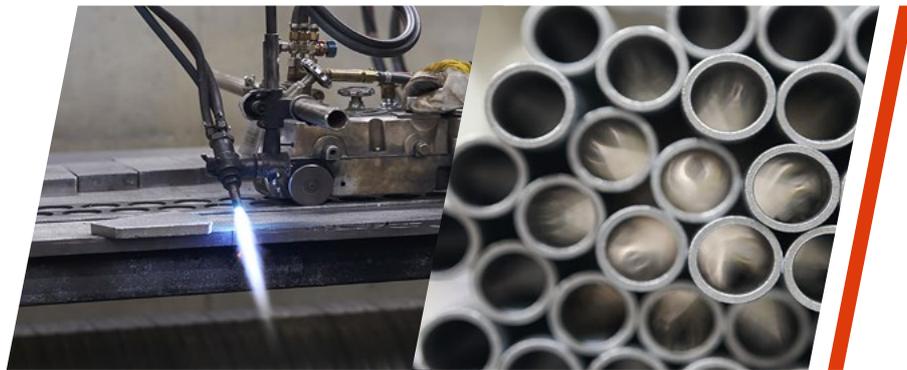


**Half-Year
Financial Report**
1 January–30 June 2023



COMPONENTA

Componenta Corporation's Half-Year Financial Report 1 January–30 June 2023

Net sales increased and EBITDA improved clearly

January–June 2023

- Net sales increased to EUR 60.2 million (EUR 54.4 million).
- EBITDA also improved clearly, amounting to EUR 5.4 million (EUR 3.8 million).
- Operating result was EUR 2.5 million (EUR 1.0 million).
- Cash flow from operating activities was EUR 5.4 million (EUR 2.1 million).

April–June 2023

- Net sales increased to EUR 29.5 million (EUR 28.9 million).
- EBITDA improved to EUR 2.6 million (EUR 2.4 million).
- Operating result was EUR 1.1 million (EUR 1.0 million).
- Cash flow from operating activities was EUR 4.7 million (EUR 2.2 million).

The information presented in this half-year financial report concerns Componenta Group's performance in January–June 2023 and in the corresponding period of 2022 unless otherwise stated. Componenta has foundries in Pori and Karkkila, Finland, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland. The Group also includes real estate companies of minor importance in Finland.

Sami Sivuranta, President and CEO:

"Our overall performance was good in the first half of the year. Our net sales, market share and EBITDA

continued to grow in line with our strategy and plans. Our liquidity was at a very good level at the end of the review period.

The availability of raw materials and other materials in the market has improved since the beginning of 2023, but the accelerating inflation has continued to keep costs at an exceptionally high level. The high price level is expected to return to a level based on production costs when the general market situation normalises. We have also agreed on the transfer of non-indexed cost increases to our customer prices where applicable during the review period. In the first half of the year, our profitability was also burdened by sector-specific wage agreements, which increased our costs clearly.

In terms of our main raw materials and electricity, the cost development is largely tied to our customer agreements through indices that are reflected quarterly in our sales prices with a delay. The price development of electricity has stabilised, but daily and even hourly price fluctuations remain high which makes forecasting the price of electricity for next winter uncertain.

In our own operations, we have successfully managed our supply chain and secured our production and deliveries to customers in a constantly changing operating environment. Our measures to improve production quality and productivity at our Karkkila foundry have also continued, and the performance indicators developed favourably during the first half of the year.

Our employees' resilience and strong commitment ensured a solid foundation for positive development. Our human resources correspond to our current production needs, and our ability to respond to changes in the operating environment has enabled us to maintain good service capability.

The prolonged Russia's war of aggression has increased the overall uncertainty of the market and the rising cost trend arising from inflation. However, the impacts through our customers' and suppliers' business operations have been minor. We are actively monitoring developments in our business environment and seeking to ensure the availability of raw materials and good delivery capability in all situations and circumstances.

Our customers' order backlogs, forecasts and expectations remained generally positive at the beginning of 2023, and our order book was at a good level at the end of June. However, general uncertainty in the market has increased, which has caused our customers, on average, to take longer to make a decision after receiving an offer and has also slowed down selling and purchasing processes. Our new sales have developed favourably for a long time, and our market shares have grown. This is beginning to be reflected in our delivery volumes, and our units are ramping up new production alongside the normal order book. Our customers are moving their production chains more actively closer to Europe and its neighbouring regions to improve their operating conditions in terms of risk management and sustainability. The company's sustainability work and its role as a local operator are clearly competitive advantages for Componenta. Thanks to the current customer outlook and our own sales success, our expectations for 2023 remain positive.

We will actively continue our efforts to strengthen our market position and further improve our profitability as part of our growth strategy. In addition, we are focusing on our service capability, close customer relationships and highly competent personnel, as well as on expanding our offering. Sustainability is taken into account in the different phases of our processes, and we are currently determining our

long-term sustainability goals and preparing for the growing number of reporting obligations. We are aiming for close partnerships with our customers and to be their preferred sustainable supplier with an extensive offering."

Componenta's guidance for 2023 remains unchanged

Componenta expects the Group's net sales to be EUR 110–120 million in 2023. EBITDA is expected to improve from the previous year. The Group's net sales in 2022 were EUR 109.1 million, and its EBITDA was EUR 7.1 million.

Poor availability of raw materials, increases in the prices of raw materials and electricity, the general economic situation and competitive climate, and the development of customers' sales volumes may affect business outlooks. In addition, the development of sales and profitability involves uncertainties because of the Russia's war of aggression. An unfavourable development of the geopolitical situation in relation to the Russia's war of aggression may also have a negative impact on the financial market, sales volumes, the availability and price development of raw materials and electricity, and the availability of foreign labour, all of which increase forecasting uncertainty.

Order book

Componenta's order book decreased from the previous year, but remained at a good level and was EUR 10.4 million (EUR 13.4 million) at the end of June 2023. The order book contains the orders confirmed to customers for the next two months.

Net sales

Componenta's net sales increased by 11% from the previous year to EUR 60.2 million (EUR 54.4 million). Net sales were divided between customer industries as follows: machine building 43% (48%), agricultural machinery 34% (30%), forest machinery 7% (7%), the energy industry 8% (8%), the defence equipment industry 3% (1%) and other industries 5% (6%).

Result

The Group's EBITDA increased from the previous year, amounting to EUR 5.4 million (EUR 3.8 million). Profitability improved as a result of higher sales volumes and systematic development measures, but was burdened by sector-specific wage agreements, which increased costs clearly. During the review period, the stabilised price development of electricity contributed to Componenta's better profitability.

The Group's operating result increased from the previous year, amounting to EUR 2.5 million (EUR 1.0 million). The Group's net financial items totalled EUR -1.1 million (EUR -0.7 million). The change in net financial items was related to higher market interest

rates and the working capital loan, EUR 4 million in total, which was drawn down in December 2022 and March 2023. Componenta also uses factoring arrangements to finance its operations. The number of invoices has grown as a result of higher net sales, and the related factoring fees have caused financial expenses to increase.

The Group's result after financial items was EUR 1.4 million (EUR 0.3 million). Taxes totalled EUR 0.1 million (0.1 million) for the review period. In the review period, the tax income consisted of a change in deferred tax liabilities. The Group's net result for the period was EUR 1.4 million (EUR 0.4 million). Basic earnings per share were EUR 0.15 (EUR 0.04) for the review period.

Key figures

	Jan 1-June 30, 2023	Jan 1-June 30, 2022	Change, %	Jan 1-Dec 31, 2022
Net sales, EUR thousand	60,228	54,408	10.7	109,087
EBITDA, EUR thousand	5,411	3,827	41.4	7,086
Operating result, EUR thousand	2,499	1,049	138.3	1,555
Operating result, %	4.1	1.9	115.2	1.4
Result after financial items, EUR thousand	1,369	329	316.0	-107
Net result, EUR thousand	1,423	415	243.2	52
Basic earnings per share, EUR	0.15	0.04	266.2	0.01
Diluted earnings per share, EUR	0.14	0.04	260.7	0.01
Cash flow from operating activities, EUR thousand	5,434	2,090	160.0	6,171
Interest-bearing net debt, EUR thousand	1,786	5,924	-69.9	4,818
Gearing, %	7.0	24.7	-71.7	20.0
Return on equity, %	11.4	3.5	227.0	0.2
Return on investment, %	12.9	6.0	114.2	4.3
Equity ratio, %	41.2	41.6	-1.0	41.1
Capital expenditure incl. lease liabilities, EUR thousand	1,689	815	107.3	3,617
Number of personnel at the end of the period, incl. leased workers	636	644	-1.2	643
Average number of personnel during the period, incl. leased workers	638	634	0.6	643
Order book at the end of the period, EUR thousand	10,419	13,429	-22.4	18,481

Balance sheet, financing and cash flow

At the end of the review period, the company's invested capital stood at EUR 40.3 million (EUR 35.0 million), and the return on investment was 12.9% (6.0%). The return on equity was 11.4% (3.5%). The Group's equity ratio stood at 41.2% (41.6%) at the end of the review period. The decrease in the equity ratio was mainly due to the drawing down of a EUR 4 million working capital loan. The Group's equity

was EUR 25.6 million (EUR 24.0 million). The Group's interest-bearing net debt totalled EUR 1.8 million (EUR 5.9 million). Its gearing stood at 7.0% (24.7%) at the end of the review period. The change in gearing from the comparison period was affected by a stronger cash position, an increase in equity through profit and through the use of a share subscription facility of around EUR 0.5 million in the second half of 2022, and the drawing down of a EUR 4 million working capital loan.

Componenta Group's total liabilities on 30 June 2023 stood at EUR 36.6 million (EUR 33.6 million). Long-term liabilities amounted to EUR 12.3 million (EUR 9.5 million), and short-term liabilities totalled EUR 24.3 million (EUR 24.1 million). The Group's liabilities included EUR 4.4 million (EUR 2.1 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 0.1 million (EUR 1.3 million) in payment relief granted by the Tax Administration due to the COVID-19 pandemic on obligations that must be paid in accordance with separate payment schedules by 22 August 2023. The annual interest on the payment relief is 2.5%.

At the end of the review period, the Group's cash at bank and in hand totalled EUR 13.0 million (EUR 5.1 million). The Group's liquidity improved clearly from the comparison period. In March, Componenta drew down the second and final instalment, EUR 2 million, of the working capital loan negotiated in December 2022. Componenta also had EUR 4.0 million in unused binding revolving credit facilities at the end of the review period. In addition, Componenta had a USD 7.5 million unused portion of its share subscription facility.

The Group's net cash flow from operations in the review period was EUR 5.4 million (EUR 2.1 million). The change in cash flow was partly due to higher profitability than in the comparison period. In the first half of 2023, cash flow was negatively affected by EUR 0.6 million (EUR 0.7 million) in payments made in accordance with the payment schedule for the relief granted by the Tax Administration in 2020–2022 due to the COVID-19 pandemic. At the end of the review period, working capital (including inventories and accounts receivable, less accounts payable) totalled EUR 6.5 million (EUR 8.3 million). The change was mainly due to the fact that the timing of certain material deliveries meant inventory levels were lower than at the end of the comparison period.

Capital expenditure

Capital expenditure made by the Group totalled EUR 1.7 million (EUR 0.8 million). The increase in capital expenditure was affected by acquisitions of

machinery and equipment in response to growing delivery volumes. The Group's net cash flow from investing activities was EUR -1.2 million (EUR -0.7 million), which includes the Group's cash flow from capital expenditure in tangible and intangible assets.

Research and development activities

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

Personnel

The Group's average number of personnel during the review period was 592 (581), or 638 (634) including leased employees. The Group's average number of personnel at the end of the review period was 595 (587), or 636 (644) including leased employees.

Risks and business-related uncertainties

The most significant risks related to Componenta's business operations are risks associated with the operating environment (competitive situation, prices, commodities and the environment), risks related to business operations (customers, suppliers, productivity, production processes, labour market disruptions, contracts, product liability, personnel and information security) and financing risks (availability, liquidity, currency, interest rate and credit).

The availability of certain raw materials such as recycled steel, pig iron, structural steel, aluminium and energy at competitive prices, as well as the uninterrupted supply of energy, is essential for the Group's business operations. Market prices of electricity remained relatively high during the review period, but decreased significantly towards the end of the period. Because of the Russia's war of aggression, the availability of raw materials and other materials continues to involve uncertainties in Componenta's operational activities. In addition, global challenges with the availability of certain components for customers may lead to production disruptions in our end customers' plants and thereby affect Componenta's sales volumes in the short term.

To ensure the availability of raw materials and other materials, Componenta maintains active interaction with its suppliers, continuously updates its needs forecast and optimises its inventory levels to meet longer-term demand, closely monitors the situation of its suppliers and market changes, and responds to these changes as necessary.

According to Componenta's estimate, the Group has no significant and immediate risk concentrations related to Russia or Ukraine among its customers or suppliers of goods. Componenta has no operations of its own in Russia or Ukraine. The Russia's war of aggression has had an impact on the general price development and availability of raw materials such as structural steel and pig iron, and on the development of energy prices. The war has had an indirect impact on the supply chains of Componenta's manufacturers of steel materials and wholesalers through the price development and availability of iron ore and coal, for example.

A prolonged war may continue to have a negative impact on the financial market, sales volumes, the availability and price development of raw materials and energy, and the availability of foreign labour, which increases forecasting uncertainty.

The cost risk associated with raw materials is mainly managed through index-based price agreements, based on which the sales prices of products are updated in response to changes in the prices of raw materials for the next quarter. An increase in raw material prices may tie more cash than expected to working capital. In terms of commercial risks, future volumes may be weakened by customers switching to cheaper alternatives due to price competition.

Componenta's business operations depend on the reliability of production plants, supply and delivery channels and the related processes and systems. The quality, accuracy and availability of information are extremely important, as information technology plays a significant role in the operations of Componenta and its suppliers and customers. If materialised, IT and cybersecurity risks may expose Componenta to disruptions and interruptions in operations and

the loss or distortion of data, which may lead to interruptions in product availability. Componenta pays close attention to cybersecurity risks and follows up its customers' situations and notifications.

Componenta continuously monitors the liquidity risk. Componenta's current revolving credit facilities will need to be renewed in November 2023. The Group also finances its operations through factoring arrangements for receivables. Any termination or non-renewal of factoring arrangements or revolving credit facilities can create uncertainties for Componenta's liquidity and the continuity of its operations. However, these uncertainties can be mitigated, and it is the management's estimate that the future financing of operations does not involve significant uncertainties. In addition, the Group's liquidity was at a good level at the end of the review period. At the end of the review period, Componenta also had EUR 4.0 million in unused binding revolving credit facilities and a USD 7.5 million unused portion of its USD 8.0 million share subscription facility from GCF, an investor based in the United States. The share subscription facility is valid until June 2024. In addition, the second and final instalment (EUR 2 million) of the EUR 4 million working capital loan was drawn down in March 2023. A more detailed description of the uncertainties related to company's ability to continue as a going concern and other business risks is provided under "Accounting principles requiring the management's judgement".

Flagging notifications

Componenta received no flagging notifications during the review period.

Resolutions of the Annual General Meeting

Componenta Corporation's Annual General Meeting (AGM) was held in Vantaa on 13 April 2023. The AGM adopted the financial statements and consolidated financial statements for 2022 and discharged the members of the Board of Directors and the CEO from liability for the 2022 financial year (1 January to 31 December 2022). 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 2022.

The AGM elected the audit firm PricewaterhouseCoopers Oy as the company's auditor, with Ylva Eriksson, Authorised Public Accountant, as the principal auditor.

The AGM authorised the Board of Directors to decide on share issues in accordance with the Board's proposal. Share issues can be executed by offering new shares or transferring treasury shares held by the company. The total number of shares to be issued or transferred under the authorisation may not exceed 571,275 shares, which correspond to around 5.88% of all the shares in the company. The new shares may be issued and the treasury shares held by the company may be transferred for consideration or without consideration. The authorisation is valid until the end of the next Annual General Meeting, but no longer than until 30 June 2024 at the latest. The authorisation revokes previous unused authorisations to issue shares.

The AGM authorised the Board of Directors to decide on the issue of shares, stock options and other special rights entitling their holders to shares for the purposes of incentive schemes in accordance with the Board's proposal. The total number of shares to be issued or transferred under the authorisation may not exceed 400,000 shares (including shares issued based on the special rights), which correspond to approximately 4.12% of all the shares in the company. The authorisation is valid until 13 April 2028. The authorisation revokes previous unused authorisations to issue shares, stock options and other special rights entitling their holders to shares.

A stock exchange release about the resolutions of the AGM is available in full on the company's website.

Board of Directors and management

On 13 April 2023, Componenta's Annual General Meeting (AGM) confirmed, in accordance with the proposal of the Shareholders' Nomination Board, that the Board of Directors consisted of four (4) members. The AGM re-elected Harri Suutari, Anne

Leskelä, Petteri Walldén and Tomas Hedenborg as the members of the Board. The Board members' term of office ends at the close of the next AGM. At its organisation meeting after the AGM, the Board of Directors elected Harri Suutari as Chair of the Board and Anne Leskelä as Vice Chair of the Board.

On 30 June 2023, the Group's Corporate Executive Team consisted of the following members: Sami Sivuranta, President and CEO; Marko Karppinen, CFO; Pasi Mäkinen, COO; and Hanna Seppänen, General Counsel.

Share capital and shares

The shares of Componenta Corporation are listed on the Nasdaq Helsinki. The average share price during the review period was EUR 2.74 (EUR 3.05). The lowest price was EUR 2.30 (EUR 2.53), and the highest was EUR 3.25 (EUR 3.65). The quoted price at the end of the review period was EUR 2.80 (EUR 2.65). The market value of all shares in the company at the end of the review period was EUR 27.2 million (EUR 25.2 million), and the volume of shares traded during the review period year was 11.8% (11.6%) 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 9,712,757 (9,517,813) at the end of the review period. The company had 7,085 (7,468) shareholders at the end of the review period.

Option rights

On 13 April 2023, the Board of Directors of Componenta Corporation decided on a new stock option plan for Componenta Corporation's and its subsidiaries' key employees, by virtue of an authorization granted by the Annual General Meeting of the company on 13 April 2023.

The subscription price of the shares subscribed with the stock options 2023A is the trade volume weighted average quotation of the company's share on Nasdaq Helsinki Ltd during the period of 21 April 2023–22 May 2023, which is EUR 3.00 per share. The share subscription price of the stock options 2023A will be reduced by the amount

of share capital distributed per share and by the amount of dividends and assets distributed from the reserves of unrestricted equity per share. The stock options 2023A entitle their owners to subscribe for a maximum total of 133,348 new shares in the company or existing shares held by the company. The share subscription period of the stock options 2023A is 1 June 2026–31 May 2028.

The theoretical market value of one stock option 2023A is approximately EUR 1.3787 per stock option. The theoretical market value of the stock options is approximately EUR 183,847 in total. The theoretical market value of the stock options has been calculated by using the Black & Scholes stock option pricing model with the following assumptions: share price EUR 3.01, share subscription price EUR 3.00, risk-free interest rate 2.77%, validity of stock options approximately 5 years and volatility 48.92%.

The option rights were allocated to the participants of the plan after the review period in July 2023.

In addition, at the end of the review period, Componenta had three previously decided option plans: 2018A, 2018B and 2018C. In total, there were 33,650 2018A option rights, 36,298 2018B option rights and 76,462 2018C option rights. Each option right under these plans entitles its holder to subscribe for two shares in Componenta.

Alternative performance measures

Componenta publishes certain commonly used alternative performance measures that can be derived from the IFRS financial statements. The calculation formulas of these alternative performance measures are presented at the end of this report.

Helsinki 25 July 2023

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

Half-year financial report tables

Accounting principles

Componenta Corporation's half-year financial report for January–June 2023 has been prepared in line with IAS 34 Interim Financial Reporting, and should be read in conjunction with Componenta's financial statements for 2022, published on 16 March 2023. Componenta has applied the same accounting principles to its half-year financial report as it applied to its 2022 financial statements. The half-year financial report is unaudited.

Accounting principles requiring the management's judgement

When preparing the half-year financial report in accordance with the International Financial Reporting Standards, the management needs to make estimates and assumptions concerning the future. The estimates and assumptions that involve a significant risk of material changes in the carrying amounts of assets and liabilities during the next 12 months are presented below.

When preparing Componenta's half-year financial report, the management has used 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. When assessing the going concern principle, Componenta's management has considered the following aspects.

Componenta's sales volumes have increased despite the risks caused by the Russia's war of aggression. There have been no disruptions or restrictions in the availability of electricity and, based on the indices, changes in the price of electricity are transferred to customer prices in an average of three months. At the end of the review period, the group's cash at bank totalled EUR 13.0 million (EUR 5.1 million). The group's liquidity was at a strong level. In addition, at the end of the review period, Componenta also had unused binding revolving credit facilities of EUR 4.0 million and USD 7.5 million of the unused portion of the USD 8.0 million share subscription facility valid until June 2024 from GCF, an investor based in the United States. In addition, the withdrawal of the second and consequently the last instalment of the EUR 4 million working capital loan agreed in December in the amount of EUR 2 million was made in March 2023. Componenta's net liabilities were EUR 1.8 million (EUR 5.9 million). According to the company's understanding, the group can also obtain debt financing from the market if necessary. The management has analyzed the companies' cash flow forecasts for the next 12 months.

In addition the management has made other estimates and assumptions in determining the valuation of assets in the half-year report, such

as investment properties, goodwill, tangible and intangible assets and inventories, as well as the realisability of deferred tax receivables and contingent liabilities. The management has also assessed accounts receivables. 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 half-year report. Componenta regularly updates its credit loss provision. Componenta continuously assesses the impact of the Russia's war of aggression on its financial reporting. Componenta closely monitors market development and its customers' situation and adjusts its operations accordingly. The management has assessed any indications of impairment or reversal of impairment of assets. These estimates and assumptions involve risks and uncertainty, and it is therefore possible that these forecasts will change when the circumstances change, which may affect the recoverable amount of assets. More information about annual impairment

testing is provided in the notes to the 2022 financial statements.

In addition, the management's judgement has been applied to determining the balance sheet value of a piece of equipment acquired by Componenta Manufacturing Oy and the related liability. The valuation of the asset and the financial liability has been affected by an estimate of the operating hours of the equipment over the next 10 years, and by the effective interest method.

At the end of the review period, other liabilities under other non-interest-bearing liabilities included EUR 0.1 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-Jun 30, 2023	Jan 1-Jun 30, 2022	Jan 1-Dec 31, 2022
Net sales	60,228	54,408	109,087
Other operating income	288	35	328
Operating expenses	-55,105	-50,615	-102,329
EBITDA	5,411	3,827	7,086
% of net sales	9.0%	7.0%	6.5%
Depreciation, amortization and write-downs	-2,913	-2,779	-5,530
Operating result	2,499	1,049	1,555
% of net sales	4.1%	1.9%	1.4%
Financial income and expenses	-1,130	-720	-1,662
Result after financial items	1,369	329	-107
% of net sales	2.3%	0.6%	-0.1%
Income taxes	54	85	158
Net result for the financial period	1,423	415	52
Allocation of net result for the period			
To equity holders of the parent	1,423	415	52
Earnings per share calculated on result attributable to the shareholders of the parent company			
- Basic earnings per share, EUR	0.15	0.04	0.01
- Diluted earnings per share, EUR	0.14	0.04	0.01

Consolidated statement of comprehensive income

EUR thousand	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Jan 1-Dec 31, 2022
Net result	1,423	415	52
Total comprehensive income	1,423	415	52
Allocation of total comprehensive income			
To equity holders of the parent	1,423	415	52

Consolidated statement of financial position

EUR thousand	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Assets			
Non-current assets			
Intangible assets	1,851	1,587	1,985
Goodwill	3,225	3,225	3,225
Tangible assets	26,952	26,977	27,296
Investment properties	17	17	17
Receivables	467	532	521
Total non-current assets	32,512	32,338	33,044
Current assets			
Inventories	12,081	14,059	13,258
Trade and other receivables	4,634	6,011	3,945
Cash and cash equivalents	12,964	5,110	8,600
Total current receivables	29,680	25,180	25,804
Total assets	62,192	57,518	58,848

EUR thousand	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	1,000	1,000	1,000
Other equity	24,590	22,938	23,127
Equity attributable to equity holders of the parent company	25,590	23,938	24,127
Shareholders' equity	25,590	23,938	24,127
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	11,608	8,458	9,850
Interest free liabilities and capital loans	666	899	688
Provisions	14	14	14
Deferred tax liabilities	2	129	56
Total non-current liabilities	12,290	9,500	10,608
Current liabilities			
Interest bearing liabilities	3,143	2,576	3,568
Interest free liabilities	20,807	21,149	20,183
Provisions	362	354	363
Total current liabilities	24,312	24,079	24,114
Total liabilities	36,602	33,580	34,721
Total shareholders' equity and liabilities	62,192	57,518	58,848

Condensed consolidated cash flow statement

EUR thousand	Jan 1–Jun 30, 2023	Jan 1–Jun 30, 2022	Jan 1–Dec 31, 2022
Cash flow from operating activities			
Result after financial items	1,369	329	-107
Depreciation, amortization and write-downs	2,913	2,779	5,530
Net financial income and expenses	1,130	720	1,662
Other income and expenses, adjustments to cash flow	-625	-508	-1,026
Change in working capital	1,699	-556	1,771
Cash flow from operations before financing and income taxes	6,485	2,763	7,829
Interest received and paid and dividends received	-1,052	-673	-1,658
Net cash flow from operating activities	5,434	2,090	6,171
Cash flow from investing activities			
Capital expenditure in tangible and intangible assets	-1,181	-747	-2,441
Sale of tangible and intangible assets	1	-	40
Net cash flow from investing activities	-1,180	-747	-2,401
Cash flow from financing activities			
Repayment of lease liabilities	-854	-790	-1,542
Share issue	-	-	497
Cost of share issue	-	-	-9
Repayment of current loans	-1,035	-674	-1,347
Draw-down of non-current loans	2,000	-	2,000
Net cash flow from financing activities	111	-1,464	-401
Change in liquid assets	4,364	-121	3,369
Cash and cash equivalents at the beginning of the period	8,600	5,231	5,231
Cash and cash equivalents at the period end	12,964	5,110	8,600

Statement of changes in consolidated shareholders' equity

EUR thousand	Share capital	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Retained earnings	Shareholders' equity total
Shareholders' equity Jan 1, 2023	1,000	17,010	382	2,507	3,228	24,127
Net result					1,423	1,423
Total comprehensive income	0	0	0	0	1,423	1,423
Transaction with owners:						
Option and share-based compensation					41	41
Transactions with owners, total	0	0	0	0	41	41
Shareholders' equity Jun 30, 2023	1,000	17,010	382	2,507	4,691	25,590

EUR thousand	Share capital	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Retained earnings	Shareholders' equity total
Shareholders' equity Jan 1, 2022	1,000	16,522	382	2,507	3,047	23,458
Net result					415	415
Total comprehensive income	0	0	0	0	415	415
Transaction with owners:						
Option and share-based compensation					66	66
Transactions with owners, total	0	0	0	0	66	66
Shareholders' equity Jun 30, 2022	1,000	16,522	382	2,507	3,527	23,938

Net sales

Componenta Corporation is an international technology group and Finland's leading contract manufacturer in the engineering industry. Componenta and its predecessors have more than 200 years of experience in metal processing, method design, product development co-operation and various manufacturing methods, as well as their development. The group's operational functions are located in Finland. Componenta's technology portfolio is extensive. The group manufactures both cast and machined metal components as

well as forgings, pipe products and plate sections. Componenta's business model is built on long-term customer relationships. The group's customers are global machine and equipment manufacturers. Componenta's production is focused on serving the customer flexibly, especially in short and medium-sized production series. The wide range of production units covers sizes ranging from hundreds of grams to thousands of kilograms, volumes available from pieces to tens of thousands of series, and many different material options.

Net sales by market area

EUR thousand	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Jan 1-Dec 31, 2022
Finland	48,613	43,006	87,093
Sweden	6,958	6,118	12,377
Germany	1,611	2,060	3,462
Other European countries	2,750	2,717	5,234
Other countries	120	376	657
Rental income	175	138	279
Internal items/eliminations	1	-7	-16
Total	60,228	54,408	109,087

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

Net sales by business area

%	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Jan 1-Dec 31, 2022
Machine building	43	48	46
Agricultural machinery	34	30	31
Forestry machinery	7	7	7
Energy industry	8	8	8
Defence equipment industry	3	1	2
Other industries	5	6	6
Total	100	100	100

Net sales by customer

Componenta has one significant customer, which share of the net sales is over 10%. The customer's share of the Group net sales is 32.5% (28.0%).

Disaggregation of revenue from contracts with customers

Timing of revenue recognition, EUR thousand	Jan 1-Jun 30, 2023	Jan 1-Jun 30, 2022	Jan 1-Dec 31, 2022
At a point in time	60,228	54,408	109,087
Over time	0	0	0
Total	60,228	54,408	109,087

Changes in tangible assets

EUR thousand	Jan 1–Jun 30, 2023	Jan 1–Jun 30, 2022	Jan 1–Dec 31, 2022
Acquisition cost at the beginning of the period	137,298	133,345	133,345
Additions	1,568	815	3,192
Revaluation of buildings and land areas	0	357	0
Disposals and transfers between items	711	-209	760
Acquisition cost at the end of the period	139,577	134,308	137,298
Accumulated depreciation at the beginning of the period	-110,001	-105,013	-105,013
Depreciations, amortizations and write-downs during the period	-2,623	-2,318	-4,988
Accumulated depreciation at the end of the period	-112,625	-107,331	-110,001
Carrying amount at the end of the period	26,952	26,977	27,296

Changes in intangible assets

EUR thousand	Jan 1–Jun 30, 2023	Jan 1–Jun 30, 2022	Jan 1–Dec 31, 2022
Acquisition cost at the beginning of the period	22,321	21,590	21,590
Additions	120	0	424
Disposals and transfers between items	34	51	306
Acquisition cost at the end of the period	22,475	21,641	22,321
Accumulated depreciation at the beginning of the period	-20,336	-19,794	-19,794
Depreciations, amortizations and write-downs during the period	-288	-259	-542
Accumulated depreciation at the end of the period	-20,624	-20,053	-20,336
Carrying amount at the end of the period	1,851	1,587	1,985

Goodwill

EUR thousand	Jan 1–Jun 30, 2023	Jan 1–Jun 30, 2022	Jan 1–Dec 31, 2022
Acquisition cost at the beginning of the period	3,225	3,225	3,225
Carrying amount at the end of the period	3,225	3,225	3,225

Changes in right-of-use assets

EUR thousand	Jan 1–Jun 30, 2023	Jan 1–Jun 30, 2022	Jan 1–Dec 31, 2022
Acquisition cost at the beginning of the period	9,521	9,015	9,015
Additions	507	67	1,176
Transfers between items	769	459	1,256
Depreciation	-1,059	-964	-1,926
Carrying amount at the end of the period	9,738	8,577	9,521

Values of financial assets and liabilities

EUR thousand, Jun 30, 2023	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Investments measured at fair value through other comprehensive income	Lease liabilities	Total
Non-current assets					
Other receivables		198			198
		,			
Current assets					
Cash and cash equivalents		12,964			12,964
Accounts receivables		2,616			2,616
Total financial assets		15,778			15,778
Non-current liabilities					
Loans from financial institutions		2,764			2,764
Lease liabilities				8,844	8,844
Trade payables and advances received		189			189
Current liabilities					
Loans from financial institutions		1,633			1,633
Lease liabilities				1,505	1,505
Other loans					
Trade payables and advances received		9,459			9,459
Total financial liabilities		14,045		10,350	24,395

EUR thousand, Jun 30, 2022	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Investments measured at fair value through other comprehensive income	Lease liabilities	Total
Non-current assets					
Other receivables		263			263
Current assets					
Cash and cash equivalents		5,110			5,110
Accounts receivables		3,890			3,890
Total financial assets		9,263			9,263
Non-current liabilities					
Loans from financial institutions		1,010			1,010
Lease liabilities				7,448	7,448
Trade payables and advances received		366			366
Current liabilities					
Loans from financial institutions		1,086			1,086
Lease liabilities				1,432	1,432
Other loans		58			58
Trade payables and advances received		10,260			10,260
Total financial liabilities		12,781		8,880	21,661

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

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

Componenta has also assessed the impact of the Russia's war of aggression and the COVID-19-pandemic regarding the most significant financial

risks. From Componenta's point of view the Russia's war of aggression and the COVID-19-pandemic have had the biggest impact on the financing risk and liquidity risk.

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

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

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

Contingent liabilities

EUR thousand	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Business mortgages			
For own debts	17,600	12,400	17,600
Pledges			
For own debts	7,800	7,800	7,800
Other leasing commitments	497	213	281
Other commitments	181	193	188
Total	26,078	20,606	25,869

Secured liabilities

EUR thousand	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Liabilities secured with pledges, real estate or business mortgages			
Loans from financial institutions	4,401	2,096	3,436

Componenta Corporation owns 3.6% of the shares of Majakka Voima Oy. Majakka Voima Oy owns Voimaosakeyhtiö SF's shares. Voimaosakeyhtiö SF is the main owner of Fennovoima Oy. Componenta has not participated in further funding of Majakka Voima Oy after 2013 and has fulfilled its obligations towards Majakka Voima Oy. Finnish Patent and Registration Office has placed Majakka Voima Oy into liquidation on 16 September 2022. Componenta has written down Majakka Voima Oy's shares in its accounting completely in 2016.

Voimaosakeyhtiö SF and some of its shareholders have approached Majakka Voima Oy with claims based on Voimaosakeyhtiö SF's shareholder agreement and related financial commitments. According to Componenta's assessment, it is unlikely that there are significant financial consequences to Componenta, as a result of which Componenta's figures for the review period do not include provisions or contingent liabilities related to this matter.

Related party transactions

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

Componenta did not have any abnormal transactions with related parties during the review period in 2023 nor during the reference period in 2022. Intra-group transactions have been eliminated from the Group's financial figures. Salaries and remunerations paid to the management are presented annually in the consolidated financial statements.

Group development

Group development by quarter

EUR thousand	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Net sales	29,502	30,726	30,062	24,617	28,896	25,512
EBITDA	2,611	2,800	2,788	470	2,374	1,453
Operating result	1,129	1,370	1,413	-907	999	50
Net financial items	-640	-489	-372	-571	-334	-386
Result after financial items	489	880	1,042	-1,478	665	-336

Order book at period end

EUR thousand	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Order book	10,419	16,579	18,481	18,741	13,429	16,193

Key figures

	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Equity ratio, %	41.2	41.6	41.1
Equity per share, EUR	2.63	2.52	2.48
Invested capital at period end, EUR thousand	40,341	34,973	37,544
Return on investment, %	12.9	6.0	4.3
Return on equity, %	11.4	3.5	0.2
Net interest-bearing debt, EUR thousand	1,786	5,924	4,818
Gearing, %	7.0	24.7	20.0
Order book, EUR thousand	10,419	13,429	18,481
Capital expenditure excl. lease liabilities, EUR thousand	1,181	748	2,441
Capital expenditure incl. lease liabilities, EUR thousand	1,689	815	3,617
Capital expenditure incl. lease liabilities, % of net sales	2.8	1.5	3.3
Average number of personnel during the period	592	581	588
Average number of personnel during the period, incl. leased personnel	638	634	643
Number of personnel at period end	595	587	592
Number of personnel at period end, incl. leased personnel	636	644	643
Share of export and foreign activities in net sales, %	19.0	20.7	19.9
Contingent liabilities, EUR thousand	26,078	20,606	25,869

Per Share Data

	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
Basic earnings per share, EUR	0.15	0.04	0.01
Diluted earnings per share, EUR	0.14	0.04	0.01
Cash flow per share, EUR	0.56	0.14	0.63

Calculation of key financial ratios

Return on equity, % (ROE)	= $\frac{\text{Profit (Group) after financial items - income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes + non-controlling interest (starting \& closing balance average)}}$
Return on investment, % (ROI)	= $\frac{\text{Profit (Group) after financial items + interest and other financial expenses} \times 100}{\text{Shareholders' equity + interest bearing liabilities (starting \& closing balance average)}}$
Equity ratio, %	= $\frac{\text{Shareholders' equity, preferred capital notes excluded + non-controlling interest} \times 100}{\text{Balance sheet total - advances received}}$
Basic earnings per share, EUR (EPS)	= $\frac{\text{Profit after financial items - income taxes +/- non-controlling interest}}{\text{Average number of shares during the financial period}}$
Earnings per share with dilution, EUR	= As above, the number of shares has been increased with the possible warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price (= average trading price). After tax interest expense of the possible convertible loan has been added to the profit of the period. Number of shares that can be subscribed by the loan has been added to the number of total shares.
Cash flow per share, EUR (CEPS)	= $\frac{\text{Net cash flow from operating activities}}{\text{Average number of shares during the financial period}}$
Average trading price, EUR	= $\frac{\text{Trading volume}}{\text{Number of shares traded during the financial period}}$
Equity per share, EUR	= $\frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Dividend per share, EUR	= $\frac{\text{Dividend}}{\text{Number of shares at period end}}$
Payout ratio, %	= $\frac{\text{Dividend} \times 100}{\text{Earnings (as in Basic earnings per share)}}$
Effective dividend yield, %	= $\frac{\text{Dividend per share} \times 100}{\text{Market share price at period end}}$
Market capitalization, EUR	= Number of shares x market share price at period end
P/E multiple	= $\frac{\text{Market share price at period end}}{\text{Basic earnings per share}}$
Interest-bearing net debt, EUR	= Interest-bearing liabilities + preferred capital notes - cash and cash equivalents
Gearing, %	= $\frac{\text{Interest-bearing net debt} \times 100}{\text{Shareholders' equity, preferred capital notes excluded + non-controlling interest}}$
EBITDA, EUR	= Operating profit + Depreciation, amortization and write-downs +/- Share of the associated companies' result



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