

A close-up, high-angle photograph of several interlocking gears, rendered in a monochromatic red color. The gears are slightly out of focus, creating a sense of depth and mechanical complexity. The lighting highlights the teeth and the circular patterns of the gears.

**Componenta
Corporation
Annual General
Meeting
May 24, 2018**

CEO's Review

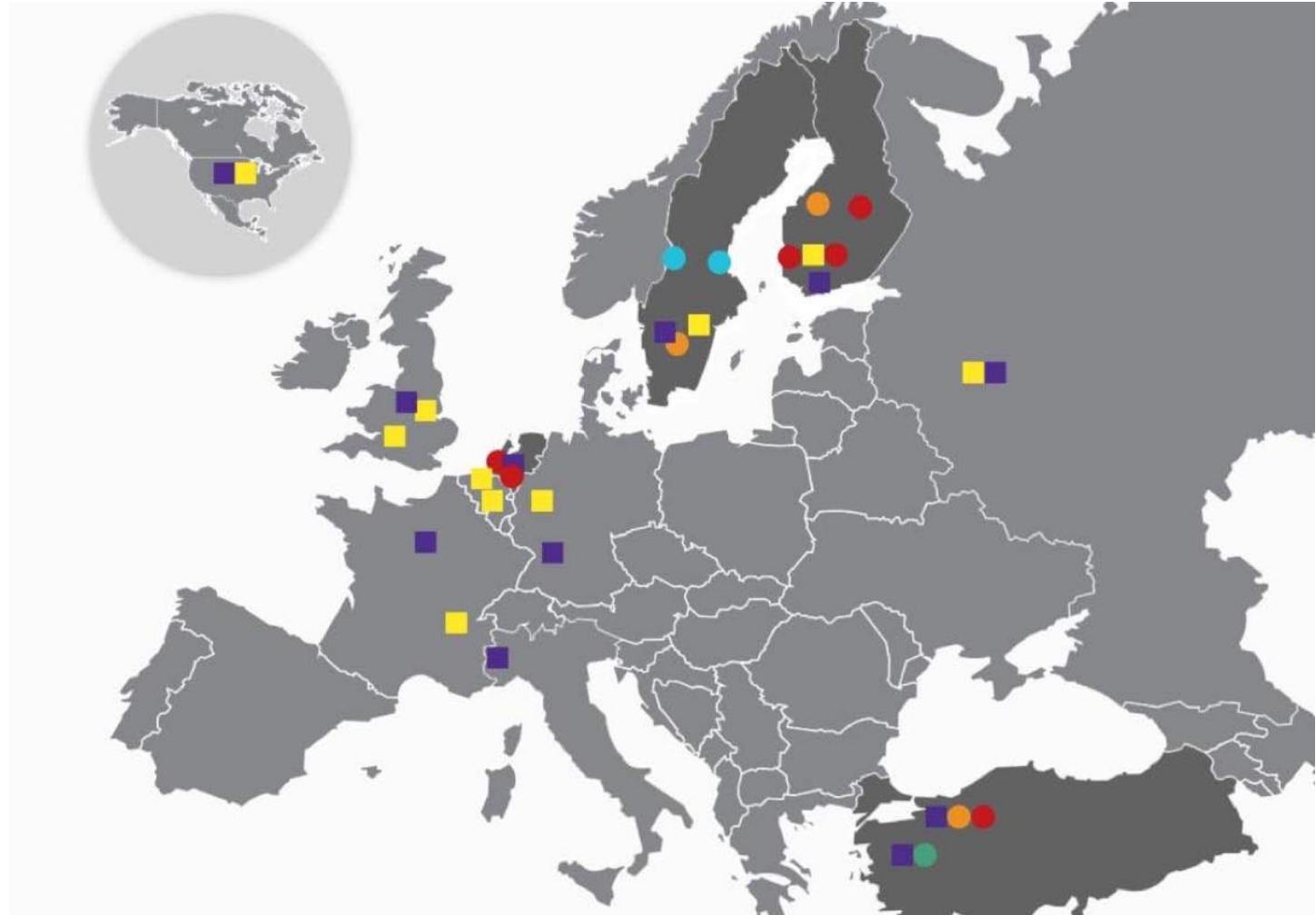
Harri Suutari

President and CEO

FINANCIAL STATEMENTS 2017

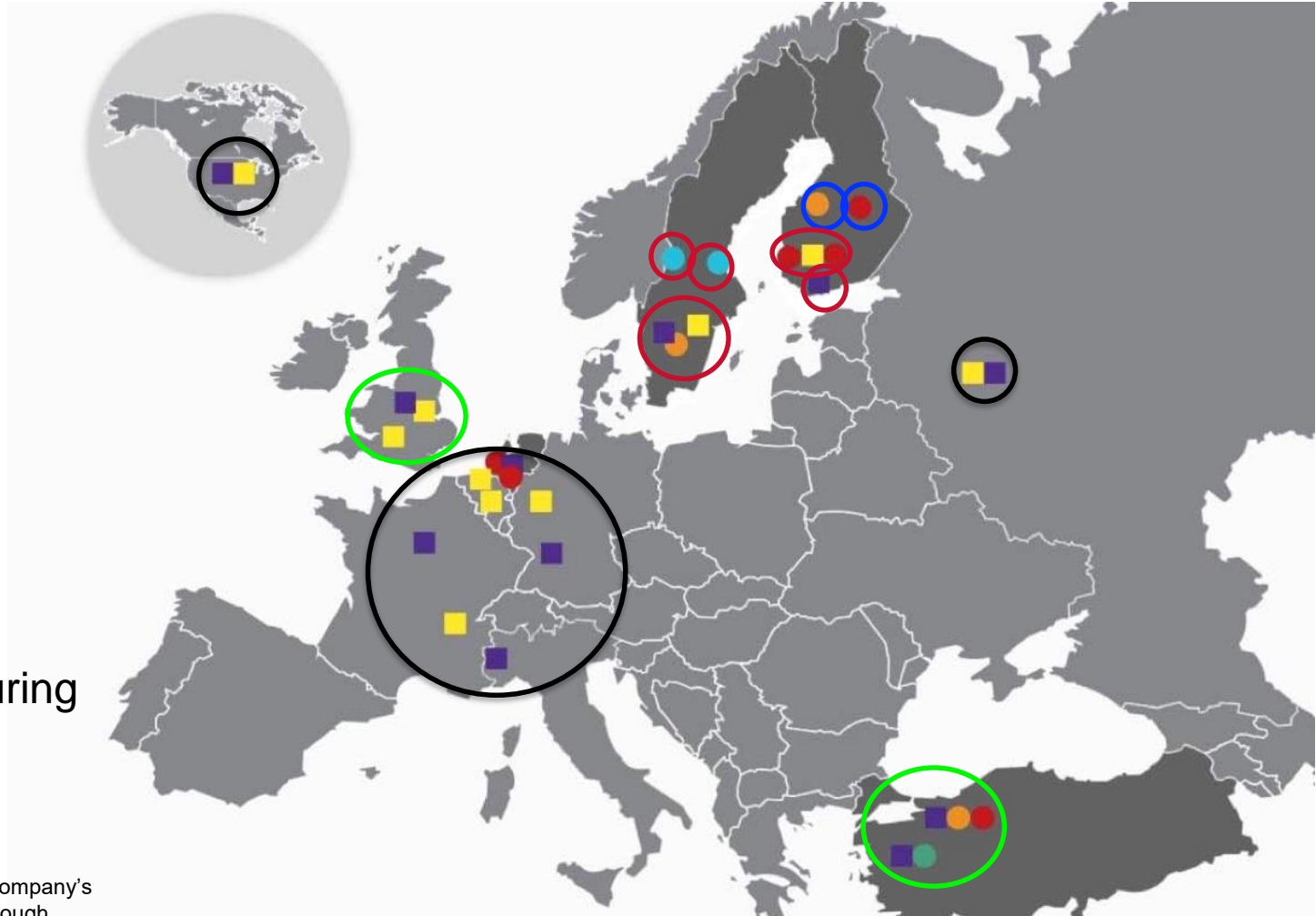
COMPONENTA AT THE BEGINNING OF 2016

- Iron foundry
- Forge
- Machine shop
- Aluminium foundry
- Sales
- Warehouse



COMPONENTA AT THE BEGINNING OF 2017

- Iron foundry
 - Forge
 - Machine shop
 - Aluminium foundry
 - Sales
 - Warehouse
-
- Divested in 2016
 - Declared bankrupt in 2016*
 - Filed for Corporate Restructuring
 - Loss of control

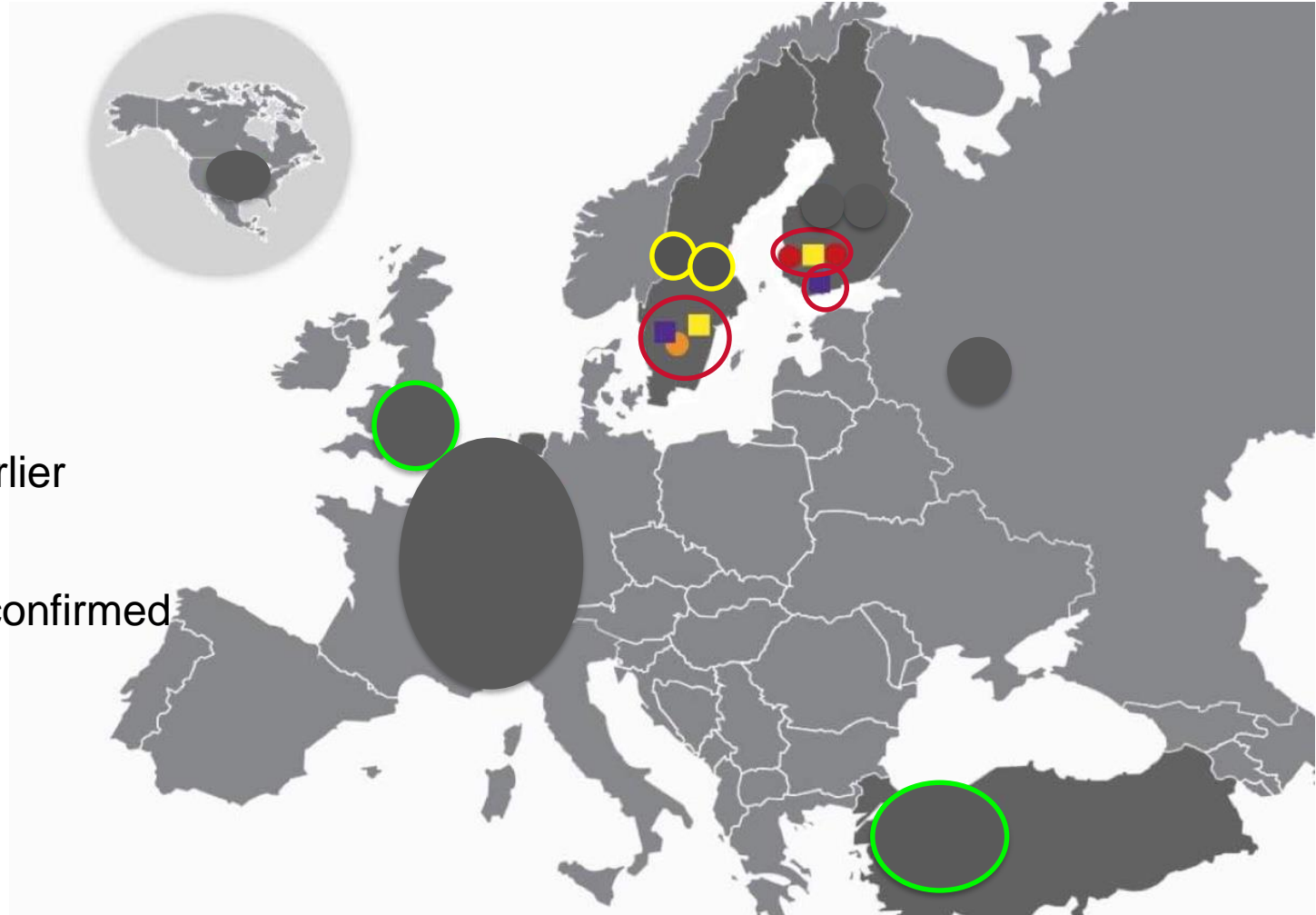


* The shares of the French company are under the control of Dutch company's bankruptcy estate and the Russian company has been dissolved through liquidation process in 2017.

COMPONENTA AT THE END OF 2017

- Iron foundry
- Machine shop
- Sales
- Warehouse

- Excluded from the Group earlier
- Declared bankrupt in 2017
- Restructuring programmes confirmed
- Divested in 2017



CORPORATE RESTRUCTURING PROGRAMMES WERE CONFIRMED IN 2017

- The corporate restructuring programme for Componenta Främmestad AB in Sweden was confirmed on 3 July 2017.
- The corporate restructuring programmes for the parent company Componenta Corporation and Componenta Finland Ltd were confirmed on 23 August 2017.
- At the end of 2017, Componenta's business operations consisted of:
 - Iron foundries in Pori and Karkkila, Finland
 - Machine shop in Främmestad, Sweden.

REPAYMENT SCHEDULE FOR EXTERNAL RESTRUCTURING DEBTS TO BE PAID

Me	2018	2019	2020	2021	2022	2023	2024	Total
Componenta Corporation	-	0,7	0,7	0,7	0,7	5,2	-	7,8
Componenta Finland Ltd	-	1,0	1,0	1,0	1,0	2,0	-	5,8
Componenta Främmestad AB	2,9*	0,4	0,4	0,4	0,4	0,4	0,4	5,4
Total	2,9	2,0	2,0	2,0	2,0	7,5**	0,4	19,0

* Paid in March 2018.

** The repayment schedule assumes that the income from sale of real estate properties unrelated to the core business are used for the repayments at the end of the program and in addition, it is including the supplementary payment obligation of EUR 3.2 million following the exclusion of loan guarantee of EUR 80 million.

GROUP DEBT HAS BEEN SUBSTANTIALLY REDUCED

- At the balance sheet date (31/12/2017), external restructuring debt totalled 19.0 Me (163.4 Me).
- At year end 2017, Componenta had approximately EUR 0.1 Me (2,8 Me) of advance payment financing, granted by customers, in use in Finland.
- After the end of the financial year, Componenta Främmestad AB has paid restructuring debts that were due in 2018 (2.9 Me).
- At the end of March 2018, the Group's non-current external restructuring debt was 16.1 Me.

CONTINUED OPERATIONS, ADJUSTMENTS AND COMPARABILITY IN THE FINANCIAL STATEMENTS 2017

- **Continued operations** were the foundry operations in Pori and Karkkila, Finland, and the machine shop in Främmestad, Sweden.
- The items eliminated from the comparable adjusted net sales include the effects of Componenta Wirsbo AB and Componenta Arvika AB, which were classified as **discontinued operations** in July 2017, as well as the net sales of Suomivalimo and Pistons before the date of their divestment, and the impact of the trademark and administration service fees charged to the subsidiaries in the Netherlands and Turkey.
- The net sales for continued operations for 2016, EUR 138.9 million according to IFRS, have been adjusted by eliminating the effects of the operations discontinued in 2017, i.e. Componenta Wirsbo AB and Componenta Arvika AB. The net sales for 2017 include trademark and administration service fees charged to companies that were divested in 2017, namely the forges that filed for bankruptcy in Sweden and the Turkish foundry company, which was deconsolidated in 2016.
- For the comparison periods, Componenta publishes alternative key figures to describe the financial development of the business and to improve the comparability between different periods. In comparable key figures, certain value adjustment items not related to the ordinary business, items related to the sold and discontinued operations and other items with impact on comparability, have been adjusted. The alternative performance measures and reconciliation calculations for comparable performance measures are presented on pages 102 in the Financial Statements.

CONSOLIDATED INCOME STATEMENT

Me	2017 (1)	2017 (2)	2016 (3)	2016 (4)
Net sales	122.4	122.4	122.0	404.1
EBITDA	29.8	4.8	0.8	-
Operating result	26.3	2.9	-6.1	-113.4
Operating result margin, %	21.5	2.4	-5.0	-28.1
Result for the period	128.8	-	-	-215.5
Earnings per share:				
Group, undiluted, e	0.70	-	-	-1.64

- 1) Continued operations, total
- 2) Continued operations, adjusted
- 3) Comparable, adjusted
- 4) Continued and discontinued operations, total

GROUP DEVELOPMENT BY QUARTER

Me, adjusted, comparable	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
Net sales (continued operations)	31.3	32.3	33.1	25.9	31.2	33.3
Operating result (continued operations)	-1.9	0.6	1.1	0.3	0.8	0.9

CONSOLIDATED BALANCE SHEET

ASSETS, Me	31/12/ 2017	31/12/ 2016	LIABILITIES AND SHAREHOLDERS' EQUITY, Me	31/12/ 2017	31/12/ 2016
Tangible asstes	21.0	35.8	Share capital	1.0	21.9
Other non-current assets	1.1	4.8	Other shareholders' equity	17.3	-107.8
Cash and cash equivalents	5.5	4.4	Other non-interest bearing	15.3	27.0
Other current assets	23.6	39.1	Other non-current liabilities	2.7	59.0
Assets classified as held for sale	1.5	-	Other non-interest bearing	15.3	89.1
			Other current liabilities	1.2	38.7
TOTAL ASSETS	52.8	84,2	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	52.8	84.2

GROUP'S EQUITY

- The Group's equity at the balance sheet date was 18.3 Me positive (-129.7 Me).
- The equity is supported by Componenta Främmestad AB's 27.0 Me capital loan from its former Turkish subsidiary.
 - According to the agreement, the capital loan carries no interest and no repayment schedule has been specified for it.
 - The loan must be fully paid before Componenta Främmestad AB's potential distribution of dividends.
- Componenta Corporation and Componenta Finland Ltd have filed notifications to the trade register about the removal of entries regarding the loss of share capital.

GROUP CASH FLOW

Cash flow from operations, Me	1.1. – 31.12.2017	1.1. – 31.12.2016
Cash flow from Continued operations	2,8	-10,9
Cash flow from Discontinued operations	1,3	10,7
Net cash flow from operations	4,1	-0,2
Net cash flow from investing activities, cont'd operations	-1,4	7,9
Net cash flow from investing activities, discontin'd oper.	-1,2	-8,8
Net cash flow from investing activities	-2,6	-0,9
Net cash flow from financing activities	-0,4	-0,6
Change in liquid assets	1,1	-1,7

GROUP PERSONNEL

Personnel in average	1.1. – 31.12.2017	1.1. – 31.12.2016
Continued operations, excl. leased personnel	567	671
Discontinued operations, excl. leased personnel	106	2943
Group total, excl. leased personnel	673	3614
Group total, continued operations, incl. leased personnel	680	763
Personnel at end of financial year		
Group total, continued operations, incl. leased personnel	691	664

GROUP KEY RATIOS

	1.1. – 31.12.2017	1.1. – 31.12.2016
Net interest bearing debt, Me	-3	90
Invested capital, Me	21	-35
Equity ratio, %	34.8	-165.3
Net gearing, %	-16.2	n/a
Earnings per share (EPS), e (diluted)	0.70	-1.64
Cash flow per share, e	0.02	0.00
Equity per share, e	0.10	-0.74

REMUNERATION OF PRESIDENT AND CEO AND OTHER MEMBERS OF CORPORATE EXECUTIVE TEAM 2017

2017	Salaries, fees and fringe benefits, eur	Bonuses, eur	Total, eur
President and CEO Harri Suutari*	310,529	-	310,529
Other members of Corporate Executive Team **	674,988	27,176	702,164
Total	985,517	27,176	1,012,693

*The total remuneration of the President and CEO was reduced on his own initiative from 1 May 2017 onwards based on the company's financial position and changes in Group structure.

** Includes the salaries and fees for current continued operations.

COMPONENTA TODAY

FLEXIBLE EUROPEAN TECHNOLOGY GROUP

- Finnish-Swedish Componenta focuses on manufacturing, assembly and distribution of machined and painted cast iron components.
- Strength is in flexible delivery also in situations when the customer's schedule is tight.
- High quality and responsible products – focus on lower and mid-range production series.
- Customers are typically manufacturers of vehicles, machines and equipment.

Iron foundry
in Karkkila,
Finland
Capacity:
30 000 tpa

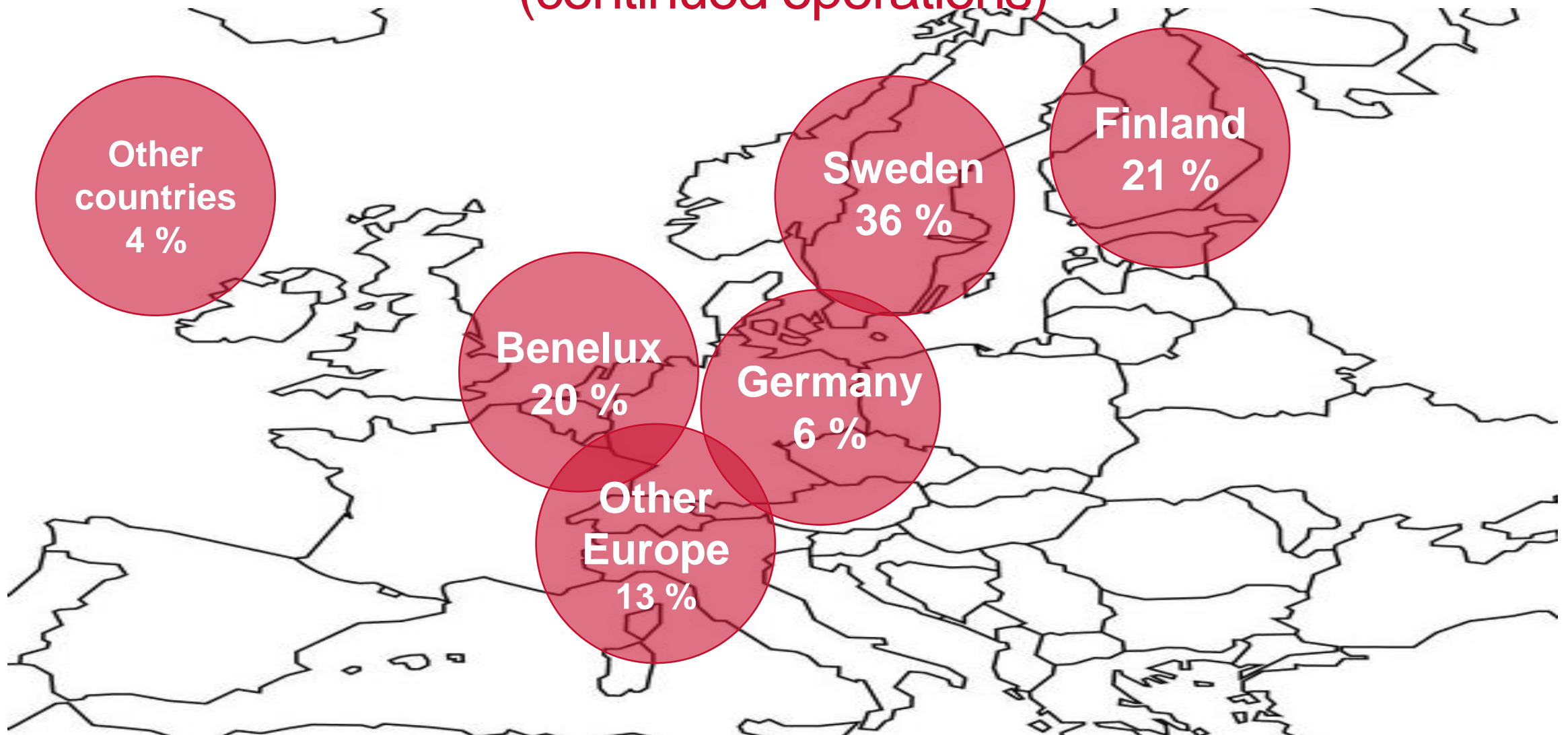
Machine shop
in Främmostad,
Sweden
• machining
• painting
• assembly
• distribution

Iron foundry
in Pori,
Finland
Capacity:
17 600 tpa

Some of our customers:

ABB Robotics, AGCO, ATLAS COPCO, Black Bruin, BOSCH REXROTH Mellansel, CATERPILLAR, CLAAS, DAIMLER Trucks, DYNAPAC, Emhart Glass Sweden, Engcon Nordic, Gardner Denver, John Deere Forestry, KOMATSU Forest, MACK Trucks, PONSSE, PREVOST, RENAULT Trucks, Sampo Rosenlew, SCANIA Trucks, UD Trucks, VBG Truck Equipment, VOLVO Bus, VOLVO Construction Equipment, VOLVO Penta, VOLVO Powertrain ja VOLVO Trucks.

NET SALES BY MARKET AREA 2017 (continued operations)



AIM IS TO IMPROVE PROFITABILITY AND PRODUCTIVITY

Customers at the heart of all operations

- We put effort in understanding the customer's business.
- We support the customer from design to production and delivery.
- We meet our customers' needs by developing and rethinking our operations constantly.

Focal points on the management agenda

- Improving customer service.
- Complying with the restructuring programmes.
- Improving profitability and productivity.

GUIDANCE FOR 2018

COMPONENTA'S GUIDANCE FOR 2018 (per Financial Statement Release 29/3/2018)

- Componenta expects continued operations to have net sales of EUR 110 - 130 million in 2018 and corresponding EBITDA excluding items affecting comparability is expected to be EUR 4 - 6 million.
- In 2017 net sales for continued operations was EUR 122.4 million and adjusted EBITDA EUR 4.8 million.

A close-up, high-angle photograph of several interlocking gears, rendered in a monochromatic red color. The gears are arranged in a cluster, with some in sharp focus and others blurred in the background, creating a sense of depth and mechanical complexity.

THANK YOU!

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