR 4 million) were extended until 30 November 2022 at the end of June 2021. This concerns both Componenta Manufacturing Ltd and Componenta Castings Ltd. 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 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. A revaluation of the Group's buildings and structures was carried out in accordance with IAS 16 in 2021. The management has also assessed accounts receivables in terms of the impact of the COVID-19 pandemic. 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 COVID-19 pandemic on its financial reporting. Componenta closely monitors market development and its customers' situation and adjusts its operations accordingly.

As part of assessing the impact of the COVID-19 pandemic, 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, or the pandemic 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. Componenta's business development outlook gives no reason to assume that the COVID-19 pandemic will have a significant impact on the financial statements or future business operations.

In addition, the management's judgement has been applied to determining the balance sheet value of a piece of equipment acquired by Component Manufacturing Ltd 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 2.1 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, 2021	Jan 1 – Dec 31, 2020	Jul 1 – Dec 31, 2021	Jul 1 – Dec 31, 2020
<b>Continued operations</b>				
Net sales	87,254	70,040	43,786	33,310
Other operating income	323	425	210	337
Operating expenses	-82,618	-66,714	-42,327	-31,235
EBITDA	4,959	3,750	1,669	2,413
<i>% of net sales</i>	5.7%	5.4%	3.8%	7.2%
Depreciation, amortization and write-downs	-4,946	-5,783	-2,014	-2,823
Operating result	13	-2,034	-345	-410
<i>% of net sales</i>	0.0%	-2.9%	-0.8%	-1.2%
Financial income and expenses	-418	-1,456	-289	-773
Result after financial items	-405	-3,489	-634	-1,184
<i>% of net sales</i>	-0.5%	-5.0%	-1.4%	-3.6%
Income taxes	0	314	83	320
Result for the financial period, continued operations	-405	-3,175	-550	-864
<b>Discontinued operations</b>				
Result for the financial period, discontinued operations	0	2,226	0	2,226
Result for the financial period	-405	-949	-550	1,363
<b>Allocation of result for the period</b>				
To equity holders of the parent	-405	-949	-550	1,363
<b>Earnings per share calculated on result attributable to the shareholders of the parent company</b>				
- Basic earnings per share, EUR	-0.04	-0.20	-0.08	0.28
- Diluted earnings per share, EUR	-0.04	-0.20	-0.08	0.27

## Consolidated statement of comprehensive income

EUR thousand	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020	Jul 1 – Dec 31, 2021	Jul 1 – Dec 31, 2020
<b>Net result</b>	<b>-405</b>	-949	<b>-550</b>	1,363
<b>Continued operations</b>				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of buildings and land areas	<b>-247</b>		<b>-247</b>	
Other comprehensive income total	<b>-247</b>	0	<b>-247</b>	0
Income tax on other comprehensive income	<b>49</b>		<b>49</b>	
Other comprehensive income, net of tax, continued operations	<b>-198</b>	0	<b>-198</b>	0
<b>Total comprehensive income</b>	<b>-602</b>	<b>-949</b>	<b>-748</b>	<b>1,363</b>
Allocation of total comprehensive income				
<b>To equity holders of the parent</b>	<b>-602</b>	<b>-949</b>	<b>-748</b>	<b>1,363</b>

## Consolidated statement of financial position

EUR thousand	Dec 31, 2021	Dec 31, 2020
<b>Assets</b>		
Non-current assets		
Intangible assets	1,796	1,962
Goodwill	3,225	3,225
Tangible assets	28,332	31,246
Investment properties	17	17
Receivables	532	349
Total non-current assets	33,902	36,799
Current assets		
Inventories	12,187	8,469
Trade and other receivables	4,159	1,985
Cash and cash equivalents	5,231	16,752
Total current receivables	21,577	27,206
<b>Total assets</b>	<b>55,479</b>	<b>64,005</b>

EUR thousand	Dec 31, 2021	Dec 31, 2020
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity		
Share capital	1,000	1,000
Other equity	22,458	22,871
Equity attributable to equity holders of the parent company	23,458	23,871
Shareholders' equity	23,458	23,871
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	9,137	11,086
Interest free liabilities and capital loans	1,117	10,311
Provisions	14	14
Deferred tax liabilities	214	270
Total non-current liabilities	10,482	21,681
Current liabilities		
Interest bearing liabilities	2,808	3,082
Interest free liabilities	18,385	14,838
Provisions	347	534
Total current liabilities	21,540	18,453
Total liabilities	32,022	40,134
<b>Total shareholders' equity and liabilities</b>	<b>55,479</b>	<b>64,005</b>

## Condensed consolidated cash flow statement

EUR thousand	Jan 1 – Dec 31, 2021	Jan 1 – Dec 31, 2020
<b>Cash flow from operating activities</b>		
<b>Continued operations</b>		
Result after financial items of continued operations	-405	-3,489
Depreciation, amortization and write-downs, continued operations	4,946	5,783
Net financial income and expenses, continued operations	418	1,190
Other income and expenses, adjustments to cash flow, continued operations	-738	2,843
Change in net working capital, continued operations	-449	1,131
<b>Cash flow from operations before financing and income taxes, continued operations</b>	<b>3,771</b>	<b>7,458</b>
Interest received and paid and dividends received, continued operations	-934	-1,103
<b>Net cash flow from operating activities, continued operations</b>	<b>2,837</b>	<b>6,355</b>
<b>Net cash flow from operating activities, discontinued operations</b>	<b>0</b>	<b>1,961</b>
<b>Net cash flow from operating activities</b>	<b>2,837</b>	<b>8,316</b>
<b>Cash flow from investing activities</b>		
<b>Continued operations</b>		
Capital expenditure in tangible and intangible assets, continued operations	-1,194	-3,415
<b>Net cash flow from investing activities, continued operations</b>	<b>-1,194</b>	<b>-3,415</b>
<b>Net cash flow from investing activities</b>	<b>-1,194</b>	<b>-3,415</b>
<b>Cash flow from financing activities</b>		
<b>Continued operations</b>		
Repayment of lease liabilities	-1,536	-1,589
Share issue	0	9,491
Cost of share issue	-577	-430
Repayment of current loans	-1,362	-700
Drawdown of non-current loans	0	2,000
Repayment of non-current loans and other changes*	-9,689	-1,664
<b>Net cash flow from financing activities, continued operations</b>	<b>-13,163</b>	<b>7,107</b>
<b>Net cash flow from financing activities, discontinued operations</b>	<b>0</b>	<b>265</b>
<b>Net cash flow from financing activities</b>	<b>-13,163</b>	<b>7,373</b>
<b>Change in liquid assets</b>	<b>-11,521</b>	<b>12,273</b>
Cash and cash equivalents at the beginning of the period	16,752	4,479
Cash and cash equivalents at the period end	5,231	16,752

\* Repayment of non-current loans include payments of the restructuring loans.

## Statement of changes in consolidated shareholders' equity

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

EUR thousand	Share capital	Share premium account	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Cash flow hedges	Translation differences	Retained earnings	Share holders' equity total
<b>Shareholders' equity Jan 1, 2020</b>	<b>1,000</b>	<b>0</b>	<b>7,865</b>	<b>580</b>	<b>2,507</b>	<b>0</b>	<b>0</b>	<b>3,939</b>	<b>15,891</b>
Net result								-949	-949
Comprehensive income items:									
Revaluation of buildings and land areas				0					
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-949</b>	<b>-949</b>
Transaction with owners:									
Directed share issue			8,657						8,657
Option and share-based compensation								272	272
<b>Transactions with owners, total</b>	<b>0</b>	<b>0</b>	<b>8,657</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>272</b>	<b>8,928</b>
<b>Shareholders' equity Dec 31, 2020</b>	<b>1,000</b>	<b>0</b>	<b>16,522</b>	<b>580</b>	<b>2,507</b>	<b>0</b>	<b>0</b>	<b>3,262</b>	<b>23,871</b>

## Group development

### Group development by quarter, continued operations

EUR thousand	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Net sales	25,260	18,526	23,085	20,384	17,532	15,778	17,135	19,594
EBITDA	1,402	267	1,779	1,510	1,853	560	500	837
Operating result	797	-1,142	317	41	446	-857	-932	-692
Net financial items	47	-336	-363	235	-381	-393	-331	-352
Result after financial items	844	-1,478	-47	275	66	-1,249	-1,262	-1,043

### Order book at period end, continued operations

EUR thousand	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Order book	13,954	16,049	11,954	11,862	9,536	8,864	8,289	9,132

## Net sales

Componenta Corporation is an international technology group and Finland's leading contract manufacturer of metal components. 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, continued operations

EUR thousand	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2020
Finland	69,448	57,878
Sweden	11,194	8,472
Germany	2,269	1,775
Other European countries	3,873	1,446
Other countries	243	219
Rental income	241	247
Continued operations	87,267	70,038
Discontinued operations	-	-
Internal items/eliminations	-13	2
<b>Total</b>	<b>87,254</b>	<b>70,040</b>

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

### Quarterly development of net sales by market area, continued operations

EUR thousand	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Finland	19,994	14,869	18,617	16,209	14,233	13,340	14,160	16,393
Sweden	3,139	2,259	3,030	2,766	2,534	1,755	1,938	2,246
Germany	685	437	555	592	394	387	615	379
Other European countries	1,342	941	822	768	332	277	379	458
Other countries	93	31	65	54	39	19	43	118
<b>Total</b>	<b>25,252</b>	<b>18,537</b>	<b>23,089</b>	<b>20,389</b>	<b>17,532</b>	<b>15,778</b>	<b>17,135</b>	<b>19,594</b>

### Net sales by business area, continued operations

%	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2020
Machine building	45	43
Agricultural machinery	28	26
Forestry machinery	8	7
Energy industry	8	10
Defence equipment industry	4	7
Other industries	7	7
<b>Total</b>	<b>100</b>	<b>100</b>

### Net sales by customer, continued operations

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 25.0% (23.5%).

### Disaggregation of revenue from contracts with customers, continued operations

Timing of revenue recognition, EUR thousand	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2020
At a point in time	87 254	69 922
Over time	0	118
<b>Total</b>	<b>87 254</b>	<b>70 040</b>

### Assets and liabilities related to contracts with customers

The Group balance sheet include the following assets and liabilities related to contracts with customers, which are based on revenue recognition over time. There are no effective contracts in the Group, where revenue is recognized over time at balance sheet date.

EUR thousand	Jan 1–Dec 31, 2021		Jan 1–Dec 31, 2020	
	Assets based on contract		Liabilities based on contract	
Jan 1	0	102	0	0
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-102	-	-
Dec 31	0	0	0	0

### Business acquisitions and divestments

Componenta had no business acquisitions or divestments in 2021 and 2020.

## Discontinued operations

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

In 2021, the net result of discontinued operations of, Componenta Främmestad AB was EUR 0 million (EUR 2.2 million). On 16 November 2020, the bankruptcy estate of Componenta Främmestad AB paid as advanced dividend a payment of EUR 1.9 million against the receivables which were due to Componenta from the estate. The payment consisted of EUR 1.6 million in principal and EUR 0.3 million in default interest. Componenta Corporation's share of the capital was EUR 0.4

million and interest on arrears EUR 0.1 million, and Componenta Castings Oy's share of the capital was EUR 1.2 million and interest on arrears EUR 0.2 million, respectively. The receivables in question had been written off in full from Componenta's balance sheet in 2019. Prior to the payment of EUR 1.9 million, Componenta Corporation's debt of EUR 0.3 million to Componenta Främmestad AB's bankruptcy estate was set off against receivables. The payment received from the bankruptcy estate with default interest and the portion allocated to the offsetting of restructuring liabilities were presented in Componenta's income statement under "Profit for the period from discontinued operations" and thus improved the group's result for the financial year 2020 by EUR 2.2 million. The payment received was a full payment for Componenta's receivables from the bankruptcy estate, and no further payments are taking place.

### Net result of discontinued operations

EUR thousand	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2020
Income	-	2,226
Expenses	-	-
<b>Result after financial items</b>	<b>0</b>	2,226
Taxes	-	-
<b>Net result of discontinued operations</b>	<b>0</b>	2,226

### Cash flow of discontinued operations

EUR thousand	Jan 1–Dec 31, 2021	Jan 1–Dec 31, 2020
Cash flow from operating activities	-	1,961
Cash flow from investing activities	-	-
Cash flow from financial activities	-	265
Change in liquid assets	<b>0</b>	2,226

## Changes in tangible and intangible assets

### Changes in tangible assets

EUR thousand	2021	2020
<b>Acquisition cost at the beginning of the period</b>	<b>130,970</b>	<b>126,205</b>
Additions	1,181	4,905
Revaluation of buildings and land areas	574	-
Disposals and transfers between items	621	-141
<b>Acquisition cost at the end of the period</b>	<b>133,345</b>	<b>130,970</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-99,724</b>	<b>-94,398</b>
Depreciations, amortizations and write-downs during the period	-5,290	-5,326
<b>Accumulated depreciation at the end of the period</b>	<b>-105,013</b>	<b>-99,724</b>
<b>Carrying amount at the end of the period</b>	<b>28,332</b>	<b>31,246</b>

### Changes in intangible assets

EUR thousand	2021	2020
<b>Acquisition cost at the beginning of the period</b>	<b>21,263</b>	<b>20,922</b>
Additions	67	229
Disposals and transfers between items	260	112
<b>Acquisition cost at the end of the period</b>	<b>21,590</b>	<b>21,263</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-19,302</b>	<b>-18,845</b>
Depreciations, amortizations and write-downs during the period	-493	-457
<b>Accumulated depreciation at the end of the period</b>	<b>-19,794</b>	<b>-19,302</b>
<b>Carrying amount at the end of the period</b>	<b>1,796</b>	<b>1,962</b>

### Goodwill

EUR thousand	2021	2020
<b>Acquisition cost at the beginning of the period</b>	<b>3,225</b>	0
Additions	-	3,225
<b>Carrying amount at the end of the period</b>	<b>3,225</b>	3,225

## Lease liabilities

### Changes in right-of-use assets

EUR thousand	Dec 31, 2021	Dec 31, 2020
Acquisition cost at the beginning of the period	9,721	9,976
Additions	66	1,723
Transfers between items	1,221	0
Depreciation	-1,992	-1,978
<b>Carrying amount at the end of the period</b>	<b>9,015</b>	<b>9,721</b>

## Values of financial assets and liabilities

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

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

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

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

<b>Dec 31, 2021, EUR thousand</b>	<b>Financial assets and liabilities at fair value through profit and loss</b>	<b>Financial assets and liabilities measured at amortised cost</b>	<b>Investments measured at fair value through other comprehensive income</b>	<b>Lease liabilities</b>	<b>Total</b>
<b>Non-current assets</b>					
Other receivables		90			90
<b>Other receivables</b>					
Other receivables		5,231			5,231
Accounts receivables		2,795			2,795
<b>Total financial assets</b>		<b>8,116</b>			<b>8,116</b>
<b>Non-current liabilities</b>					
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
Interest-bearing restructuring debts		0			0
Non-interest-bearing restructuring debts		0			0
<b>Current liabilities</b>					
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
Interest-bearing restructuring debts		0			0
Non-interest-bearing restructuring debts		0			0
<b>Total financial liabilities</b>		<b>10,666</b>		<b>9,135</b>	<b>19,801</b>

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 are deducted from non-current trade payables and advances received.

Dec 31, 2020, 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
<b>Non-current assets</b>					
Other receivables		97			97
<b>Current assets</b>					
Cash and cash equivalents		16,752			16,752
Accounts receivables		1,150			1,150
<b>Total financial assets</b>		<b>17,999</b>			<b>17,999</b>
<b>Non-current liabilities</b>					
Loans from financial institutions		2,692			2,692
Lease liabilities				7,812	7,812
Other loans		97			97
Trade payables and advances received*		276			276
Interest-bearing restructuring debts		485			485
Non-interest-bearing restructuring debts		8,584			8,584
<b>Current liabilities</b>					
Loans from financial institutions		1,235			1,235
Lease liabilities				1,578	1,578
Other loans		93			93
Trade payables and advances received		4,518			4,518
Interest-bearing restructuring debts		176			176
Non-interest-bearing restructuring debts		1,449			1,449
<b>Total financial liabilities</b>		<b>19,604</b>		<b>9,390</b>	<b>28,994</b>

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 are deducted from non-current trade payables and advances received.

## Contingent liabilities

### Contingent liabilities

EUR thousand	Dec 31, 2021	Dec 31, 2020
Real-estate mortgages		
For own debts	600	3,150
Business mortgages		
For own debts	12,400	12,400
Pledges		
For own debts	7,800	7,800
Other leasing commitments	150	65
Other commitments	198	247
<b>Total</b>	<b>21,149</b>	<b>23,661</b>

### Secured liabilities

EUR thousand	Dec 31, 2021	Dec 31, 2020
Liabilities secured with pledges, real estate or business mortgages		
Interest-bearing restructuring debts	0	546
Loans from financial institutions	2,712	3,926
<b>Total</b>	<b>2,712</b>	<b>3,926</b>

## Related party transactions

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

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. Management and Board of Directors included in the related parties of Componenta subscribed shares worth EUR 125,571.16 in total during the rights issue in 2020. Salaries and remunerations paid to the management are presented annually in the consolidated financial statements.

## Group's key figures

	Dec 31, 2021	Dec 31, 2020
Equity ratio, %	42.3	37.3
Equity per share, EUR	2.46	2.51
Invested capital at period end, EUR thousand	35,402	38,038
Return on investment, %	3.2	0.7
Return on equity, %	-1.7	-5.8
Net interest-bearing debt, EUR thousand	6,714	-2,584
Net gearing, %	28.6	-10.8
Order book, EUR thousand	13,954	9,536
Capital expenditure excl. leases, Group, EUR thousand	1,183	3,415
Capital expenditure incl. leases, continued operations, EUR thousand	1,249	5,134
Capital expenditure excl. leases, Group, EUR thousand	1,183	3,415
Capital expenditure incl. leases, Group, EUR thousand	1,249	5,134
Capital expenditure incl. leases, continued operations, % of net sales	1.4	7.3
Average number of personnel during the period, continued operations	562	580
Average number of personnel during the period, incl. leased personnel, continued operations	592	589
Average number of personnel during the period, Group	562	580
Average number of personnel during the period, incl. leased personnel, Group	592	589
Number of personnel at period end, continued operations	570	564
Number of personnel at period end, incl. leased personnel, continued operations	612	574
Number of personnel at period end, Group	570	564
Number of personnel at period end, incl. leased personnel, Group	612	574
Share of export and foreign activities in net sales, continued operations, %	20.1	17.0
Contingent liabilities, EUR thousand	21,193	23,661
<b>Per Share Data</b>	<b>Dec 31, 2021</b>	<b>Dec 31, 2020</b>
Basic earnings per share, EUR	-0.04	-0.20
Diluted earnings per share, EUR	-0.04	-0.20
Cash flow per share, EUR	0.30	1.77

## Calculation of key financial ratios

Return on equity, % (ROE)	=	$\frac{\text{Result (Group) after financial items} - \text{income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes} + \text{non-controlling interest (starting \& closing balance average)}}$
Return on investment, % (ROI)	=	$\frac{\text{Result (Group) after financial items} + \text{interest and other financial expenses} \times 100}{\text{Shareholders' equity} + \text{interest bearing liabilities (starting \& closing balance average)}}$
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)	=	$\frac{\text{Result after financial items} - \text{income taxes} + / - \text{non-controlling interest}}{\text{Average number of shares during the financial period}}$
Earnings per share with dilution, EU	=	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	=	$\text{Number of shares} \times \text{market share price at period end}$
P/E multiple	=	$\frac{\text{Market share price at period end}}{\text{Basic earnings per share}}$
Net interest bearing debt, EUR	=	$\text{Interest bearing liabilities} + \text{preferred capital notes} - \text{cash and bank accounts}$
Net gearing, %	=	$\frac{\text{Net interest bearing liabilities} \times 100}{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest}}$
EBITDA, EUR	=	$\text{Operating result} + \text{Depreciation, amortization and write-downs} + / - \text{Share of the associated companies' result}$

**COMPONENTA**

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