

SCANFIL

**Scanfil plc
Financial Statement
January-December 2022**

21 FEBRUARY 2023



Scanfil Group's Financial Statement for 2022

Year ended with record high sales and profit

October–December

- Turnover totaled EUR 222.3 million (10-12 2021: 191.7), an increase of 15.9%
- Operating profit was EUR 13.4 (9.5) million, an increase of 40.3%
- Operating margin was 6.0% (5.0%) of turnover
- Net profit was EUR 10.5 (8.4) million, an increase of 24.0%
- Earnings per share was EUR 0.16 (0.13)

January–December

- Turnover totaled EUR 843.8 million (2021: 695.7), an increase of 21.3%
- Operating profit was EUR 45.4 (39.6) million, an increase of 14.6%
- Operating margin was 5.4% (5.7%) of turnover
- Net profit was EUR 35.0 (29.8) million, an increase of 17.8%
- Earnings per share was EUR 0.54 (0.46)

Future Outlook for 2023

Scanfil estimates that its turnover for 2023 will be EUR 820–890 million and its adjusted operating profit will be EUR 49–55 million.

Scanfil estimates that the spot market purchases of electronic components in 2023 will be significantly less compared to last year. In 2022 spot market purchases increased turnover by EUR 80.7 and EUR 32.0 million in 2021.

Key Figures	10-12 2022	10-12 2021	Change,%	1-12 2022	1-12 2021	Change,%
Turnover, EUR million	222.3	191.7	15.9	843.8	695.7	21.3
Operating Profit, EUR million	13.4	9.5	40.3	45.4	39.6	14.6
Operating Profit, %	6.0	5.0		5.4	5.7	
Net Profit, EUR million	10.5	8.4	24.0	35.0	29.8	17.8
Earnings per Share, EUR	0.16	0.13	23.8	0.54	0.46	17.5
Return on Equity, %				16.1	15.2	
Equity Ratio, %				45.3	45.3	
Net Gearing, %				37.8	28.9	
Net Cash Flow from Operations, EUR million	13.9	-0.5		10.2	-12.5	
Employees, Average				3,403	3,267	4.2

CEO PETTERI JOKITALO:

“I am satisfied with our performance in 2022. At the start of the year we had a strong customer demand which strengthened further during the year. The year progressed upward both in terms of turnover and operating profit and ended with a record-breaking last quarter.

Our focus was clear and we concentrated on organic growth and managing the risks of cost inflation and operating environment. The operating environment was demanding and headwinds were brought by the availability challenges of electronic components, cost inflation, the corona situation especially in China. To meet the growing customer demand, we invested in production capacity at the factories in Suzhou, Malmö and Wutha. As a whole, we made strong progress! I would like to thank our dedicated employees for their good work and our customers for their support and trust.

The turnover for the fourth quarter increased by 15.3% from a year ago and was EUR 222.3 million. The component availability challenges partially eased towards the end of the year, which was reflected in reduced spot market purchases. The operating profit for the quarter increased by 40% compared to a year ago and was EUR 13.4 million. The positive development of the operating profit was influenced by the increase in turnover and the efficiency of operations resulting from the easing of challenges in the availability of components. The impact of exchange rate changes on the quarter's operating profit was EUR 0.3 million positive.

The net cash flow from operations, which turned positive in the second quarter of the year, continued to strengthen and was EUR 13.9 million in the last quarter. Strengthening the net cash flow and related inventory management will continue to be a key development area.

Scanfil's financial position and balance sheet are stable and enable the necessary investments and the implementation of the dividend policy. The board proposes to pay a dividend of 0.21 euros per share for 2022, which is a 10.5% increase compared to a year ago. If implemented according to the proposal, Scanfil's dividend will increase for the tenth year in a row.

Scanfil's customers' demand outlook for 2023 continues to be strong and gives us a good base for organic growth and positive profitability development towards the target level of a 7% operating profit margin. The near-term risks of the business are mainly related to the development of the economy both in Europe and globally, and, despite the improved situation, the availability of semiconductors, which we believe will partly continue to be challenging.

We expect our turnover to be EUR 820–890 million this year and the adjusted operating profit will grow to EUR 49–55 million. We also believe that the number of spot market purchases will decrease significantly from 2022.

In the longer term, we aim for organic 5–7% annual growth and a 7% operating profit level. In 2023, key investments to increase production capacity are investments in electronics manufacturing lines for the Atlanta factory in the United States and the Sieradz factory in Poland. For both factories, the new production lines are expected to be in use in the third quarter of 2023. We have also started preliminary planning to expand the Sieradz factory with a production building of about 8,000 m².

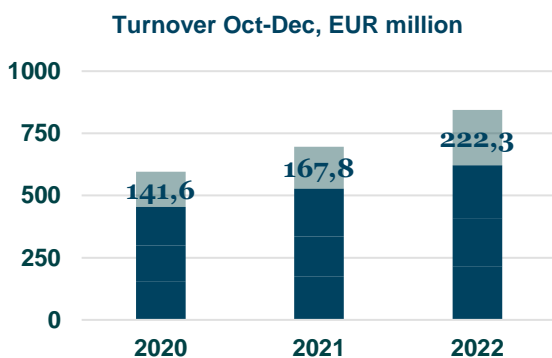
In the longer term, we see the North American and Asian markets as interesting expansion areas.”

Scanfil's Financial Statement for 2022

TURNOVER

Scanfil Group's turnover for **October–December** was EUR 222.3 (191.7) million, an increase of 15.9% compared to the previous year. Turnover includes EUR 14.6 (14.4) million invoicing of spot-market purchases and some other costs related to securing customer deliveries. In order to meet customer demand, Scanfil had to buy especially semiconductor components at a significantly higher price than the normal price on the spot market. The company invoiced customers for the additional costs that arose in this way, but as a rule without a material margin.

Turnover in **January–December** was EUR 843.8 (695.7) million, an increase of 21.3% compared to the previous year. Turnover includes EUR 80.7 (32.0) million of spot-market purchases and some other costs related to securing customer deliveries.



TURNOVER BY CUSTOMER SEGMENT

Advanced Consumer Applications

Turnover in **October–December** was EUR 56.3 (52.9) million, an increase of 6.2% compared to October–December in 2021. Separately agreed customer invoicing for the segment was EUR 4.1 (4.7) million.

Turnover in **January–December** was EUR 247.8 (204.6) million, an increase of 21.1% compared to January–December in 2021. The key driver was good demand for elevator and smart home control products. Separately agreed customer invoicing was EUR 36.1 (14.6) million.

Automation & Safety

Turnover in **October–December** was EUR 51.4 (41.1) million, an increase of 25.1%. Separately agreed customer invoicing for the segment was EUR 3.6 (2.3) million.

Turnover in **January–September** was EUR 183.8 (144.9) million, an increase of 26.8% compared to January–December in 2021. The key driver was good demand in process automation solutions and detector products, among others. Separately agreed customer invoicing was EUR 12.0 (4.9) million.

Connectivity

Turnover in **October–December** was EUR 10.8 (10.4) million, an increase of 4.5%. Separately agreed customer invoicing for the segment was EUR 0.4 (0.1) million.

Turnover in **January–December** was EUR 38.5 (33.0) million, an increase of 16.5% compared to January–December in 2021. The key driver was good demand for communication and advanced hearing protection systems. Separately agreed customer invoicing for the segment was EUR 1.2 (0.1) million.

Energy & Cleantech

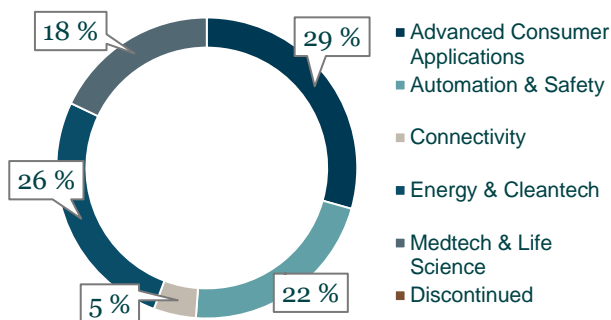
Turnover in **October–December** was EUR 61.3 (53.4) million, an increase of 14.8%. Separately agreed customer invoicing for the segment was EUR 3.2 (5.0) million.

Turnover in **January–December** was EUR 222.4 (182.1) million, an increase of 22.2% compared to January–December in 2021. The key driver behind the strong growth was good demand for recycling systems and energy-saving solutions, e.g. for indoor climate. Separately agreed customer invoicing was EUR 18.4 (8.9) million.

Medtech & Life Science

Turnover in **October–December** was EUR 42.5 (33.9) million, an increase of 25.3%. Separately agreed customer invoicing for the segment was EUR 2.2 (3.4) million.

Turnover in **January–December** was EUR 151.2 (120.6) million, an increase of 25.4% compared to January–December in 2021. The key driver behind the strong growth was good demand for diagnostics and analytical test solutions. Separately agreed customer invoicing was EUR 13.0 (3.5) million.



In January–December 2022, the largest customer accounted for 19% (18%) of turnover, and the top ten customers accounted for about 55% (55%) of turnover.

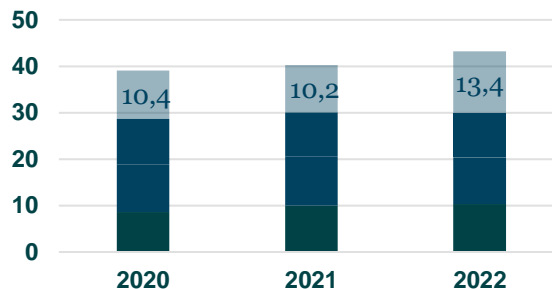
OPERATING PROFIT

Operating profit for **October–December** was EUR 13.4 (9.5) million, 6.0% (5.0%) of turnover. In the reporting period for 2022 there were no adjustment items. In the comparison year operating profit includes an adjustment item of EUR -0.7 million related to the closure of the Hamburg factory. The adjusted operating profit for the comparison year was EUR 10.2 million, representing 5.3% of turnover. The operating profit was positively affected by the continuation of good customer demand and improved component availability what improved the performance of factories. We were moving the cost inflation to customer prices, in some cases the price changes were realized with delay. Currency hedging process was significantly improved and changes in foreign exchange rates had a minor EUR +0.3 million impact on operating profit. The operating margin was negatively impacted by the separately agreed customer invoicing with no or low margin.

Operating profit for **January–December** was EUR 45.4 (39.6) million, 5.4% (5.7%) of turnover. In the reporting period for 2022 there were no adjustment items. In the comparison year adjusted operating profit was EUR 40.3 million, 5.8% of turnover. The operating profit was positively affected by good customer demand. Component availability in the market improved gradually during the year and the performance of factories was mostly developing positively or remaining at good level. COVID lockdowns, in China, in April had a negative effect on the profitability. Generally, we were successfully moving the cost inflation to customer prices, but in some cases the price changes were realized with delay. The foreign exchange rate changes had a negative impact of EUR -2.5 million on operating profit, but situation improved significantly towards the year end driven by the improved hedging process and lower currency volatility. The operating margin was also negatively impacted by the separately agreed customer

invoicing with low or no margin.

Operating profit Oct-Dec, EUR million



NET PROFIT AND EARNINGS

The net profit for **October–December** was EUR 10.5 (8.4) million. The adjusted net profit for the comparison period was EUR 9.1 million which was adjusted with the closure cost of Hamburg factory. Earnings per share was EUR 0.16 (0.13). Comparison period’s adjusted earnings per share was EUR 0.14.

The net profit for **January–December** was EUR 35.0 (29.8) million. In the comparison year adjusted net profit was EUR 32.0 million. Net profit in comparison year was negatively impacted by a non-recurring tax adjustment of EUR 1.6 million and closure cost of Hamburg factory. Earnings per share was EUR 0.54 (0.46). The adjusted earnings per share for 2021 was EUR 0.50. Return on investment was 14.6% (15.3%).

The effective tax rate in **January–December** was 16.0% (21.0%). Mostly, the tax rate was positively affected by the revaluation of the dividend payment timing of the deferred taxes paid by the subsidiary to the parent company. The tax rate for the comparison year was negatively affected by a tax adjustment of EUR 1.6 million.

FINANCING AND CAPITAL EXPENDITURE

The Group has a stable financing position. The consolidated balance sheet total was EUR 525.5 (473.8) million **at the end of the review period**. Cash and cash equivalents totaled EUR 20.8 (25.3) million. Liabilities amounted to EUR 298.9 (266.4) million, of which non-interest-bearing liabilities totaled EUR 192.6 (181.2) million and interest-bearing liabilities totaled EUR 106.3 (85.2) million. Interest-bearing liabilities consisted of EUR 81.5 (62.1) million of financial liabilities and EUR 24.8 (23.1) million of leasing liabilities. The increase in non-interest-bearing liabilities was caused by the increase in accounts payables.

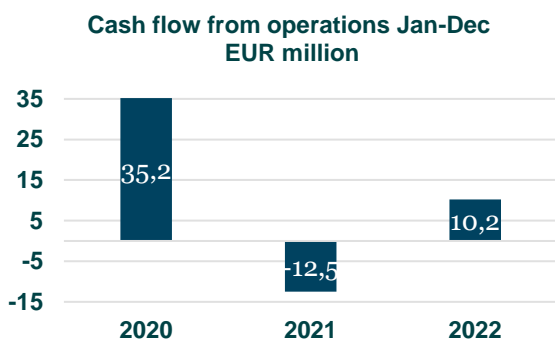
Loan payments were EUR 6.0 (6.0) million. The Group has EUR 59.2 million of unused credit facilities.

The equity ratio was 45.3% (45.3%), and net gearing was 37.8% (28.9%). Equity per share was EUR 3.49 (3.19).

The Group's financial arrangement includes discharge covenants related to equity ratio and interest-bearing net debt/EBITDA ratio. The terms of the covenants are reviewed quarterly. At the end of the period under review, the terms have been clearly complied with.

CASH FLOW

The net cash flow from operating activities for the review period **January–December** was EUR 10.2 (-12.5) million. The net cash flow from operating activities turned positive during the second quarter and totaled EUR 21.9 million in the second half of the year. The positive cash flow is resulting from improved profitability and the improved control on working capital. In **January–December** the effect of working capital growth was EUR -43.1 (-52.7) million. Growth was mainly due to the turnover growth and spot market purchases. Also, the challenges in material purchases were still impacting on the inventory levels. Working capital consisted of the following items: short-term non-interest-bearing receivables increased by EUR 18.1 (34.6) million, inventories increased by EUR 39.6 (88.3) million, and short-term non-interest-bearing liabilities increased by EUR 14.6 (70.3) million. In **October–December** the improvement actions in the supply chain management stabilized the inventory level and working capital increased only by EUR 3.3 million from the third quarter and the growth was driven by the increasing volumes.



The net cash flow in **January–December** from investing activities was EUR -18.5 (-12.5) million. The cash flow from financing activities was EUR 3.9 (24.3) million, including a EUR -12.3 (-11.0) million dividend payment, EUR -6.0 (-6.0) million in repayments of long-term loans, change in short term loans EUR +25.7

(+13.7) million and repayment of lease liabilities EUR- 3.7 (-3.7) million.

Gross investments in **January–December** totaled EUR 19.0 (15.5) million, which was 2.3% (2.2%) of the turnover. The increase in investments was mainly attributable to strong demand and need to increase the production capacity. The Group acquired more space, machinery and equipment to respond to high demand. Depreciation totaled EUR 17.5 (15.4) million.

DECISIONS BY THE EXTRAORDINARY AND ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS' AUTHORIZATION

Scanfil plc's Extraordinary General Meeting was held on December 1, 2022, at the premises of Borenus Attorneys Ltd. Due to the COVID-19 pandemic, shareholders and their proxies had to vote in advance and physical attendance at the Meeting was not possible.

The Extraordinary General Meeting decided on the change in the Scanfil plc's Articles of Association to enable remote participation to the General Meetings.

The Annual General Meeting held on April 21, 2022 authorized the Board of Directors to decide on the acquisition of the company's own shares and to decide on share issue and granting option rights, and granting shares and issue special rights entitling to shares.

The Board of Directors' proposals to the General Meetings and the minutes are available on the company website at www.scanfil.com/agm.

OWN SHARES

On December 31, 2022, the company owned 98,738 of its own shares, representing 0.2% of all shares.

SHARE TRADING AND SHARE PERFORMANCE

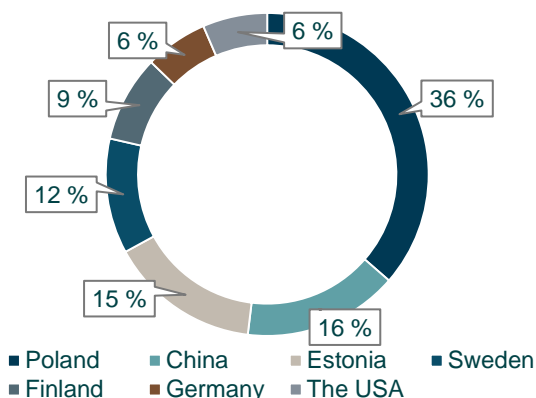
During **January–December**, a total of 60,000 treasury shares were subscribed under Scanfil Plc's stock options: 40,000 with 2016C by EUR 179,200 and 20,000 with 2019A by EUR 80,800. The whole subscription price of EUR 260,000 was recognized in the company's reserve for invested unrestricted equity. The number of Scanfil shares was 64,959,993 in total as of December 31, 2022.

The highest trading price during January–December was EUR 8.06, and the lowest was EUR 4.90, with the closing price for the period standing at EUR 6.58. A total of 4,165,768 shares were traded during the period,

corresponding to 6.4% of the total number of shares. As of December 31, 2022, the market value of the shares was EUR 427.4 million.

PERSONNEL

At the end of the period under review, the Group employed 3,497 (3,282) people, 3,189 (2,970) of whom worked outside Finland and 308 (312) in Finland. The average number of Group employees during the review period was 3,403 (3,267) people.



CHANGES IN GROUP STRUCTURE

There were no changes in the Group structure during the financial year.

FUTURE OUTLOOK

Scanfil estimates that its turnover for 2023 will be EUR 820–890, and an adjusted operating profit of EUR 49–55 million.

The outlook is based on customer forecasts and Scanfil’s normal forecasting process. The outlook is associated with uncertainty, especially regarding the semiconductor availability, price level, the supply chain’s ability to deliver and spot market purchases. In 2022 spot market purchases increased turnover by EUR 80.7 (32.0) million. In addition, the development of the general economic situation and the war in Ukraine are causing risks and uncertainty.

LONG-TERM TARGETS

Scanfil is organically aiming for 5%–7% annual turnover growth and a 7% operating profit level. Scanfil aims to pay an increasing dividend of approximately 1/3 of the earnings per share.

RISKS AND UNCERTAINTIES

Current recognized risks have strategic risks such as uncertainties in the global economy and risks in the political environment which might prevent the company from achieving its economic targets.

Other recognized risks are related to high inflation, materials prices and availability, exchange rates and cyber security.

The negative development of the global economy may have an impact on Scanfil revenue and profitability in midterm.

Ukraine war continues and further escalations may have an impact on Scanfil business environment. However, Scanfil doesn’t have sales to Russia or material purchases from Russia and therefore the war doesn’t have direct impact on Scanfil revenue or profitability. Overall political and trade political tense and related actions may impact on the Scanfil business environment. Scanfil actions to continuously develop the manufacturing footprint mitigates the risk.

The overall inflation influences the company’s cost structure. Scanfil has and will change customer prices in relation to increase in costs.

Material availability, especially semiconductors, has been challenging since 2021. Situation started to improve at the end of 2022, but it has not returned to the pre-2021 levels. In order to solve these challenges, Scanfil used, among other actions, spot market purchases to secure materials for customer deliveries.

The changes in foreign exchange rates are a risk for the profitability. However, in 2022 Scanfil has been able to mitigate the risk with improved hedging.

Cyber security is recognized as an increasing risk. Scanfil is making continuous monitoring and development on the ICT environment and systems to mitigate the risk.

The risk of energy availability and cost increase is expected to be lower in short term in Europe and is not expected to have significant impact on the short term revenue or profitability. However, in the long run risk might arise again.

Covid-19 as its current state is not considered as a significant risk any longer.

The company’s risks and risk management are described on the company’s website under Corporate Governance

and in the notes to the consolidated financial statements for 2022.

ANNUAL GENERAL MEETING IN 2023 AND PROPOSALS BY THE BOARD OF DIRECTORS

Scanfil plc's Annual General Meeting has been planned to be held on April 27, 2023.

The parent company's distributable assets total EUR 63,779,792.03, including undistributed profits of EUR 30,011,400.49. The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.21 (0.19) per share, totaling EUR 13,620,863.55 be paid for the financial year ending on December 31, 2022. The dividend will be paid to shareholders, who are recorded

on 1 May 2023 in the company's list of shareholders maintained by Euroclear Finland Oy. The dividend will be paid on May 8, 2023.

No significant changes have taken place in the company's financial position since the end of the financial year. In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

The proposal of Scanfil plc's nomination committee to the General Meeting for the composition of Scanfil plc's Board of Directors will be published in connection with the invitation to the General Meeting.

RECONCILIATION OF ADJUSTED OPERATING PROFIT, NET PROFIT FOR THE PERIOD AND SHAREHOLDERS' EQUITY

EUR million	10 - 12 2022	10 - 12 2021	1 - 12 2022	1 - 12 2021
Operating profit	13.4	9.5	45.4	39.6
Operating profit, % of turnover	6.0 %	5.0 %	5.4 %	5.7 %
Adjustment items:				
<i>Other operating income</i>				
<i>Expenses</i>		0.7		0.7
<i>Depreciation and amortization</i>				
Total adjustment items		0.7		
Adjusted operating profit	13.4	10.2	45.4	40.3
Adjusted operating profit, % of turnover	6.0 %	5.3 %	5.4 %	5.8 %
Financial income and expenses	-0.7	-0.2	-3.7	-1.9
Profit before taxes	12.7	9.3	41.7	37.7
Income taxes	-2.2	-0.9	-6.7	-7.9
Adjustment items:				
<i>Income taxes</i>				1.6
Total adjustment items				1.6
Net profit for the period	10.5	8.4	35.0	29.8
Earnings per share, EUR	0.16	0.13	0.54	0.46
Adjusted net profit for the period	10.5	9.1	35.0	32.0
Adjusted earnings per share, EUR	0.16	0.14	0.54	0.50
Equity			226.6	207.4
Return on equity, %			16.1 %	15.2 %
Adjustment items:				
<i>Net profit for the period</i>				2.3
<i>Impact of the sale of the subsidiary on net asset</i>				
Adjusted equity			226,6	209,7
Adjusted return on equity, %			16.1 %	16.3 %

In 2022, there were no adjustment items.

In 2021, an adjustment of EUR 0.7 million was recognized related to the costs of closure of Hamburg subsidiary and a tax adjustment of EUR 1.6 million related to confirmed losses of EUR 8.1 million of Hungarian subsidiary, which was merged into the parent company in 2018. Based on the losses, the parent company made cross-border tax deductions in 2018 and 2019. Finnish tax authorities resolved this matter against Scanfil's interest in September, 2021. The company has appealed on Assessment Adjustment Board's decision to Northern Finland's administrative court in January 2022.

KEY INDICATORS

	1 -12 2022	1 - 12 2021
Return on equity, %	16.1	15.2
Return on investment, %	14.6	15.3
Interest-bearing liabilities, EUR million	106.3	85.2
Gearing, %	37.8	28.9
Equity ratio, %	45.3	45.3
Gross investments, EUR million	19.0	15.5
% of net turnover	2.3	2.2
Personnel, average	3 403	3 267
Earnings per share, EUR	0.54	0.46
Shareholders' equity per share, EUR	3.49	3.19
Dividend per share, EUR	0.21	0.19
Dividend per earnings, %	38.9	41.3
Effective dividend yield, %	3.19	2.55
Price-to-earnings ratio (P/E)	12.2	16.2
Year's lowest share price, EUR	4.90	6.24
Year's highest share price, EUR	8.06	9.02
Average share price for year, EUR	6.59	7.61
Share price at year's end, EUR	6.58	7.46
Market capitalisation at end of year, EUR million	427.4	484.6
Number of shares at the end of period, 000's		
- not counting own shares	64 861	64 801
- weighted average	64 830	64 701

Owing to the nature of the sector, the company's order book covers only a short period of time and does not give an accurate picture of future development.

KEY INDICATORS QUARTERLY

	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20
Turnover, MEUR	222.3	211.9	212.9	196.6	191.7	167.8	172.9	163.3	154.1
Operating profit, MEUR	13.4	11.5	10.1	10.3	9.5	9.5	10.6	10.0	4.3
Operating profit, %	6.0	5.4	4.8	5.3	5.0	5.7	6.1	6.1	6.0
Net income, MEUR	10.5	9.4	7.1	8.0	8.4	5.1	8.6	7.6	3.1

CALCULATION OF KEY INDICATORS

Return on equity, %	$\frac{\text{Net profit for the period} \times 100}{\text{Shareholders' equity (average)}}$
Return on investment, %	$\frac{(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$
Gearing (%)	$\frac{(\text{Interest-bearing liabilities} - \text{cash and other liquid financial assets}) \times 100}{\text{Shareholders' equity}}$
Equity ratio (%)	$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$
Earnings per share	$\frac{\text{Net profit for the period}}{\text{Average adjusted number of shares during the year}}$
Shareholders' equity per share	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
Market capitalization	Number of shares x last trading price of the financial period
Adjusted item	A non-recurring significant item that deviates from normal business operations, which affects the comparability between different periods

CONDENSED CONSOLIDATED INCOME STATEMENT

		10 - 12	10 - 12	1 - 12	1 - 12
		2022	2021	2022	2021
EUR million	Note				
Turnover	1	222.3	191.7	843.8	695.7
Other operating income		0.2	0.3	0.9	1.2
Changes in inventories of finished goods and work in progress		0.5	0.1	0.3	3.0
Expenses		-204.9	-178.7	-782.0	-644.9
Depreciation and amortization		-4.7	-4.0	-17.5	-15.4
Operating profit		13.4	9.5	45.4	39.6
Financial income and expenses		-0.7	-0.2	-3.7	-1.9
Profit before taxes		12.7	9.3	41.7	37.7
Income taxes		-2.2	-0.9	-6.7	-7.9
Net profit for the period		10.5	8.4	35.0	29.8
Attributable to:					
Equity holders of the parent		10.5	8.4	35.0	29.8
Earnings per share for profit attributable to shareholders of the parent:					
undiluted (EUR)		0.16	0.13	0.54	0.46
diluted (EUR)		0.16	0.13	0.53	0.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	10 - 12	10 - 12	1 - 12	1 - 12
	2022	2021	2022	2021
EUR million				
Net profit for the period	10.5	8.4	35.0	29.8
Items that may later be recognized in profit or loss				
Translation differences	-3.1	1.9	-5.2	3.7
Cash flow hedges	1.0	0.2	1.0	0.5
Other comprehensive income, net of tax	-2.1	2.1	-4.2	4.2
Total Comprehensive Income	8.4	10.5	30.9	33.9
Attributable to:				
Equity holders of the parent	8.4	10.5	30.9	33.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	31.12.2022	31.12.2021
Assets			
Non-current assets			
Property, plant and equipment	2	55.6	49.8
Right-of-use asset	2	24.1	22.2
Goodwill	3	7.7	8.2
Other intangible assets		10.8	12.9
Available-for-sale investments		0.5	0.5
Deferred tax assets		7.8	8.5
Total non-current assets		106.5	102.1
Current assets			
Inventories		229.3	193.4
Trade and other receivables		164.8	149.0
Advance payments		2.3	1.3
Current tax		1.8	2.6
Cash and cash equivalents		20.8	25.3
Total current assets		419.0	371.7
Total assets		525.5	473.8
		31.12.2022	31.12.2021
Shareholder's equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital		2.0	2.0
Reserve for invested unrestricted equity fund		33.4	33.2
Fair value reserve		1.0	-0.1
Other reserves		2.6	2.6
Translation differences		-7.6	-2.4
Retained earnings		195.1	172.0
Total equity		226.6	207.4
Non-current liabilities			
Deferred tax liabilities		4.6	5.3
Provisions	6	0.8	0.7
Interest bearing liabilities		36.0	42.1
Lease liability		20.4	19.9
Total non-current liabilities		61.9	67.9
Current liabilities			
Trade and other liabilities		183.7	172.3
Current tax		3.1	1.4
Provisions	6	0.4	1.6
Interest bearing liabilities		45.5	20.0
Lease liability		4.4	3.2
Total current liabilities		237.0	198.4
Total liabilities		298.9	266.4
Total shareholder's equity and liabilities		525.5	473.8

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Equity attributable to equity holders of the parent company

EUR million	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
Equity 1.1.2022	2.0	33.2	-0.1	2.6	-2.4	172.0	207.4
Total comprehensive income			1.0		-5.2	35.0	30.9
Option scheme						0.3	0.3
Paid dividends						-12.3	-12.3
Share options exercised		0.3					0.3
Equity 31.12.2022	2.0	33.4	1.0	2.6	-7.6	195.1	226.6

Equity attributable to equity holders of the parent company

EUR million	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
Equity 1.1.2021	2.0	31.8	-0.6	2.6	-6.1	153.0	182.9
Total comprehensive income			0.5		3.7	29.8	33.9
Option scheme						0.3	0.3
Paid dividends						-11.0	-11.0
Share options exercised		1.3					1.3
Equity 31.12.2021	2.0	33.2	-0.1	2.6	-2.4	172.0	207.4

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	1.1.- 31.12.2022	1.1.- 31.12.2021
Cash flow from operating activities		
Net profit	35.0	29.8
Adjustments for the net profit	24.6	22.7
Change in net working capital	-43.1	-52.7
Paid interests and other financial expenses	-2.3	-1.0
Interest received	0.4	0.0
Taxes paid	-4.4	-11.3
Net cash from operating activities	10.2	-12.5
Cash flow from investing activities		
Investments in tangible and intangible assets	-19.0	-12.9
Sale of tangible and intangible assets	0.5	0.4
Net cash from investing activities	-18.5	-12.5
Cash flow from financing activities		
Related-party investment company shares	0.3	1.3
Proceeds from long term loans		30.0
Repayment of long-term loans	-6.0	-6.0
Proceeds from short term loans	25.9	13.9
Repayment of short-term loans	-0.2	-0.2
Repayment of lease liabilities	-3.7	-3.7
Dividends paid	-12.3	-11.0
Net cash from financing activities	3.9	24.3
Net increase/decrease in cash and cash equivalents	-4.4	-0.8
Cash and cash equivalents at beginning of period	25.3	25.8
Changes in exchange rates	-0.2	0.3
Cash and cash equivalents at end of period	20.8	25.3

Notes to the financial statement

ACCOUNTING PRINCIPLES

The Group's financial statement has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. The accounting principles applied in this report correspond with those defined in the Group's 2021 Financial Statement. War in Ukraine and Covid-19 pandemic created uncertainty to the business environment, but at the moment it did not have significant impact on management's consideration or judgment. All individual figures and totals presented in tables have been rounded, due to which the total sum of individual figures may differ from the sum presented. The key figures have been calculated using precise values. This financial statement release is unaudited.

In its meeting held on February 20, 2023, the Board of Directors of Scanfil plc approved this financial statement release for publication.

1. DISAGGREGATION OF REVENUES

EUR million	10–12 2022			10–12 2021		
	Goods	Services	Total	Goods	Services	Total
Customer Segments						
Advanced Consumer Applications	54.4	1.8	56.3	51.9	1.0	52.9
Automation & Safety	43.8	7.6	51.4	33.2	7.9	41.1
Connectivity	10.4	0.5	10.8	8.4	1.9	10.4
Energy & Cleantech	61.0	0.3	61.3	52.6	0.8	53.4
Medtec & Life Science	39.6	2.9	42.5	33.6	0.4	33.9
Discontinued				0.0	0.0	0.0
Total	209.1	13.2	222.3	179.7	12.0	191.7
Timing of revenue recognition						
Goods and services transferred at a point of time	209.1	12.0	221.1	179.7	11.3	191.0
Services transferred over time		1.2	1.2		0.7	0.7
Total	209.1	13.2	222.3	179.7	12.0	191.7

EUR million	1–12 2022			1–12 2021		
	Goods	Services	Total	Goods	Services	Total
Customer Segments						
Advanced Consumer Applications	241.7	6.1	247.8	197.5	7.1	204.6
Automation & Safety	157.4	26.4	183.8	124.6	20.3	144.9
Connectivity	35.0	3.5	38.5	30.7	2.4	33.0
Energy & Cleantech	218.3	4.2	222.4	177.8	4.3	182.1
Medtec & Life Science	142.3	8.9	151.2	114.9	5.7	120.6
Discontinued				10.5	0.0	10.5
Total	794.7	49.1	843.8	655.9	39.8	695.7
Timing of revenue recognition						
Goods and services transferred at a point of time	794.7	44.9	839.5	655.9	37.3	693.2
Services transferred over time		4.2	4.2		2.5	2.5
Total	794.7	49.1	843.8	655.9	39.8	695.7

In the reporting period, the turnover includes EUR 80.7 (32.0) million of spot market purchases and other invoices related to securing customer deliveries that are low or no margin. The division between customer segments is as follows: Advanced Consumer Applications EUR 36.1 (14.6) million, Automation & Safety EUR 12.0 (4.9) million, Connectivity EUR 1.2 (0.1) million, Energy & Cleantech EUR 18.4 (8.9) million and Medtech & Life Science EUR 13.0 (3.5) million.

2. CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million	1-12 2022	1-12 2021
Book value at the beginning of the period	72.0	64.5
Additions	24.1	23.6
Deductions	-0.3	-4.4
Depreciations and decreases in value	-14.9	-12.6
Exchange rate differences	-1.2	0.9
Book value at the end of the period	79.7	72.0

The most significant investments in the electronics manufacturing were the SMT line in Suzhou, THT line and soldering line in Sieradz, and the investments in growing the SMT line capacity in Sieradz. In addition, the investments include testing solutions in different factories. The most significant investments in mechanics were painting line renewals in Pärnu and Myslowice and automatic punching and folding machines. In addition, the factories invested in smart warehouse and logistics solutions and cobots.

3. CHANGES IN GOODWILL

EUR million	1-12 2022	1-12 2021
Book value at the beginning of the period	8.2	8.3
Exchange rate differences	-0.5	-0.1
Book value at the end of the period	7.7	8.2

4. FINANCIAL ASSETS AND LIABILITIES, CARRYING AMOUNT AND FAIR VALUE

EUR million	31.12.2022 Book values of balance sheet values	31.12.2022 Fair values of balance sheet values
Non-current assets		
Investments	0.5	0.5
Non-current assets total	0.5	0.5
Current assets		
Trade receivables	149.6	149.6
Derivatives	1.2	1.2

Cash and cash equivalents	20.8	20.8
Current assets total	171.6	171.6
Total financial assets	172.1	172.1
Non-current financial liabilities		
Interest bearing liabilities from financial institutions	36.0	36.0
Non-current financial liabilities total	36.0	36.0
Current financial liabilities		
Interest bearing liabilities from financial institutions	6.1	6.1
Loans withdrawn from the credit limit	39.5	39.5
Trade payables	129.0	129.0
Derivatives	0.9	0.9
Current financial liabilities total	175.4	175.4
Total financial liabilities	211.4	211.4

The valuation of derivatives is based on market data (level 2). The valuation of investments is based on the acquisition cost (level 3) as the fair value of the shares cannot be determined reliably.

5. OPEN DERIVATIVE CONTRACTS REGARDING CASH FLOW HEDGING

	31.12.2022	Fair net value	Nominal value
EUR million			
Interest rate swaps		0.4	12.0
Forward exchange contracts		0.8	34.9
Forward exchange contracts, outside hedge accounting		-0.9	113.3

	31.12.2021	Fair net value	Nominal value
EUR million			
Interest rate swaps, protective		-0,0	18,0
Forward exchange contracts, hedge accounting		-0,1	30,5

6. PROVISIONS

	Reclamation and guarantee	Pension	Other	Restructuring provisions	Total
EUR million					
1.1.2022	0.1	0.1	0.5	1.4	2.2
Exchange rate differences	-0.0	-0.0	-0.0		-0.0
Additions	0.2	0.0	0.1	0.0	0.4
Used provisions				-1.4	-1.4
Cancellation of unused provisions		-0.0			-0.0

31.12.2022	0.4	0.2	0.6	0.0	1.2
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Long term provisions are EUR 0.8 million and short term provisions are EUR 0.4 million.

The reclamation and warranty provision includes the estimated cost of repairing defective products that is related to customer complaints and warranty obligations, and any fees resulting from delayed deliveries. Other provisions are related to a bonus agreed upon locally in Poland to be paid on the basis of service years. It applies to employees who have worked in the company for several years. The restructuring provision were related to the closure of the Scanfil GmbH's Hamburg factory.

7. CONTINGENT LIABILITIES

	1 - 12 2022	1 - 12 2021
EUR million		
Pledged guarantees	1.6	2.3

In addition to the above commitments, the following guarantees have been given:

Scanfil plc has given guarantees to Nordea Bank Abp as security for payment of the liabilities which Scanfil Sweden AB has created from time to time towards Nordea Bank Abp on the basis of derivative contracts concluded, as well as to Skandinaviska Enskilda Banken AB replacing the previous liabilities of Scanfil Sweden AB. The maximum liability to Skandinaviska Enskilda Banken AB is EUR 3.6 million. Scanfil plc has provided a guarantee to Nordea Bank Abp as security for the performance and payment of obligations under the derivative contracts concluded between Scanfil Electronics GmbH and Nordea Bank Abp. Scanfil plc has given a guarantee for the lease obligations of its subsidiary Scanfil Inc

Scanfil EMS Oy has given a guarantee to Nordea Bank AB Shanghai Branch of any obligations arising from a loan facility of CNY 137 million between the subsidiary Scanfil (Suzhou) Co., Ltd. and the Nordea Bank AB Shanghai Branch. Scanfil EMS Oy has given a guarantee of any obligations arising from the subsidiary's delivery contracts with its customers. The guarantee is limited to a maximum of EUR 7.5 million and seven years after the expiry of the last product agreement.

Scanfil Sweden AB has given a guarantee to the lessor as security for the liabilities under the lease contract regarding the premises leased by the Polish subsidiary Scanfil Poland Sp. z o.o.

Scanfil EMS Oy and Scanfil Sweden AB have provided guarantees to Nordea Bank Abp and Nordea Bank AB Shanghai Branch as security for the performance and payment of the obligations under the derivative master agreements entered into between the Group companies Scanfil Oü, Scanfil Poland Sp. z o.o, Scanfil Ätvidaberg AB, Scanfil Malmö AB, Scanfil (Suzhou) Co., Ltd. and Nordea Bank Abp.

On behalf of the group companies may be given usual parent company guarantees from time to time as security for the fulfillment of their customer agreement obligations.

EVENTS AFTER THE REVIEW PERIOD

January 31, 2023, Scanfil announced capacity investment in Sieradz factory

February 11, 2023, Scanfil announced the signing of the agreement of the new CEO, Christophe Sut.

SCANFIL PLC

Petteri Jokitalo
CEO

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Scanfil is an international manufacturing partner and system supplier for the electronics industry with over 45 years of experience in demanding manufacturing. Scanfil provides its customers with an extensive array of services, ranging from product design to product manufacturing, material procurement and logistics solutions. Vertically integrated production and a comprehensive supply chain are the foundation of Scanfil's competitive advantages: speed, flexibility and reliability.

Typical Scanfil products are modules or integrated products for e.g. self-service application, automation systems, wireless connectivity modules, climate control systems, collection and sorting systems, analyzers and environmental measurement solutions. Scanfil services are used by numerous international automation, safety, energy, cleantech and health service providers, as well as companies operating in the field of urbanization. Scanfil's network of factories consists of nine production units in Europe, Asia and North America.

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