
Q3

Glaston Corporation
INTERIM REPORT
1 July - 30 September 2021

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Glaston's interim report January–September 2021: Strong EBITA margin in third quarter, net sales up 29%

JULY–SEPTEMBER 2021 IN BRIEF

- Orders received totaled EUR 45.4 (33.3) million
- Net sales totaled EUR 46.4 (35.9) million
- Comparable EBITA was EUR 3.2 (1.3) million, i.e. 6.9 (3.6)% of net sales
- The operating result (EBIT) was EUR 2.3 (-0.5) million
- The comparable operating result (EBIT) was EUR 2.1 (0.2) million, i.e. 4.4 (0.5)% of net sales
- Items affecting comparability totaled EUR 0.2 (-0.7) million
- Comparable earnings per share were EUR 0.019 (-0.005)
- Cash flow from operating activities was EUR -0.5 (0.6) million

JANUARY–SEPTEMBER 2021 IN BRIEF

- Orders received totaled 158.5 (102.9) million
- Net sales totaled EUR 130.1 (131.8) million
- Comparable EBITA was EUR 7.6 (5.7) million, i.e. 5.9 (4.3)% of net sales
- The operating result (EBIT) was EUR 3.9 (0.2) million
- The comparable operating result (EBIT) was EUR 4.3 (2.3) million, i.e. 3.3 (1.8)% of net sales
- Items affecting comparability totaled EUR -0.3 (-2.1) million
- Comparable earnings per share were EUR 0.038 (0.012)
- Cash flow from operating activities was EUR 13.8 (-2.8) million

GLASTON'S OUTLOOK FOR 2021 REMAINS UNCHANGED

From January–September, orders received saw a healthy recovery, indicating positive development for both the machines and services business throughout 2021. As anticipated, after the record high second-quarter order intake, order intake returned to pre-COVID-19 levels in the third quarter.

Glaston expects the heat treatment and insulating glass technology markets to continue to perform well during the rest of the year. In the short term, demand for automotive glass processing technology has shown some recovery but remains volatile due to structural changes and supply chain driven challenges in the market. Generally, there is higher than normal level of uncertainty associated with the outlook due to increased component prices and delivery times.

Based on the high order intake since the fourth quarter of 2020, Glaston Corporation estimates that its net sales in 2021 will improve from the level reported for 2020 and comparable EBITA will increase to EUR 10.5–12.5 million. In 2020, Group net sales totaled EUR 170.1 million and comparable EBITA was EUR 7.7 million.

President & CEO Anders Dahlblom:

“In the third quarter, our orders received grew by 36% to EUR 45.4 million. A major part of this recovery was in our Heat Treatment business, which was very low in the comparison period and was strongly impacted by the pandemic. For the January–September period, orders received totaled EUR 158.5 million, already exceeding the full-year 2020 order intake level. The strong order intake development in the previous quarters favorably impacted net sales and profitability. Third-quarter net sales totaled EUR 46.4 million, up 29% compared to the corresponding period in the previous year. Comparable EBITA improved significantly compared to the previous year (+145%) as higher net sales and synergies as well as re-structuring in Heat Treatment partially contributed to the outcome. Comparable EBITA totaled EUR 3.2 million with an EBITA-margin of 6.9%, which is the highest quarterly margin level we have achieved for the new Glaston combined with Bystronic glass.

Our strategy for the period 2021–2025 was finalized in August, and is targeting clearly improved organic growth and profitability. Currently several strategic initiatives are executed, one of them focusing on common leadership principles, which play a key role in implementing our strategy and embedding it into our everyday working life. Safety is high on our agenda and we have set a group-wide safety target measured as zero lost time accidents (LTA). In order to meet this target, safety has to be integrated into our ways of working, and for the development and management of safety related topics we have established a cross-functional safety team. Another strategic cornerstone project, Innovate with customers to win, focuses on strengthening Glaston’s technological leadership by seamless integration of understanding customer needs, as well as joint and more rapid innovation and development work. Sustainability is our strategic focus area. We will systematically advance our sustainability agenda and have established a management structure and clear responsibilities for implementing Glaston’s sustainability related practices, as well as developing sustainability further to capture business opportunities and to meet continuously increasing stakeholder expectations and regulatory requirements.

Supply chain disruptions continued during the quarter with longer delivery times for certain components and increasing raw material prices, freight costs and logistics availability concerns. Managing the situation requires additional work on a daily basis from our teams and has had some impact on the timing of revenue, particularly for spare parts. As we do not anticipate that the challenges will disappear in the short term, mitigating the impact of supply chain related disruptions is high on our agenda. We want to deliver on our promises to our customers and Glaston’s teams are working persistently to give rapid responses and keep to delivery times.

After a break of almost two years, we finally had the opportunity to meet our customers face to face at two trade shows: Glassbuild America in Atlanta in mid-September and the VITRUM exhibition in Milan in October. For me personally, it was a great experience to attend the events. I eventually had the opportunity to meet several Glastonians in person, as well as a number of customers. The events were highly appreciated by us as a company and by our customers, with great activities and good customer discussions at our stands, even though visitor numbers were lower compared to pre-COVID-19 times.

The positive development in cross-selling heat treatment and insulating glass technologies has continued and an example of this was the close to EUR 5 million deal we closed with a customer in the Americas. The product combination reflects the need for advanced glass processing technology resulting from more stringent safety and quality regulations in commercial building construction – a growing trend that is evident in many of our markets areas.

The review period saw a continued recovery in investment confidence with improved customer activity. We expect the good level of activity to continue during the last quarter of 2021.”



Changes in the company's reporting

As of 1 January 2021, the company has three reporting segments: Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Display. Services business is included in the reporting segments. Machine and Services sales, order intake and order book are also reported separately as additional product area information. On 18 March 2021, the company published comparative information according to the new structure. The figures in brackets refer to the comparison period, i.e. the corresponding period in the previous year, unless otherwise stated.

GLASTON GROUP'S KEY FIGURES

MEUR	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Orders received	45.4	33.3	158.5	102.9	153.5
of which service operations	16.2	14.2	50.5	39.6	57.1
of which service operations, %	35.7%	42.5%	31.9%	38.4%	37.2%
Order book at end of period	86.1	47.8	86.1	47.8	63.9
Net sales	46.4	35.9	130.1	131.8	170.1
of which service operations	17.9	13.3	49.2	41.0	58.1
of which service operations, %	38.6%	36.9%	37.8%	31.1%	34.1%
EBITDA	4.3	1.5	9.8	6.3	7.6
Items affecting comparability ⁽¹⁾	-0.2	0.7	0.3	2.1	3.8
Comparable EBITDA	4.1	2.2	10.1	8.4	11.3
Comparable EBITDA, %	8.8%	6.0%	7.8%	6.4%	6.7%
Comparable EBITA	3.2	1.3	7.6	5.7	7.7
Comparable EBITA, %	6.9%	3.6%	5.9%	4.3%	4.6%
Operating result (EBIT)	2.3	-0.5	3.9	0.2	-0.5
Comparable operating result (EBIT)	2.1	0.2	4.3	2.3	3.2
Comparable operating result (EBIT), %	4.4%	0.5%	3.3%	1.8%	1.9%
Profit/loss before taxes	1.9	-1.4	2.2	-1.9	-3.3
Profit/loss for the period	1.3	-1.8	1.0	-3.2	-5.5
Comparable earnings per share, adjusted with share issue, EUR	0.019	-0.005	0.038	0.012	0.013
Number of registered shares at end of period adjusted with share issue (1 000)	84 290	84 290	84 290	84 290	84 290
Cash flow from operating activities	-0.5	0.6	13.8	-2.8	0.7
Net interest-bearing debt at end of period			23.0	37.2	33.6
Return on investment (ROI), %, (annualized)			4.5%	0.1%	-0.4%
Comparable return on capital employed (ROCE), %, (annualized)			6.9%	4.0%	4.7%
Equity ratio, %			42.4%	41.4%	41.2%
Net gearing, %			33.6%	53.5%	48.8%
Number of employees at end of period			743	740	723

⁽¹⁾ + cost, - income

KEY FIGURES FOR REPORTING SEGMENTS

Orders received , EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	18.3	7.6	65.5	36.1	56.1
Insulating Glass	19.3	21.6	69.8	54.3	75.7
Automotive & Display	7.5	3.8	22.6	11.6	20.2
Segments, total	45.1	33.1	157.9	102.0	152.1
Unallocated and eliminations	0.3	0.3	0.6	0.9	1.4
Glaston Group, total	45.4	33.3	158.5	102.9	153.5

Order book, EUR million	30.9.2021	30.9.2020	31.12.2020
Heat Treatment	41.5	26.7	31.4
Insulating Glass	37.4	18.9	26.1
Automotive & Display	7.2	2.1	6.5
Segments, total	86.1	47.6	63.9
Unallocated and eliminations	0.0	0.2	0.0
Glaston Group, total	86.1	47.8	63.9

Net sales, EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	21.0	12.2	52.5	46.7	61.6
Insulating Glass	19.1	17.4	58.6	63.9	81.9
Automotive & Display	6.0	6.0	18.3	19.7	24.6
Segments, total	46.1	35.6	129.4	130.3	168.2
Unallocated and eliminations	0.3	0.3	0.7	1.5	1.9
Glaston Group, total	46.4	35.9	130.1	131.8	170.1

Comparable EBITA, EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	1.8	0.2	2.7	1.2	2.0
Insulating Glass	1.4	1.2	4.1	5.6	7.3
Automotive & Display	-0.0	-0.0	0.8	-1.1	-1.6
Segments, total	3.2	1.4	7.6	5.7	7.6
Unallocated and eliminations	0.0	-0.1	0.1	-0.0	0.1
Glaston Group, total	3.2	1.3	7.6	5.7	7.7

Comparable operating result and operating result (EBIT), EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	1.3	-0.3	1.3	0.0	0.4
Insulating Glass	0.9	0.7	2.6	4.1	5.2
Automotive & Display	-0.2	-0.2	0.2	-1.8	-2.5
Segments, total	2.0	0.2	4.2	2.3	3.1
Unallocated and eliminations	0.0	-0.1	0.1	-0.0	0.1
Comparable operating result (EBIT), total	2.1	0.2	4.3	2.3	3.2
Comparable operating result (EBIT), %	4.4%	0.5%	3.3%	1.8%	1.9%
Items affecting comparability	-0.2	0.7	0.3	2.1	3.8
Operating result (EBIT)	2.3	-0.5	3.9	0.2	-0.5

KEY FIGURES FOR PRODUCT AREAS

Orders received by product area					
EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment Technologies	11.9	2.5	44.1	21.2	34.1
Insulating Glass Technologies	13.7	15.7	52.5	38.2	53.6
Automotive & Display Technologies	3.3	0.7	10.7	3.1	7.3
Services	16.2	14.2	50.5	39.6	57.1
Unallocated and eliminations	0.3	0.3	0.6	0.9	1.4
Glaston Group, total	45.4	33.3	158.5	102.9	153.5

Order book by product area			
EUR million	30.9.2021	30.9.2020	31.12.2020
Heat Treatment Technologies	35.2	23.3	26.6
Insulating Glass Technologies	37.4	18.9	26.1
Automotive & Display Technologies	6.7	2.1	6.5
Services	6.9	3.3	4.7
Unallocated and eliminations	0.0	0.2	0.0
Glaston Group, total	86.1	47.8	63.9

Net sales by product area					
EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment Technologies	13.1	8.4	33.2	31.6	40.2
Insulating Glass Technologies	13.3	11.8	41.4	48.2	60.3
Automotive & Display Technologies	2.3	2.8	7.4	11.4	12.5
Services	17.9	13.3	49.2	41.0	58.1
Unallocated and eliminations	-0.2	-0.2	-1.0	-0.4	-0.9
Glaston Group, total	46.4	35.9	130.1	131.8	170.1

This interim report provides estimates on future prospects involving risk and uncertainty factors, and other factors, as a result of which the performance, operations or achievements of Glaston may substantially deviate from the estimates. Forward-looking statements relating to future prospects are subject to risks, uncertainties and assumptions, the implementation of which depends on the future business environment and other circumstances, such as the development of the COVID-19 pandemic.

OPERATING ENVIRONMENT

Glaston Corporation is a glass industry technologies and services frontrunner. Glass processed using Glaston's processing machines is supplied to the architectural glass, automotive glass, solar energy and display industries. Most of the glass produced using the company's technology is supplied to the construction industry (measured by volume). Glaston operates in a global market and the company's business is largely linked to trends in global investment demand and therefore to demand for glass and glass processors' capacity utilization rates which, in turn, impact investment needs and the demand for services and spare parts.

Architectural glass

Continuing the strong development noted in the first half of 2021, the architectural business saw good progress during the third quarter. Demand for Heat Treatment equipment continued to be high, which particularly drove demand for flat tempering lines, as well as laminating lines. The positive development for Heat Treatment upgrades continued during the quarter. Demand for Insulating Glass equipment was good with high demand for the Thermoplastic Spacer (TPS[®]) lines, special lines e.g. for fire resistant glass and for glass arising. For the services business overall, the market recovery continued. However, corona-pandemic-related travel restrictions impacted the spare parts and field services business. Supply chain disruptions such as material delivery times, raw material price increases and logistics disruptions were a growing concern.

In Glaston's main market area, the EMEA region, market activity was good. The positive development in the architectural market boosted demand for Heat Treatment and Insulating Glass technologies equipment. Demand was further supported by the subsidy programs that were launched in a number of European countries. The Services markets remained quite strong, particularly for Heat Treatment upgrade products.

In North America, market recovery continued at a good level and was driven by the residential glass sector, in particular. In China, customers showed continuing interest in large-sized lines and automation. Reflecting the weakening outlook of the Chinese construction business, a slight slow down in customer activity was noted during the quarter, which resulted in a somewhat declining order intake compared to previous quarters. Elsewhere in the APAC region, activity remained at a low level, although signs of increasing level of activity was noted.

Automotive glass

In the third quarter, Automotive production faced increasing difficulties due to supply shortages, particularly for computer chips. This also resulted in lower activities for Glaston's customers, who are Tier 1 suppliers to automotive OEMs. However, the general market sentiment continues to be positive as the development in the automotive end market has a better outlook. Reflecting the positive market sentiment, increasing interest in new machines was noted with growing demand for Glaston's automotive bending and tempering technology. Furthermore, following the development in the automotive market, the automotive display market showed increasing activity.

China remained the most active market with many new projects, although North America also remained quite active. China is more driven by the classic automotive industry and display industry while the USA is mainly driven by special products such as recreational vehicles (RV) and heavy vehicles. In other regions, investment activity remained subdued.

The demand for Automotive services was stable throughout the quarter, although it was somewhat affected by the disruptions in the industry. Demand for Automotive upgrade products developed positively.

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

In **July–September 2021**, the healthy growth in orders received continued. The order intake increased by 36% to EUR 45.4 (33.3) million and was at the same level as in the third quarter of 2019 (Q3/2019: EUR 45.6 million).

The **January–September 2021** orders received totaled EUR 158.5 (102.9) million, up 55% compared to the corresponding period in 2020.

Orders received, EUR million	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Heat Treatment	18.3	7.6	65.5	36.1	56.1
Insulating Glass	19.3	21.6	69.8	54.3	75.7
Automotive & Display	7.5	3.8	22.6	11.6	20.2
Segments, total	45.1	33.1	157.9	102.0	152.1
Unallocated and eliminations	0.3	0.3	0.6	0.9	1.4
Glaston Group, total	45.4	33.3	158.5	102.9	153.5

The order book stood at EUR 86.1 (47.8) million at the end of the third quarter. The Heat Treatment order book totaled EUR 41.5 (26.7) million, representing 48% of the Group's order book, Insulating Glass EUR 37.4 (18.9) million or 43% and Automotive & Display EUR 7.2 (2.1) million or 8% of the Group's order book.

Order book, EUR million	30.9.2021	30.9.2020	31.12.2020
Heat Treatment	41.5	26.7	31.4
Insulating Glass	37.4	18.9	26.1
Automotive & Display	7.2	2.1	6.5
Segments, total	86.1	47.6	63.9
Unallocated and eliminations	0.0	0.2	0.0
Glaston Group, total	86.1	47.8	63.9

Orders received and order book by product area

In the Heat Treatment Technologies product area, the steady market recovery continued in July–September 2021 and orders received totaled EUR 11.9 (2.5) million. The comparison period order intake was very low and was strongly impacted by the pandemic. Orders were received globally with increasing activity noted for the APAC region. Orders received for the Insulating Glass Technologies product area totaled EUR 13.7 (15.7) million. The TPS[®] Insulating Glass manufacturing line was in high demand and deals were closed, for example, with customers in China, Germany and the USA. Increasing activity was also noted in the Automotive & Display Technologies product area and orders received totaled EUR 3.3 (0.7) million with China and the USA the most active markets. Cross sales of insulating glass and heat treatment equipment saw good progress and Glaston received an order from the Americas, valued at close to EUR 5 million.

Orders received in the Services product area totaled EUR 16.2 (14.2) million. Demand for HT upgrades remained strong with orders from Germany, Finland, the USA and Russia, for example. For Automotive & Display upgrades a new record-high order intake was noted at EUR 0.9 million. Furthermore, spare parts saw positive development. The Services product area accounted for 36 (43)% of orders received.

Orders received by product area, EUR million	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Heat Treatment Technologies	11.9	2.5	44.1	21.2	34.1
Insulating Glass Technologies	13.7	15.7	52.5	38.2	53.6
Automotive & Display Technologies	3.3	0.7	10.7	3.1	7.3
Services	16.2	14.2	50.5	39.6	57.1
Unallocated and eliminations	0.3	0.3	0.6	0.9	1.4
Glaston Group, total	45.4	33.3	158.5	102.9	153.5

Order book by product area, EUR million

	30.9.2021	30.9.2020	31.12.2020
Heat Treatment Technologies	35.2	23.3	26.6
Insulating Glass Technologies	37.4	18.9	26.1
Automotive & Display Technologies	6.7	2.1	6.5
Services	6.9	3.3	4.7
Unallocated and eliminations	0.0	0.2	0.0
Glaston Group, total	86.1	47.8	63.9

Net sales

Glaston Group's **July–September 2021** net sales improved from the corresponding period in the previous year and totaled EUR 46.4 (35.9) million. The Heat Treatment segment's net sales were up 72% compared to the same period in the previous year and totaled EUR 21.0 (12.2) million. The Insulating Glass segment's net sales were EUR 19.1 (17.4) million, up 10% compared to the corresponding period in the previous year. The Automotive & Display segment's net sales were the same as in the comparison period and totaled EUR 6.0 (6.0) million. Of total net sales, the Heat Treatment segment accounted for 45%, the Insulating Glass segment for 41% and the Automotive & Display segment for 13%. Geographically, of the company's total third-quarter net sales, the EMEA region accounted for 48%, the Americas for 36% and the APAC region for 16%.

January–September 2021 net sales totaled EUR 130.1 (131.8) million. The Heat Treatment segment's net sales totaled EUR 52.5 (46.7) million. The Insulating Glass segment's net sales totaled EUR 58.6 (63.9) million. The Automotive & Display segment's net sales totaled EUR 18.3 (19.7) million.

Net sales, EUR million

	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Heat Treatment	21.0	12.2	52.5	46.7	61.6
Insulating Glass	19.1	17.4	58.6	63.9	81.9
Automotive & Display	6.0	6.0	18.3	19.7	24.6
Segments, total	46.1	35.6	129.4	130.3	168.2
Unallocated and eliminations	0.3	0.3	0.7	1.5	1.9
Glaston Group, total	46.4	35.9	130.1	131.8	170.1

Geographical distribution of net sales, EUR million

	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Americas	16.6	7.7	39.5	35.2	44.7
EMEA	22.3	23.7	67.0	74.0	94.4
APAC	7.5	4.5	23.6	22.6	30.9
Glaston Group, total	46.4	35.9	130.1	131.8	170.1

Net sales by product area

July–September 2021 net sales of the Heat Treatment Technologies product area were up 57% compared to the corresponding period of the previous year and totaled EUR 13.1 (8.4) million, mainly due to the increased order intake in the previous quarters. The Insulating Glass Technologies' net sales were up 13% and totaled EUR 13.3 (11.8) million. Net sales of the Automotive & Display Technologies product area were on the previous year's level and totaled EUR 2.3 (2.8) million. Net sales of the Services product area were up 35% and totaled EUR 17.9 (13.3) million, mainly due to a solid order intake for HT upgrades in the previous quarters and a growing spare parts business. Services product area net sales accounted for 39 (36)% of total net sales.

Net sales by product area, EUR million

	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Heat Treatment Technologies	13.1	8.4	33.2	31.6	40.2
Insulating Glass Technologies	13.3	11.8	41.4	48.2	60.3
Automotive & Display Technologies	2.3	2.8	7.4	11.4	12.5
Services	17.9	13.3	49.2	41.0	58.1
Unallocated and eliminations	-0.2	-0.2	-1.0	-0.4	-0.9
Glaston Group, total	46.4	35.9	130.1	131.8	170.1

Operating result and profitability

Glaston Group's **July–September 2021** comparable EBITA was EUR 3.2 (1.3) million, i.e. 6.9 (3.6)% of net sales. Profitability was particularly impacted by the strong profit improvement in the Heat Treatment segment. As typical for the third quarter the holiday season and thus lower personnel costs supported profitability.

Glaston Group's comparable operating result was EUR 2.1 (0.2) million, i.e. 4.4 (0.5)% of net sales. The operating result was EUR 2.3 (-0.5) million. Items affecting comparability amounting to EUR 0.2 (-0.7) million were recognized in the third quarter. These were mainly related to the sale of the handling equipment business, as well as to restructuring and integration costs. Financial income and expenses were EUR -0.3 (-0.8) million. The result before taxes was EUR 1.9 (-1.4) million. The result for the third quarter was EUR 1.3 (-1.8) million and earnings per share were EUR 0.015 (-0.021). The comparable earnings per share were EUR 0.019 (-0.005).

January–September 2021 comparable EBITA amounted to EUR 7.6 (5.7) million, i.e. 5.9 (4.3)% of net sales. The comparable operating result was EUR 4.3 (2.3) million, i.e. 3.3 (1.8)% of net sales. The Group's operating result was EUR 3.9 (0.2) million. Items affecting comparability totaled EUR -0.3 (-2.1) million. Financial income and expenses amounted to EUR -1.4 (-1.7) million. The result before taxes was EUR 2.2 (-1.9) million. The result for the review period was EUR 1.0 (-3.2) million. Earnings per share were EUR 0.011 (-0.039) and comparable earnings per share were EUR 0.039 (0.012).

Comparable operating result (EBIT) and EBITA

EUR million	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Operating result	2.3	-0.5	3.9	0.2	-0.5
Items affecting comparability ⁽¹⁾	-0.2	0.7	0.3	2.1	3.8
Comparable EBIT	2.1	0.2	4.3	2.3	3.2
Operating result	2.3	-0.5	3.9	0.2	-0.5
Amortization and purchase price allocation	1.2	1.1	3.4	3.4	4.5
EBITA	3.4	0.6	7.3	3.5	4.0
Items affecting comparability ⁽¹⁾	-0.2	0.7	0.3	2.1	3.8
Comparable EBITA	3.2	1.3	7.6	5.7	7.7
% of net sales	6.9%	3.6%	5.9%	4.3%	4.6%

⁽¹⁾ + cost, - income

FINANCIAL DEVELOPMENT OF THE REPORTING SEGMENTS

Heat Treatment reporting segment

Glaston's Heat Treatment segment includes a wide and technologically advanced range of heat treatment machines, maintenance, upgrade and modernization services, as well as spare parts for glass flat tempering, bending, bending tempering and laminating. Glaston also offers digital services, such as glass processing machine remote monitoring and fault analysis services, as well as consulting and engineering services for new areas of glass technology. The Heat Treatment segment includes the Heat Treatment Technologies product area and Heat Treatment machine services.

Heat Treatment segment's third quarter in brief:

- Good order intake continued
- Net sales up 72% due to good order intake since Q4/2020
- Capacity utilization at main factories at a good level

HEAT TREATMENT SEGMENT KEY FIGURES MEUR

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Orders received	18.3	7.6	65.5	36.1	56.1
Order book at end of period	41.5	26.7	41.5	26.7	31.4
Net sales	21.0	12.2	52.5	46.7	61.6
Comparable EBITA	1.8	0.2	2.7	1.2	2.0
Comparable EBITA, %	8.4%	1.3%	5.1%	2.6%	3.2%
Comparable operating result (EBIT)	1.3	-0.3	1.3	0.0	0.4
Comparable operating result (EBIT), %	6.1%	-2.1%	2.5%	0.0%	0.6%
		-		-	
Operating result (EBIT)	0.9	0.5	0.9	0.6	-1.2
Operating result (EBIT), %	4.1%	-4.1%	1.7%	-1.3%	-2.0%
Net working capital	-19.7	-11.0	-19.7	-11.0	-13.0
Employees at end of period	285	307	285	307	293

Orders received and order book

In the third quarter of 2021, the market recovery in the Heat Treatment segment remained robust. July–September orders received totaled EUR 18.3 million (7.6 and EUR 15.9 million in Q3/2019).

In North America, development continued at a good level, driven by the residential glass market, in particular. The level of activity in Europe was good and in some areas, such as the UK, being even more active due to subsidy programs. The level of activity in the APAC region remained at a low level even though signs of an increase in activity were noted. Demand for HT upgrades was good, although orders did not reach the very high levels of the previous quarters. Spare part business and maintenance work still fluctuated significantly due to travel restrictions. During the quarter, Glaston closed a deal for a bending and tempering line for production of large-sized bent and tempered sidelites. Other major orders were received for RC and FC Series lines to the USA, Italy and Denmark.

Orders received in January–September 2021 totaled EUR 65.5 (36.1) million. The Heat Treatment segment's order book stood at EUR 41.5 (26.7) million at the end of September.

Net sales and profitability

The Heat Treatment segment's net sales increased by 72% to EUR 21.0 (12.2) million and comparable EBITA was EUR 1.8 (0.2) million, i.e. 8.4 (1.3)% of net sales. The previous quarters' good order intake in both new machines and particularly in upgrades supported net sales development. This volume increase and high proportion of more profitable services business clearly drove profitability higher.

January–September 2021 net sales totaled EUR 52.5 (46.7) million. Comparable EBITA amounted to EUR 2.7 (1.2) million, corresponding to 5.1 (2.6)% of net sales.

Production and working capital management

In the third quarter, the capacity utilization rates at the Tampere and Tianjin tempering machine assembly plants were at a good level and are expected to remain so for the rest of the year due to the healthy order backlog. Component availability and raw material price increases were a rising concern. The Heat Treatment segment's third-quarter net working capital was EUR -19.7 (-11.0) million.

Personnel

At the end of the review period, the Heat Treatment segment employed 285 (307) people, most of them in Finland.

Insulating Glass reporting segment

Glaston's Insulating Glass segment provides high technology machines for the manufacture of insulating glass, handling equipment and systems, maintenance, upgrade and modernization services, as well as spare parts.

Insulating Glass segment's third quarter in brief:

- Healthy order intake
- Net sales up 10%
- Production running at full capacity

INSULATING GLASS SEGMENT KEY FIGURES

EUR million	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Orders received	19.3	21.6	69.8	54.3	75.7
Order book at end of period	37.4	18.9	37.4	18.9	26.1
Net sales	19.1	17.4	58.6	63.9	81.9
Comparable EBITA	1.4	1.2	4.1	5.6	7.3
Comparable EBITA, %	7.4%	7.2%	7.0%	8.8%	8.9%
Comparable operating result (EBIT)	0.9	0.7	2.6	4.1	5.2
Comparable operating result (EBIT), %	4.8%	4.2%	4.5%	6.4%	6.4%
Operating result (EBIT)	1.6	0.4	2.9	2.9	3.6
Operating result (EBIT), %	8.3%	2.4%	4.9%	4.5%	4.4%
Net working capital	-0.6	3.6	-0.6	3.6	2.1
Employees at end of period	357	330	357	330	330

Orders received

The Insulating Glass segment's third-quarter 2021 order intake saw a decrease and totaled EUR 19.3 (21.6) million. In the EMEA region, demand was strong as government subsidies in many European countries supported customers' investment decisions. The Asian markets were largely still in COVID-19 lockdown. Even though a slight slowdown was noted during the quarter, the Chinese market continued to perform well. In North America, market recovery continued, particularly in the residential market.

During the third quarter, the TPS® (Thermo Plastic Spacer) line was in high demand as well as special lines e.g. for fire resistant glass. Demand for the newly introduced MULTI'ARRISSER arissing machine continued at a high level. During the period, major orders were received from Germany, France, Poland, China and North America, for example. The orders were primarily for the manufacture of insulating glass lines for residential buildings.

The Insulating Glass segment's order book stood at EUR 37.4 (18.9) million at the end of the period.

Net sales and profitability

The Insulating Glass segment's net sales increased by 10% and totaled EUR 19.1 (17.4) million. Third-quarter comparable EBITA was EUR 1.4 (1.2) million, i.e. 7.4 (7.2)% of net sales. Good order intake in the previous quarters supported net sales development. Profitability improved from the previous quarter with seasonally lower fixed costs. Compared to the third quarter of 2020, there is a negative mix impact as most of the growth took place in the lower margin new machines business.

January–September 2021 net sales totaled EUR 58.6 (63.9) million and comparable EBITA was EUR 4.1 (5.6) million, i.e. 7.0 (8.8)% of net sales.

Production and working capital management

In the third quarter, the company's insulating glass machine factory in Neuhausen-Hamberg, Germany was running at very high capacity. Supply chain disruptions were a growing concern as the delivery times for certain components became clearly longer. The Insulating Glass segment's third-quarter net working capital totaled EUR -0.6 (3.6) million.

Personnel

At the end of the review period, the Insulating Glass segment employed 357 (330) people, most of them in Germany.

Automotive & Display reporting segment

Glaston's Automotive & Display segment provides glass processing machines and related services to the automotive industry, as well as the appliance and display industry.

Automotive & Display segment's third quarter in brief:

- Market activity for new machines continued
- Increasing demand for Automotive upgrades
- Factory running at good utilization of current capacity

AUTOMOTIVE & DISPLAY SEGMENT

KEY FIGURES

EUR million	7–9/2021	7–9/2020	1–9/2021	1–9/2020	1–12/2020
Orders received	7.5	3.8	22.6	11.6	20.2
Order book at end of period	7.2	2.1	7.2	2.1	6.5
Net sales	6.0	6.0	18.3	19.7	24.6
Comparable EBITA	0.0	0.0	0.8	-1.1	-1.6
Comparable EBITA, %	-0.3%	-0.5%	4.5%	-5.7%	-6.6%
Comparable operating result (EBIT)	-0.2	-0.2	0.2	-1.8	-2.5
Comparable operating result (EBIT), %	-3.4%	-4.1%	1.2%	-9.0%	-10.1%
Operating result (EBIT)	-0.2	-0.4	0.1	-2.1	-3.0
Operating result (EBIT), %	-3.9%	-6.1%	0.6%	-10.6%	-12.0%
Net working capital	9.8	9.2	9.8	9.2	8.4
Employees at end of period	97	95	97	95	94

Orders received

After a slow start to the year, demand in the Automotive market picked up in the second quarter, and this positive development continued in the third quarter. Even though automotive production continues to face supply shortages, the general market sentiment is positive as the overall development in the automotive end market has a better outlook. The investment activity for new machines is somewhat volatile and orders received in the third quarter totaled EUR 7.5 (3.8) million. Compared to the previous quarter orders declined somewhat.

In the third quarter, orders were mainly received from China but North America was also quite active. In all other regions, investment activity remained low. Orders from North American customers were for highly customized solutions, taking advantage of Glaston's flexibility and ability to respond to the customers' special requirements for special vehicles production, whilst orders from Chinese customers were for Glaston's standard automotive products. Orders received for display products were mainly for automotive displays with special features such as high quality edge finish and special shapes.

An increased interest in Automotive upgrade products was noted and order intake was at a record high level, over EUR 0.9 million. The Automotive services markets were stable throughout the quarter, although on a lower level than normal due to supply chain disruptions.

The Automotive & Display segment's order book stood at EUR 7.2 (2.1) million at the end of the period.

Net sales and profitability

The Automotive & Display segment's third-quarter net sales were EUR 6.0 (6.0) million. The segment's comparable EBITA was stable at EUR 0.0 (0.0) million, i.e. -0.3 (-0.5)% of net sales. Compared to the previous quarter, profit declined as volume and margin in machines were lower. The high proportion of services business continued to support profitability.

The Automotive & Display segment's January–September 2021 net sales totaled EUR 18.3 (19.7) million and comparable EBITA was EUR 0.8 (-1.1) million, i.e. 4.5 (-5.7)% of net sales.

Production and working capital management

The utilization rate of the company's automotive glass machine factory in Bützberg, Switzerland was back to normal levels. The Automotive & Display segment's third-quarter net working capital was EUR 9.8 (9.2) million.

Personnel

At the end of the review period, the Automotive & Display segment employed 97 (95) people, most of them in Switzerland.

Financial position, cash flow and financing

At the end of September, Glaston Group's balance sheet total was EUR 224.7 (202.2) million. Intangible assets amounted to EUR 75.4 (77.3) million, of which goodwill was EUR 58.3 (58.3) million. At the end of the period, property, plant and equipment amounted to EUR 21.8 (23.6) million and inventories to EUR 28.3 (25.3) million. The comparable return on capital employed (ROCE) was 6.9 (4.0)%.

At the end of September, the company's net gearing was reduced to 33.6 (53.5)% mainly due to strong cash flow during the first half of the year. The equity ratio was 42.4 (41.4)%. Net interest-bearing debt decreased to EUR 23.0 (37.2) million. The third-quarter cash flow from operating activities, before the change in working capital, was EUR 3.7 (-1.2) million. Cash flow from the change in net working capital was EUR -4.2 (1.7) million especially as advance payments were reduced due to lower order intake compared to the previous quarter. Cash flow from operating activities was EUR -0.5 (0.6) million. Cash flow from investing activities was EUR -0.9 (-0.6) million and cash flow from financing activities was EUR -0.3 (-0.1) million.

At the end of the review period, Glaston's liquidity was at a good level. The company's cash and cash equivalents stood at EUR 24.6 (20.3) million

Capital expenditure, depreciation and amortization

Glaston Group's January–September gross capital expenditure totaled EUR 2.2 (2.6) million and was primarily related to product development. Depreciation and amortization of property, plant and equipment, as well as intangible assets, totaled EUR 4.5 (4.5) million.

Investments in product development, digitalization and innovation

Glaston's core technologies and lifecycle solutions are at the center of the company's revised strategy. As the frontrunner in its industry, Glaston plans to increase its investments in innovation and development. The company is also continuing its commitment to leading the industry's digital transformation.

In the third quarter of the year, in line with its strategy, Glaston continued to invest in product development with a focus on market-driven R&D activities in close cooperation with its customers. Projects and innovations related to a higher level of automation remained firmly at the center of development.

In January–September, research and product development expenditure, excluding depreciation, totaled EUR 3.5 (3.2) million, of which EUR 1.3 (1.3) million was capitalized. Research and product development expenditure amounted to 3.7 (3.4)% of net sales.

Personnel

On 30 September 2021, Glaston Group had a total of 743 (740) employees. The Heat Treatment segment employed 285 (307) people, the Insulating Glass segment 357 (330) people, and the Automotive & Display segment 97 (95) people. Of the Group's personnel, 35%, i.e. 258 employees, worked in Germany, 25%, i.e. 183 employees worked in Finland, 13% worked elsewhere in the EMEA region, 21% worked in Asia and 6% worked in the Americas. The average number of employees was 726 (747).

STRATEGY

On 5 August 2021, Glaston's Board of Directors confirmed the company's revised strategy and updated financial targets for 2021–2025. The key objectives of the revised strategy are improved organic growth and profitability, based on Glaston's own strategic initiatives and the expected market growth.

Capturing the growth opportunities, Glaston's core technologies and lifecycle solutions continue to be at the center of the strategy. Glaston also plans to increase its investments in innovation and development and will continue its commitment to leading the industry's digital transformation. Profitability improvement is supported by net sales growth, an optimal product offering as well as productivity improvements.

The new financial targets for the strategy period 2021–2025 are:

- Annual average net sales growth (CAGR) clearly exceeding the addressable equipment market growth of more than 5%¹⁾
- Comparable operating margin (EBITA) of 10% at the end of the strategy period ²⁾
- Comparable return on capital employed (ROCE) of 16% at the end of the strategy period ³⁾

Addressing the company's focus on sustainability, Glaston set new **non-financial strategic targets**:

- Customer satisfaction score (Net Promoter Score, NPS) above 40
- Group-wide safety target measured as zero lost time accidents (LTA)

- Employee Engagement target above 75 (out of 100)
- Glaston's CO₂ emissions (scope 1+2)⁴⁾ in relation to net sales down by 50% from the 2020 level. In 2020, greenhouse gas emissions totaled 2,777 tons of CO₂ with net sales of EUR 170.1 million

SUSTAINABILITY

In Glaston's revised strategy, sustainability is defined as a strategic focus area, and to elevate sustainability-related topics, a strategic cornerstone project has been established. As the innovative frontrunner in its industry, Glaston's ambition is to continue being at the forefront of developing the industry towards a more sustainable future. The majority of the company's business is targeted at the architectural customer segment, in which Glaston's products provide key technologies for improving energy efficiency and the building safety.

In its own operations, Glaston is committed to providing a safe and good workplace for its employees, being a responsible partner to its customers, utilizing resources efficiently, and reducing the environmental impact of its production processes. Also, as demand for more energy-efficient and environmentally sustainable glass solutions is increasing significantly, Glaston is continuing to develop its product portfolio to meet this demand.

In order to systematically develop the sustainability agenda, a Sustainability Working Group was established in the third quarter, with the mandate to coordinate sustainability development in Glaston, as well as implement sustainability related practices. The working group will also develop sustainability further to capture business opportunities and to meet growing regulatory requirements and stakeholder expectations. The group reports on sustainability to the Executive Management Group and the Board of Directors.

GOVERNANCE

Shares and shareholders

Glaston Corporation's shares are listed on the Nasdaq Helsinki Oy. The trading code for the shares is GLA1V and the ISIN code is FI4000369657. Each share entitles its holder to one vote and voting right. Glaston Corporation's share capital on 30 September 2021 was EUR 12.7 (12.7) million.

GLA1V	No. of shares and votes		Share turnover, EUR million	
	Highest	Lowest	Closing	Average price *)
			84,289,911	17.1
Share price	1.40	0.72	1.19	0.95
			30.9.2021	30.9.2020
Market value			100.3	58.0
Number of shareholders			7,574	7,471
Foreign ownership, %			27.2	27.3

*) trading weighted average

At the end of the review period, Glaston Corporation's largest shareholders were Ahlstrom Capital B.V. 26.4%, Hymy Lahtinen Oy 12.2%, Varma Mutual Pension Insurance Company 7.5%, Ilmarinen Mutual Pension Insurance Company 7.3% and OP-Finland Small Firms Mutual Fund 5.9%.

¹⁾ Glaston estimate, in euros. Glaston's addressable equipment market is expected to grow on average by more than 5% annually from 2021–2025. The growth rate of the addressable equipment market is expected to exceed that of the global flat glass market, which is expected to grow 3–4 % annually from 2021–2025, according to Grand View Research, 2021.

Glaston's product portfolio is targeting those end use areas of flat glass that are growing faster than average (e.g. insulating glass). The addressable equipment market also includes the customers' replacement investments after the machines' useful lifetime. From 2021–2025, replacement investments further stem from productivity gains, particularly through automation, as well as technology and regulatory changes. Additionally, price inflation partially explains the difference between volume-based and euro-based market estimates.

²⁾ Calculation of key ratio: Comparable EBITA: Operating result before amortization, impairment of intangible assets and purchase price allocation +/- items affecting comparability

³⁾ Calculation of key ratio: Comparable return on capital employed, % (Comparable ROCE): (Profit / loss before taxes + amortization of purchase price allocations +/- items affecting comparability + financial expenses x 100)/Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

⁴⁾ Scope 1 emissions: direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by Glaston (e.g., emissions associated with fuel oil, diesel and natural gas). Scope 2 emissions: indirect GHG emissions associated with the purchase of electricity, heat, and cooling.

Annual General Meeting

Glaston Corporation's Annual General Meeting, held on 13 April 2021, adopted the financial statements and consolidated financial statements, adopted the Remuneration Report 2020 for the governing bodies, and discharged the members of the Board of Directors and the CEOs from liability for the financial year 2020.

The Annual General Meeting approved the Board of Directors' proposal to pay a return of capital of EUR 0.02 per share. The return of capital was paid on 23 April 2021.

The Annual General Meeting approved the proposal of the shareholders' nomination board according to which the following members of the Board of Directors were re-elected as board members: Mr. Veli-Matti Reinikkala, Mr. Sebastian Bondestam, Mr. Antti Kaunonen, Ms. Sarlotta Narjus, Mr. Michael Willome and Mr. Tero Telaranta, and Ms. Arja Talma was elected as a new member of the Board of Directors. The term of the Board will expire at the end of the next Annual General Meeting of Glaston Corporation.

Annual fixed remuneration for the members of the Board of Directors was approved as follows:

- Chairman EUR 60 000/year
- Deputy Chairman EUR 40 000/year and
- other members EUR 30 000/year.

The Board of Directors may, at its discretion, choose to receive the annual fixed remuneration partly in company shares and partly in cash so that approximately 40% of the annual fixed remuneration is paid in Glaston Corporation's shares.

Furthermore, each member will be paid EUR 500 per Board meeting attended in their home country and EUR 1,000 for meetings held elsewhere. The Chairman of the Board is paid EUR 800 for meetings held in the Chairman's home country and EUR 1,500 for meetings held elsewhere. In addition, the Chairman of the Audit Committee will receive a fixed annual fee of EUR 10,000 and the Chairman of the Compensation Committee an annual fee of EUR 7,500.

The audit firm KPMG Oy Ab was elected as the company's auditor for the year 2021 and KPMG Oy Ab announced that APA Lotta Nurminen shall act as the auditor in charge.

The Annual General Meeting approved the proposals that the Board of Directors to be authorized to decide on repurchase of own shares, and on the issuance of shares and issuance of special rights entitling to shares. The amount of shares shall not exceed a total of 8,000,000 shares corresponding to approximately 10 % of all registered shares in the company.

Organization of the Board of Directors

Convening after the Annual General Meeting, the Board of Directors re-elected Veli-Matti Reinikkala as the Chairman of the Board and Sebastian Bondestam as Deputy Chairman of the Board. In addition, the composition of the Board committees was resolved to be as follows:

Audit Committee: Arja Talma (Chairman), Veli-Matti Reinikkala, Tero Telaranta

Compensation Committee: Sebastian Bondestam (Chairman), Antti Kaunonen, Sarlotta Narjus, Michael Willome

CHANGES TO GLASTON'S GROUP STRUCTURE

In order to boost internal efficiency, on 30 September, Glaston divested its glass handling business to Cimec Oy. In this connection, the companies signed a distribution agreement for the handling devices and Glaston will continue to offer the handling devices under the Glaston brand to its customers. The divestment will enable increased capacity for the insulating glass business at the Neuhausen-Hamberg facility. The divestment had no impact on comparable EBITA nor on personnel.

BUSINESS RISKS

Glaston's long-term strategic and operational risks and uncertainties are described in detail in the company's financial statements bulletin for 2020 and in the Report of the Board of Directors.

Uncertainties and factors affecting short-term development

In the third quarter of 2021, the global economic outlook continued to improve and stable market activity was noted in Glaston's markets. Currently, supply chain disruptions constitute the main short-term risk for business operations. These disruptions are expected to continue in the foreseeable future and Glaston is actively mitigating the higher than normal risks related to raw material and component prices and availability, as well as logistics cost increases and freight availability. Major supply chain disruptions may impact the company's performance.

Even though the impact of the COVID-19 pandemic has decreased, there is still significant uncertainty over the duration of the pandemic and the rollout of vaccination programmes on a global scale. This could lead to new lockdowns and more stringent

travel restrictions, particularly affecting service work and the spare parts business, as well as machine installations. Under the prevailing circumstances, there is also a higher-than-normal uncertainty related to customers' investment behavior.

GLASTON'S OUTLOOK FOR 2021 REMAINS UNCHANGED

From January–September, orders received saw a healthy recovery, indicating positive development for both the machines and services business throughout 2021. As anticipated, after the record high second-quarter order intake, order intake returned to pre-COVID-19 levels in the third quarter.

Glaston expects the heat treatment and insulating glass technology markets to continue to perform well during the rest of the year. In the short term, demand for automotive glass processing technology has shown some recovery but remains volatile due to structural changes and supply chain driven challenges in the market. Generally, there is higher than normal level of uncertainty associated with the outlook due to increased component prices and delivery times.

Based on the high order intake since the fourth quarter of 2020, Glaston Corporation estimates that its net sales in 2021 will improve from the level reported for 2020 and comparable EBITA will increase to EUR 10.5–12.5 million. In 2020, Group net sales totaled EUR 170.1 million and comparable EBITA was EUR 7.7 million.

GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY – 30 SEPTEMBER 2021

This interim report has been prepared in accordance with IAS 34. The interim report has been prepared in accordance with the same accounting principles as the annual financial statements for 2020.

Quarterly information and interim reports are not audited.

As a result of rounding differences, the figures presented in the tables may not add up to the total.

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Net sales	46.4	35.9	130.1	131.8	170.1
Other operating income	1.5	0.5	3,8	1,7	2.3
Expenses	-43.6	-35.0	-124.0	-127.2	-164.8
Depreciation, amortization and impairment	-1.5	-1.5	-4.5	-4.5	-6.0
Depreciation of right-of-use assets	-0.5	-0.5	-1.4	-1.6	-2.1
Operating result	2.3	-0.5	3.9	0.2	-0.5
Financial items, net	-0.3	-0.8	-1.4	-1.7	-2.3
Interest expenses on lease liabilities	-0.1	0.1	-0.4	-0.4	-0.5
Result before income taxes	1.9	-1.4	2.2	-1.9	-3.3
Income taxes	-0.6	-0.4	-1.2	-1.4	-2.2
Profit / loss for the period	1.3	-1.8	1.0	-3.2	-5.5

Earnings per share, EUR	0.015	-0.021	0.011	-0.039	-0.065
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Operating result, as % of net sales	4.9	-1.4	3.0	0.1	-0.3
Profit / loss for the period, as % of net sales	2.7	-5.0	0.7	-2.5	-3.2

Items affecting comparability ⁽¹⁾	-0.2	0.7	0.3	2.1	3.8
Comparable operating result	2.1	0.2	4.3	2.3	3.2
Comparable operating result, as % of net sales	4.4	0.5	3.3	1.8	1.9

⁽¹⁾ + cost, - income

STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Profit / loss for the period	1.3	-1.8	1.0	-3.2	-5.5
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	0.5	-0.5	0.4	-0.4	-0.6
Cash flow hedges	-0.3	-0.2	-0.3	-0.3	-0.3
Income tax on other comprehensive income	0.0	0.0	0.0	0.0	-0.0
Other comprehensive income that will not be reclassified subsequently to profit or loss:					
Fair value changes of financial assets measured at fair value through profit or loss	0.0	0.0	0.0	0.0	-0.1
Exchange differences on actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	0.0	-0.0
Actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	0.0	1.6
Taxes on actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	0.0	0.3
Other comprehensive income for the reporting period	0.2	-0.7	0.1	-0.7	0.8
Total comprehensive income for the reporting period	1.5	-2.5	1.1	-3.9	-4.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	30.9.2021	30.9.2020	31.12.2020
Assets			
Non-current assets			
Goodwill	58.3	58.3	58.3
Other intangible assets	17.1	19.0	18.6
Property, plant and equipment	21.8	23.6	23.1
Right-of-use assets	7.5	7.2	6.9
Financial assets measured at fair value through other comprehensive income	2.8	3.1	2.8
Loan receivables	2.4	2.2	2.1
Deferred tax assets	1.8	1.7	1.6
Total non-current assets	111.8	115.1	113.5
Current assets			
Inventories	28.3	25.3	25.1
Receivables			
Trade and other receivables	20.9	16.1	17.7
Contract assets	38.9	25.2	27.3
Assets for current tax	0.2	0.3	0.4
Total receivables	60.0	41.5	45.4
Cash equivalents	24.6	20.3	23.3
Total current assets	112.9	87.1	93.8
Total assets	224.7	202.2	207.3

EUR million	30.9.2021	30.9.2020	31.12.2020
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Other restricted equity reserves	0.3	0.0	0.1
Reserve for invested unrestricted equity	107.9	109.5	109.5
Fair value reserve	-0.0	0.2	-0.0
Other unrestricted equity reserves	-0.5	-0.3	-0.2
Retained earnings and exchange differences	-52.9	-49.3	-47.7
Net result attributable to owners of the parent	1.0	-3.2	-5.5
Total equity	68.4	69.6	68.9
Non-current liabilities			
Non-current interest-bearing liabilities	32.8	44.4	44.0
Non-current lease liabilities	7.0	6.9	6.6
Non-current interest-free liabilities and provisions	0.9	2.1	0.8
Deferred tax liabilities	8.6	8.3	7.8
Total non-current liabilities	49.4	61.7	59.2
Current liabilities			
Current interest-bearing liabilities	6.0	4.6	4.6
Current lease liabilities	1.7	1.6	1.6
Current provisions	3.1	3.6	3.5
Trade and other current interest-free payables	94.8	58.9	67.2
Contract liabilities	0.1	1.9	1.4
Liabilities for current tax	1.2	0.2	0.9
Total current liabilities	106.9	70.9	79.2
Total liabilities	156.3	132.6	138.4
Total equity and liabilities	224.7	202.2	207.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Cash flows from operating activities					
Cash flow before change in net working capital	3.7	-1.2	5.7	3.2	3.0
Change in net working capital	-4.2	1.7	8.1	-6.0	-2.3
Net cash flow from operating activities	-0.5	0.6	13.8	-2.8	0.7
Cash flow from investing activities					
Purchases of non-current assets	-0.8	-0.6	- 2.2	-2.6	-3.4
Proceeds from sale of business	-	-	-	0.2	0.6
Proceeds from sale of other non-current assets	-0.0	-	1.6	0.3	0.6
Net cash flow from investing activities	-0.9	-0.6	-0.6	- 2.2	-2.2
Cash flow before financing	-1.4	-0.0	13.2	-4.9	-1.5
Cash flow from financing activities					
Increase in non-current liabilities	-	-	-	7.5	7.5
Changes in loan receivables (increase - / decrease +)	0.0	-	0.0	-	0.1
Decrease in short-term liabilities	-0.3	-0.1	-10.1	-1.4	-1.6
Return of capital	-	-	-1.7	-	-
Net cash flow from financing activities	-0.3	-0.1	-11.8	6.1	5.9
Effect of exchange rate changes	0.3	-0.2	-0.1	-0.7	-1.0
Net change in cash and cash equivalents	-1.4	-0.3	1.3	0.5	3.4
Cash and cash equivalents at the beginning of period	25.9	20.6	23.3	19.9	19.9
Cash and cash equivalents at the end of period	24.6	20.3	24.6	20.3	23.3
Net change in cash and cash equivalents	-1.4	-0.3	1.3	0.5	3.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Reserve for inv. unrestr. equity	Fair value and other reserves	Ret. earnings	Exch. diff.	Total equity
Equity at 1 January, 2020	12.7	109.5	0.3	-53.3	4.2	73.4
Total compr. income for the period	-	-	-0.3	-3.3	-0.3	-3.9
Share-based plan	-	-	-	-	0.1	0.1
Share-based plan, tax effect	-	-	-	-	-0.0	-0.0
Other changes	-	-	-	-	0.1	0.1
Equity at 30 September 2020	12.7	109.5	0.0	-56.5	4.0	69.6

EUR million	Share capital	Reserve for inv. unrestr. equity	Fair value and other reserves	Ret. earnings	Exch. diff.	Total equity
Equity at 1 January, 2021	12.7	109.5	-0.2	-56.8	3.6	68.9
Total compr. income for the period	-	-	-0.3	1.0	0.4	1.1
Share-based plan	-	-	-	0.3	-	0.3
Share-based plan, tax effect	-	-	-	-0.0	-	-0.0
Return of capital	-	-1.7	-	-	-	-1.7
Other changes	-	-	-	-	-0.1	-0.1
Equity at 30 September 2021	12.7	107.9	-0.4	-55.9	4.2	68.4

KEY RATIOS**30.9.2021 30.9.2020 31.12.2020**

EBITDA, as % of net sales	7.5	4.8	4.4
Comparable EBITDA, as % of net sales	7.8	6.4	6.7
Operating profit (EBIT), as % of net sales	3.0	0.1	-0.3
Comparable operating profit (EBIT), as % of net sales	3.3	1.8	1.9
Comparable EBITA, as % of net sales	5.9	4.3	4.6
Profit / loss for the period, as % of net sales	0.7	-2.5	-3.2
Gross capital expenditure, EUR million	2.2	2.6	3.4
Gross capital expenditure, as % of net sales	1.7	2.0	2.0
Equity ratio, %	42.4	41.4	41.2
Gearing, %	69.5	82.7	82.6
Net gearing, %	33.6	53.5	48.8
Net interest-bearing debt, EUR million	23.0	37.2	33.6
Capital employed, end of period, EUR million	116.0	127.2	125.8
Return on equity, %	1.9	-6.1	-7.7
Return on capital employed, %	4.5	0.1	-0.4
Number of personnel, average	726	747	744
Number of personnel, end of period	743	740	723

PER SHARE DATA	30.9.2021	30.9.2020	31.12.2020
Number of registered shares, end of period (1.000)	84 290	84 290	84 290
Number of shares, average (1.000)	84 290	84 290	84 290
EPS, total, basic and diluted, EUR	0.011	-0.039	-0.065
Adjusted equity attributable to owners of the parent per share, EUR	0.81	0.83	0.82
Return of capital per share, EUR			0.02
Return of capital yield / share			2.25
Price per earnings per share (P/E) ratio	104.2	-17.9	-13.7
Price per equity attributable to owners of the parent per share	1.47	0.83	1.09
Market capitalization of registered shares, EUR million	100.3	58.0	75.0
Share turnover, % (number of shares traded, % of the average registered number of shares)	21.3	19.7	29.2
Number of shares traded, (1.000)	17 978	16 608	24 638
Closing price of the share, EUR	1.19	0.69	0.89
Highest quoted price, EUR	1.40	1.27	1.27
Lowest quoted price, EUR	0.72	0.60	0.58
Volume-weighted average quoted price, EUR	0.95	0.83	0.78

FINANCIAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is managed through effective use of advance payments in order to reduce the amount of working capital tied up in the operations. A special focus is set on the working capital management and the development is monitored regularly. Short- and long-term cash planning is part of group companies' operational activity together with the Group Treasury. As a measurement for the liquidity risk are the Group's liquid funds and unused credit facilities. Group Treasury reports the Group's liquidity position regularly to the management and to the Board of Directors of Glaston Corporation

The Group's funding is mainly organized by using the approximately EUR 75 million facilities agreement signed 2019 from which EUR 35 million is committed credit facilities including EUR 20 million guarantee facility.

The covenants in use are net interest-bearing debt to equity (gearing ratio) and interest-bearing debt to EBITDA (leverage). Group treasury is responsible for monitoring the covenants and reports the situation regularly to management and the Board of Directors of Glaston Corporation. All covenant terms during the financial year have been met.

EUR million	In use	Unused	Total
Committed credit facilities 30.9.2021	5.0	30.0	35.0
Committed credit facilities 31.12.2020	15.4	19.6	35.0

Net interest bearing debt

EUR million	30.9.2021	30.9.2020	31.12.2020
Loans from financial institutions	38.8	49.0	48.7
Lease liabilities	8.7	8.5	8.2
Cash	24.6	20.3	23.3
Total	16.9	37.2	33.6
Net gearing, %	33.6	53.5	48.8

Credit risk

The impact of the COVID-19 pandemic on credit risk is reviewed in companies on a monthly basis and there has been no significant change in uncertain receivables. Efforts have been taken to strengthen receivables collection throughout the year, and credit risk and realized credit losses have not significantly increased. Credit risks are mitigated through stringent customer payment terms with significant customer advances. Orders are registered in the order book only upon receipt of customer advance. No orders in the order book have been cancelled.

The estimate made for doubtful receivables is based on a review of all trade receivables outstanding on the reporting date as well as on an assessment of the impairment of financial assets based on expected credit losses.

Risk management is performed together with the business management with the objective to avoid major credit risk concentrations and to verify, that sufficient guarantees and collaterals are received. The Group reduces its credit risk by using letters of credit and various types of guarantees received from the customers to secure the receivables. In addition, the Group uses advance payments to reduce risk and to accelerate fund inflows.

At the end of September 2021 26.5 (15.3 on 31.12.2020) per cent of Group's trade receivables were secured by LCs.

Ageing analysis of trade receivables EUR million	Carrying amount of trade receivables after recognizing allowance account	Not past due	Past due			
			< 30 days	31-180 days	181 - 360 days	> 360 days
30.9.2021	14.5	10.1	1.3	1.4	0.9	0.8
31.12.2020	14.7	9.8	2.9	1.4	0.4	0.2

SEGMENT INFORMATION

Glaston's reportable segments as of January 1, 2021 are Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Display. The reportable segments comply with the group's accounting and valuation principles. In inter-segment transactions, Glaston complies with the same commercial terms and conditions as in its third party transactions.

The reportable segments consist of operating segments, which have been aggregated in accordance with the criteria of IFRS 8.12.

Operating segments have been aggregated, when the nature of the products and services is similar, the nature of the production process is similar as well as the type or class of customers. Glaston Group's business consists of the manufacture and sale of glass processing machines as well as the service operations for these machines. There is a high level of integration between glass machines and maintenance. Their customers are the same, as is their market development, which is linked to the general development of the global market.

Glaston's highest operative decision maker (CODM, Chief Operating Decision Maker) is Glaston Corporation's President & CEO, supported by the Executive Management Group. The President & CEO assesses the Group's financial position and its overall development.

Orders received

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	18.3	7.6	65.5	36.1	56.1
Insulating Glass	19.3	21.6	69.8	54.3	75.7
Automotive & Display	7.5	3.8	22.6	11.6	20.2
Total segments	45.1	33.1	157.9	102.0	152.1
Unallocated and eliminations	0.3	0.3	0.6	0.9	1.4
Total Glaston Group	45.4	33.3	158.5	102.9	153.5

Net sales

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	21.0	12.2	52.5	46.7	61.6
Insulating Glass	19.1	17.4	58.6	63.9	81.9
Automotive & Display	6.0	6.0	18.3	19.7	24.6
Total segments	46.1	35.6	129.4	130.3	168.2
Unallocated and eliminations	0.3	0.3	0.7	1.5	1.9
Total Glaston Group	46.4	35.9	130.1	131.8	170.1

Operating result (EBIT)

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	0.9	-0.5	0.9	-0.6	-1.2
Insulating Glass	1.6	0.4	2.9	2.9	3.6
Automotive & Display	-0.2	-0.4	0.1	-2.1	-3.0
Total segments	2.2	-0.5	3.9	0.2	-0.6
Unallocated and eliminations	0.0	-0.0	0.1	-0.0	0.1
Total Glaston Group	2.3	-0.5	3.9	0.2	-0.5
Operating result %	4.9%	-1.4%	3.0%	0.1%	-0.3%

Comparable operating result (EBIT)

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	1.3	-0.3	1.3	0.0	0.4
Insulating Glass	0.9	0.7	2.6	4.1	5.2
Automotive & Display	-0.2	-0.2	0.2	-1.8	-2.5
Total segments	2.0	0.2	4.2	2.3	3.1
Unallocated and eliminations	0.0	-0.1	0.1	-0.0	0.1
Total Glaston Group	2.1	0.2	4.3	2.3	3.2
Comparable EBIT %	4.4%	0.5%	3.3%	1.8%	1.9%

Comparable EBITA

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	1.8	0.2	2.7	1.2	2.0
Insulating Glass	1.4	1.2	4.1	5.6	7.3
Automotive & Display	-0.0	-0.0	0.8	-1.1	-1.6
Total segments	3.2	1.4	7.6	5.7	7.6
Unallocated and eliminations	0.0	-0.1	0.1	-0.0	0.1
Total Glaston Group	3.2	1.3	7.6	5.7	7.7
Comparable EBITA %	6.9%	3.6%	5.9%	4.3%	4.6%

Segment assets

EUR million	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	73.9	69.6	69.8
Insulating Glass	85.0	75.3	78.4
Automotive & Display	34.0	29.5	28.6
Total segment assets	192.9	174.4	176.8
Other assets	31.8	27.8	30.4
Total assets	224.7	202.2	207.3

Segment liabilities

EUR million	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	45.2	30.3	33.0
Insulating Glass	44.9	30.1	35.1
Automotive & Display	8.5	5.1	4.0
Total segment liabilities	98.6	65.5	72.1
Other liabilities	57.7	67.0	66.3
Total liabilities	156.3	132.6	138.4

Personnel at the end of the period

EUR million	1-9/2021	1-9/2020	1-12/2020
Heat Treatment	285	307	293
Insulating Glass	357	330	330
Automotive & Display	97	95	94
Others	4	8	6
Total personnel at the end of the period	743	740	723

ORDERS RECEIVED, ORDER BOOK, NET SALES AND OPERATING RESULT BY QUARTERS**Orders received**

EUR million	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	18.3	24.4	22.8	20.7	7.6	8.7	19.7
Insulating Glass	19.3	30.9	19.5	22.2	21.6	11.5	21.2
Automotive & Display	7.5	10.3	4.8	8.8	3.8	3.6	4.2
Total segments	45.1	65.6	47.1	51.6	33.1	23.8	45.2
Unallocated and eliminations	0.3	0.3	0.1	0.5	0.3	0.2	0.5
Total Glaston Group	45.4	65.9	47.2	52.1	33.3	24.0	45.6

Order book

EUR million	30.9.2021	30.6.2021	31.3.2021	31.12.2020	30.9.2020	30.6.2020	31.3.2020
Heat Treatment	41.5	46.1	39,4	31.4	26.7	29.5	36.2
Insulating Glass	37.4	35.7	23,8	26.1	18.9	15.7	29.7
Automotive & Display	7.2	6.0	4,8	6.5	2.1	3.7	10.0
Total segments	86.1	87.8	68,0	63.9	47.6	48.9	75.9
Unallocated and eliminations	0.0	0.0	0,0	0.0	0.2	0.2	0.6
Total Glaston Group	86.1	87.8	68,0	63.9	47.8	49.1	76.4

Net sales

EUR million	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	21.0	17.6	13.8	14.9	12.2	15.1	19.4
Insulating Glass	19.1	18.2	21.3	18.0	17.4	24.1	22.4
Automotive & Display	6.0	7.2	5.2	4.9	6.0	9.5	4.2
Total segments	46.1	42.9	40.3	37.9	35.6	48.7	46.0
Unallocated and eliminations	0.3	0.3	0.1	0.4	0.3	0.2	1.0
Total Glaston Group	46.4	43.3	40.4	38.3	35.9	48.9	46.9

Operating result (EBIT)

EUR million	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	0.9	0.6	-0.5	-0.6	-0.5	-0.0	-0.1
Insulating Glass	1.6	0.3	0.9	0.7	0.4	1.0	1.4
Automotive & Display	-0.2	0.6	-0.3	-0.9	-0.4	-0.4	-1.3
Total segments	2.2	1.5	0.1	-0.8	-0.5	0.6	0.1
Unallocated and eliminations	0.0	0.1	-0.0	0.1	-0.0	-0.0	0.1
Total Glaston Group	2.3	1.6	0.1	-0.7	-0.5	0.6	0.1
Operating result %	4.9%	3.6%	0.3%	-1.8%	-1.4%	1.1%	0.3%

Comparable operating result (EBIT)

EUR million	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	1.3	0.1	-0.1	0.4	- 0.3	0.1	0.2
Insulating Glass	0.9	0.5	1.3	1.1	0.7	1.5	1.9
Automotive & Display	-0.2	0.6	-0.2	-0.7	-0.2	-0.3	-1.2
Total segments	2.0	1.2	1.0	0.8	0.2	1.2	0.9
Unallocated and eliminations	0.0	0.1	-0.0	0.1	-0.1	-0.0	0.1
Total Glaston Group	2.1	1.3	0.9	0.9	0.2	1.2	0.9
Comparable EBIT %	4.4%	2.9%	2.3%	2.4%	0.5%	2.5%	2.0%

Comparable EBITA

EUR million	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	1.8	0.6	0.3	0.8	0.2	0.5	0.6
Insulating Glass	1.4	0.9	1.8	1.6	1.2	2.0	2.4
Automotive & Display	-0.0	0.8	0.0	-0.5	-0.0	-0.1	-1.0
Total segments	3.2	2.3	2.1	1.9	1.4	2.4	2.0
Unallocated and eliminations	0.0	0.1	-0.0	0.1	-0.1	-0.0	0.1
Total Glaston Group	3.2	2.4	2.1	2.1	1.3	2.3	2.0
Comparable EBITA %	6.9%	5.5%	5.1%	5.4%	3.6%	4.8%	4.3%

COMPARABLE OPERATING RESULT EBIT AND EBITA**Items affecting comparability**

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Re-structuring	0.4	0.7	1.5	2.1	3.8
Other	-0.7	-	-1.1	-	-
Items affecting comparability⁽¹⁾	-0.2	0.7	0.3	2.1	3.8

Comparable operating result (EBIT) and EBITA

EUR million	7-9/2021	7-9/2020	1-9/2021	1-9/2020	1-12/2020
Operating result	2.3	-0.5	3.9	0.2	-0.5
Items affecting comparability ⁽¹⁾	-0.2	0.7	0.3	2.1	3.8
Comparable EBIT	2.1	0.2	4.3	2.3	3.2
Operating result	2.3	-0.5	3.9	0.2	-0.5
Amortization and purchase price allocation	1.2	1.1	3.4	3.4	4.5
EBITA	3.4	0.6	7.3	3.5	4.0
Items affecting comparability ⁽¹⁾	-0.2	0.7	0.3	2.1	3.8
Comparable EBITA	3.2	1.3	7.6	5.7	7.7
% of net sales	6.9%	3.6%	5.9%	4.3%	4.6%

⁽¹⁾ + cost, - income**PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS****Changes in property, plant and equipment**

EUR million	1-9/2021	1-9/2020	1-12/2020
Carrying amount at beginning of the period	23.1	25.0	25.0
Additions	0.6	0.6	0.8
Disposals	-0.7	-0.3	-0.4
Depreciation and amortization	-1.4	-1.6	-2.1
Reclassification and other changes	-0.0	-0.1	-0.2
Exchange differences	0.2	-0.1	-0.1
Carrying amount at end of the period	21.8	23.6	23.1

At the end of September 2021, Glaston had not contractual commitments for the acquisition of property, plant and equipment.

EUR million

Changes in intangible assets	1-9/2021	1-9/2020	1-12/2020
Carrying amount at beginning of the period	76.9	78.1	78.1
Additions	1.6	2.1	2.5
Disposals	0.0	-	-
Depreciation and amortization	-3.1	-2.9	-3.9
Reclassification and other changes	-0.0	0.1	0.2
Exchange differences	0.0	-0.4	0.0
Carrying amount at end of the period	75.4	77.3	76.9

LEASES IN THE BALANCE SHEET

EUR million

Right-of-use assets	1-9/2021	1-9/2020	1-12/2020
Carrying amount at beginning of the period	6.9	8.4	8.4
Additions	2.0	0.3	0.5
Depreciation expense	-1.4	-1.6	-2.1
Carrying amount at end of the period	7.5	7.2	6.9

EUR million

Lease liabilities	1-9/2021	1-9/2020	1-12/2020
Carrying amount at beginning of the period	8.2	9.9	9.9
Additions	1.9	0.2	0.4
Interest expense	0.4	0.4	0.5
Rental payment	-1.7	-2.0	-2.6
Carrying amount at end of the period	8.7	8.5	8.2

LEASES IN PROFIT AND LOSS STATEMENT

EUR million

	1-9/2021	1-9/2020	1-12/2020
Depreciation of right-of-use assets	-1.4	-1.6	-2.1
Interest expense on lease liabilities	-0.4	-0.4	-0.5
Short-term lease expense	-0.3	-0.2	-0.3
Total amounts recognised in profit or loss	-2.1	-2.2	-2.9

CONTINGENT LIABILITIES

EUR million

	30.9.2021	30.9.2020	31.12.2020
Mortgages and pledges			
On own behalf	511.4	511.4	511.4
Guarantees			
On own behalf	5.0	10.5	9.0
On behalf of others	0.2	0.2	0.1

Mortgages and pledges include EUR 23.9 million shares in group companies.

Glaston Group can be a defendant or plaintiff in a number of legal proceedings incidental to those operations. The Group does not expect the outcome of any unmentioned legal proceedings currently pending, either individually or in the aggregate, to have material adverse effect upon the Group's consolidated financial position or results of operations.

DERIVATIVE INSTRUMENTS

EUR million	30.9.2021		30.9.2020		31.12.2020	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forwards						
Currency forward contracts	23.7	-0.6	9.8	0.3	12.3	0.3

Glaston hedge foreign currency-denominated sales and cash flows of binding orders received with currency forwards. In fulfilling the conditions of hedge accounting, cash flow hedge accounting under IFRS 9 is applied with respect to currency derivatives.

Derivative instruments are used only for hedging purposes. Nominal values of derivative instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group. The fair values are based on market valuation on the date of reporting.

FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments at fair value include derivatives. Other financial instruments at fair value through profit or loss can include mainly Glaston's current investments, which are classified as held for trading i.e. which have been acquired or incurred principally for the purpose of selling them in the near future.

Fair values of publicly traded derivatives are calculated based on quoted market rates at the end of the reporting period (fair value hierarchy level 1). All Glaston's derivatives are publicly traded.

Financial assets measured at fair value through other comprehensive income include listed investments are measured at the market price at the end of the reporting period (fair value hierarchy level 2). Investments, for which fair values cannot be measured reliably, such as unlisted equities, are reported at cost or at cost less impairment (fair value hierarchy level 3).

Fair value measurement hierarchy:

Level 1 = quoted prices in active markets

Level 2 = other than quoted prices included within Level 1 that are observable either directly or indirectly

Level 3 = not based on observable market data. Fair value equals cost or cost less impairment

During the reporting period there were no transfers between levels 1 and 2 of the fair value hierarchy. During the reporting period there were no changes in the valuation techniques of levels 2 or 3 of the fair value hierarchy.

Fair value measurement hierarchy, Level 3. changes during the reporting period

	2021	2020
1.1.	2.8	2.8
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Reclassification	-	-
30.9.	2.8	2.8

Financial instruments measured at fair value and included in level 3 of fair value hierarchy, had no effect on the profit or loss of the reporting period or on other comprehensive income. These financial instruments are not measured at fair value on recurring basis.

Fair value hierarchy, fair values

EUR million	30.9.2021				30.9.2020				31.12.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Listed shares	-	-	0.0	0.0	0.2	-	0.0	0.2	-0.0	-	0.0	0.0
Other long-term investments	-0.0	-	2.8	2.8	-	-	2.8	2.8	-	-	2.8	2.8
Currency forward contracts	-	-	-	-	-	0.3	-	0.3	-	0.3	-	0.3
Total	-0.0	-	2.8	2.8	0.2	0.3	2.8	3.4	-0.0	0.3	2.8	3.2
Liabilities												
Currency forward contracts	-	-0.6	-	-0.6	-	-	-	-	-	-	-	-
Total	-	-0.6	-	-0.6	-	-	-	-	-	-	-	-

DEFINITIONS OF KEY RATIOS**Per share data**

Earnings per share (EPS):

Net result attributable to owners of the parent / Adjusted average number of shares

Dividend per share*:

Dividends paid / Adjusted number of issued shares at end of the period

Dividend payout ratio*:

(Dividend per share x 100) / Earnings per share

Dividend yield per share*:

(Dividend per share x 100) / Share price at end of the period

Equity attributable to owners of the parent per share:

Equity attributable to owners of the parent at end of the period / Adjusted number of shares at end of the period

Average trading price:

Shares traded (EUR) / Shares traded (volume)

Price per earnings per share (P/E):

Share price at end of the period / Earnings per share (EPS)

Price per equity attributable to owners of the parent per share:

Share price at end of the period / Equity attributable to owners of the parent per share

Share turnover:

The proportion of number of shares traded during the period to weighted average number of shares

Market capitalization:

Number of shares at end of the period x share price at end of the period

Number of shares at period end:

Number of issued shares - treasury shares

*The definition is also applied with return of capital

Financial ratios

EBITDA:

Profit / loss before depreciation, amortization and impairment

Operating result (EBIT):

Profit / loss after depreciation, amortization and impairment

Cash and cash equivalents:

Cash + other financial assets (includes cash and cash equivalents at amortized cost)

Net interest-bearing debt:

Interest-bearing liabilities (includes interest-bearing liabilities at amortized cost) - cash and cash equivalents

Financial expenses:

Interest expenses of financial liabilities + fees of financing arrangements + foreign currency differences of financial liabilities

Equity ratio. %:

Equity (Equity attributable to owners of the parent + non-controlling interest) x 100 / Total assets - advance payments received

Gearing, %:

(Interest-bearing liabilities x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Net gearing, %:

(Net interest-bearing debt x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Return on capital employed, % (ROCE):

(Profit / loss before taxes + financial expenses x 100) / Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

Return on equity, % (ROE):

Profit / loss for the reporting period x 100 / Equity (Equity attributable to owners of the parent + non-controlling interest), average of 1 January and end of the reporting period

Alternative performance measures**Comparable EBIT:**

Operating result after depreciation, amortization and impairment, +/- items affecting comparability

Comparable EBITDA:

Operating result before depreciation, amortization and impairment, +/- items affecting comparability

Comparable EBITA:

Operating result before amortization, impairment of intangible assets and purchase price allocation +/- items affecting comparability

Comparable return on capital employed, % (Comparable ROCE):

(Profit / loss before taxes + amortization of purchase price allocations +/- items affecting comparability + financial expenses x 100) / Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

Comparable earnings per share (Comparable EPS):

Net result attributable to owners of the parent +/- items affecting comparability+ amortization of purchase price allocations / Adjusted average number of shares

Items affecting comparability:

Items affecting comparability are adjusted for non-business transactions or changes in valuation items when they arise from restructuring, acquisitions and disposals, related integration and separation costs, sale or impairment of assets. These may include staff reductions, rationalization of the product range, restructuring of the production structure, and reduction of premises.

Impairment losses on goodwill, gains or losses on disposals due to changes in the group structure, exceptionally large gains or losses on tangible and intangible assets, exceptional compensations for damages and legal proceedings are restated as an item affecting comparability.

Accounting policies

The Glaston Group's interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34. The interim report has followed the same IFRS accounting principles as in the previous consolidated financial statements.

IFRS IC finalized in April 2021 its agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets). In this agenda decision IFRS IC considered, whether, applying IAS 38, the customer recognises an intangible asset in relation to configuration or customisation of the application software, and if an intangible asset is not recognized, how the customer accounts for the configuration or customisation costs. IFRIC agenda decisions have no effective date, so they are expected to be applied as soon as possible. As the *Group* has cloud computing arrangements in place, it has started to analyse, if this agenda decision has an impact to the accounting policies applied to implementation costs in cloud computing arrangements. The *Group* will undertake this analysis under the fall 2021, and the possible impacts will be implemented retrospectively in the financial statements 2021 at the latest.