



Q4

Glaston Corporation
Financial Statements bulletin
1 January - 31 December 2021



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Glaston's Financial Statement Bulletin 1 January – 31 December 2021: A strong fourth quarter with new orders up by 13%

October–December 2021 in brief

- Orders received totaled EUR 59.1 (52.1) million
- Net sales totaled EUR 52.6 (38.3) million
- Comparable EBITA was EUR 3.5 (2.1) million, i.e. 6.6 (5.4)% of net sales
- The operating result (EBIT) was EUR 1.2 (-0.7) million
- The comparable operating result (EBIT) was EUR 2.3 (0.9) million, i.e. 4.4 (2.4)% of net sales
- Items affecting comparability totaled EUR -1.2 (-1.6) million
- Comparable earnings per share were EUR 0.023 (0.001)
- Cash flow from operating activities was EUR 5.5 (3.5) million

January–December 2021 in brief

- Orders received totaled EUR 216.2 (153.5) million
- Net sales totaled EUR 182.7 (170.1) million
- Comparable EBITA was EUR 11.1 (7.7) million, i.e. 6.1 (4.6)% of net sales
- The operating result (EBIT) was EUR 5.1 (-0.5) million
- The comparable operating result (EBIT) was EUR 6.6 (3.2) million, i.e. 3.6 (1.9)% of net sales
- Items affecting comparability totaled EUR -1.5 (-3.8) million
- Comparable earnings per share were EUR 0.060 (0.013)
- Cash flow from operating activities was EUR 19.3 (0.7) million
- The Board of Directors proposes a capital repayment of EUR 0.03 per share

GLASTON'S OUTLOOK FOR 2022

In 2021, Glaston's markets saw a continued recovery and strong growth. We expect positive development to continue in 2022 with good progress for both machines and services business. At the start of 2022, our order backlog was 48% higher than the previous year providing a strong starting point for 2022 and supporting Glaston's net sales and profitability development. In 2022, Glaston will focus on the execution of its strategy which will incur costs and capital expenditure ahead of the effect on revenue growth. As the COVID-19 pandemic continues and supply chain disturbances have become a longer-term challenge, a higher than normal uncertainty is related to the development of economic activity and customers' investments.

Glaston Corporation estimates that its net sales and comparable EBITA will improve in 2022 from the levels reported for 2021. In 2021, Group net sales totaled EUR 182.7 million and comparable EBITA was EUR 11.1 million.

PRESIDENT & CEO ANDERS DAHLBLOM:

“For Glaston, 2021 ended on a positive note. The markets continued to grow strongly in the fourth quarter with high demand in all segments. Orders received increased by 13% to EUR 59.1 million compared to the corresponding period in the previous year. The comparison period in 2020 already had a pre-covid level of order intake after the pandemic impacted quarters. Thus, the 13% growth in orders shows the strength of the market and Glaston’s capabilities. For the full year, orders received saw excellent progress: 41% above the level of the previous year, totaling EUR 216.2 million, with all segments contributing to the outcome.

Fourth quarter net sales, as well as full year net sales, increased. Net sales in the fourth quarter grew by 37% and totaled EUR 52.6 (38.3) million. For the full year, EUR 182.7 (170.1) million was recorded, with all product areas exceeding the previous year’s levels. For Services, growth of 15% was recorded. Despite the additional challenges caused by supply chain disruptions with related price increases and the still ongoing pandemic, we can be satisfied with the improvement in profitability. Comparable EBITA for the fourth quarter was EUR 3.5 million or 6.6% of net sales, up 68% compared to the fourth quarter of 2020.



Our good performance in order intake can be attributed to the great work by Glaston’s employees, our attractive product portfolio and to the clarification of our strategy, which was a substantial initiative during 2021. Currently, the implementation of several strategic initiatives is well underway and we are already noting good progress. Our plan is also to take sustainability initiatives to the next level during the strategy period and our strategy includes new non-financial strategic targets. One of the sustainability focus areas – safety – was high on our agenda throughout the year. We have set a group-wide safety target measured as zero lost-time accidents (LTA) by 2025. I’m happy to say that we have already made excellent progress in the first year as only five lost-time accidents occurred, compared to 14 in the previous year. The lost time injury frequency rate (LTIFR) dropped to 3.3 from 10.8 in 2020. We are also committed to reducing our direct and indirect greenhouse gas emissions (Scope 1 + 2) in relation to net sales by 50% by 2025 from the level in 2020. In 2021, greenhouse gas emissions decreased to 2,608 (2,777) tonnes of CO₂ with net sales of EUR 182.7 (170.1) million. We have already taken measures to substantially reduce our emissions in 2022 as our production facilities in Finland and Germany started using renewable electricity in January 2022.

I am very proud of the Glaston team and what we accomplished together in 2021. Our good performance was achieved by working as one team, fulfilling our promise to deliver to our customers. I want to thank our customers for their continued trust in us and everyone at Glaston for their contribution throughout the year.

Our progress in 2021, ending with a good fourth quarter, gives us confidence as we enter 2022. We expect the positive market development and improved customer activity to continue.”

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. The 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	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Orders received *)	59.1	52.1	216.2	153.5
of which service operations	17.4	17.4	68.0	57.1
of which service operations, %	29.5%	33.4%	31.4%	37.2%
Order book at end of period	94.8	63.9	94.8	63.9
Net sales	52.6	38.3	182.7	170.1
of which service operations	17.6	17.1	66.8	58.1
of which service operations, %	33.4%	44.8%	36.5%	34.1%
EBITDA	3.2	1.3	13.0	7.6
Items affecting comparability	-1.2	-1.6	-1.5	-3.8
Comparable EBITDA	4.4	2.9	14.5	11.3
Comparable EBITDA, %	8.3%	7.6%	7.9%	6.7%
Comparable EBITA	3.5	2.1	11.1	7.7
Comparable EBITA, %	6.6%	5.4%	6.1%	4.6%
Operating result (EBIT)	1.2	-0.7	5.1	-0.5
Comparable operating result (EBIT)	2.3	0.9	6.6	3.2
Comparable operating result (EBIT), %	4.4%	2.4%	3.6%	1.9%
Profit/loss before taxes	-1.0	-1.4	1.2	-3.3
Profit/loss for the period	0.1	-2.2	1.1	-5.5
Comparable earnings per share, , EUR	0.023	0.001	0.060	0.013
Number of registered shares at end of period (1 000)	84 290	84 290	84 290	84 290
Cash flow from operating activities	5.5	3.5	19.3	0.7
Net interest-bearing debt at end of period			18.3	33.6
Return on investment (ROI), %, (annualized)			2.8%	-0.4%
Comparable return on capital employed (ROCE), %, (annualized)			6.1%	4.7%
Equity ratio, %			42.3%	41.2%
Net gearing, %			26.9%	48.8%
Number of employees at end of period			750	723

*) 6-9/2021 order intake for the Automotive and Display Technologies has been corrected downwards by EUR 1.4 million, also impacting segment and Group order intake and respective cumulative figures for the Jan-Jun 2021 and Jan-Sep 2021 periods

KEY FIGURES FOR REPORTING SEGMENTS

Orders received*)				
EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	23.5	20.7	89.0	56.1
Insulating Glass	25.1	22.2	95.0	75.7
Automotive & Display	10.0	8.8	31.2	20.2
Segments, total	58.6	51.6	215.1	152.1
Unallocated and eliminations	0.4	0.5	1.1	1.4
Glaston Group, total	59.1	52.1	216.2	153.5

Order book, EUR million			31.12.2021	31.12.2020
Heat Treatment			45.6	31.4
Insulating Glass			38.5	26.1
Automotive & Display			10.7	6.5
Segments, total			94.8	63.9
Unallocated and eliminations			0.0	0.0
Glaston Group, total			94.8	63.9

Net sales, EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	22.1	14.9	74.7	61.6
Insulating Glass	23.1	18.0	81.6	81.9
Automotive & Display	7.3	4.9	25.6	24.6
Segments, total	52.5	37.9	181.9	168.2
Unallocated and eliminations	0.1	0.4	0.8	1.9
Glaston Group, total	52.6	38.3	182.7	170.1

*) 6–9/2021 order intake for the Automotive and Display Technologies has been corrected downwards by EUR 1.4 million, also impacting segment and Group order intake and respective cumulative figures for the Jan–Jun 2021 and Jan–Sep 2021 periods

Comparable EBITA,				
EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	0.7	0.8	3.4	2.0
Insulating Glass	2.4	1.6	6.5	7.3
Automotive & Display	0.4	-0.5	1.2	-1.6
Segments, total	3.5	1.9	11.1	7.6
Unallocated and eliminations	-0.1	0.1	0.0	0.1
Glaston Group, total	3.5	2.1	11.1	7.7

Comparable operating result and operating result (EBIT), EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	0.3	0.4	1.6	0.4
Insulating Glass	1.9	1.1	4.6	5.2
Automotive & Display	0.2	-0.7	0.4	-2.5
Segments, total	2.4	0.8	6.6	3.1
Unallocated and eliminations	-0.1	0.1	0.0	0.1
Comparable operating result (EBIT), total	2.3	0.9	6.6	3.2
Comparable operating result (EBIT), %	4.4%	2.4%	3.6%	1.9%
Items affecting comparability	-1.2	-1.6	-1.5	-3.8
Operating result (EBIT)	1.2	-0.7	5.1	-0.5

KEY FIGURES FOR PRODUCT AREAS**Orders received by product area*)**

EUR million	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Heat Treatment Technologies	16.0	13.9	60.1	34.1
Insulating Glass Technologies	17.9	15.9	70.5	53.6
Automotive & Display Technologies	7.2	4.4	16.5	7.3
Services	17.4	17.4	68.0	57.1
Unallocated and eliminations	0.4	0.5	1.1	1.4
Glaston Group, total	59.1	52.1	216.2	153.5

Order book by product area

EUR million	31.12.2021	31.12.2020
Heat Treatment Technologies	39.3	26.6
Insulating Glass Technologies	38.0	26.1
Automotive & Display Technologies	10.2	6.5
Services	7.3	4.7
Unallocated and eliminations	0.0	0.0
Glaston Group, total	94.8	63.9

Net sales by product area

EUR million	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Heat Treatment Technologies	14.9	8.6	48.0	40.2
Insulating Glass Technologies	16.7	12.1	58.1	60.3
Automotive & Display Technologies	4.1	1.1	11.5	12.5
Services	17.6	17.1	66.8	58.1
Unallocated and eliminations	-0.7	-0.5	-1.7	-0.9
Glaston Group, total	52.6	38.3	182.7	170.1

*) 6–9/2021 order intake for the Automotive and Display Technologies has been corrected downwards by EUR 1.4 million, also impacting segment and Group order intake and respective cumulative figures for the Jan–Jun 2021 and Jan–Sep 2021 periods

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 processing 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

The architectural market continued to see good progress during the fourth 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. For Insulating Glass equipment, high demand for the Thermoplastic Spacer (TPS®) technology continued, as well as for special lines, e.g. for fire-resistant glass and glass arripping. For the services business overall, the market was good. However, the supply chain disturbances created challenges for the spare parts business and pandemic-related travel restrictions continued to affect field service and spare parts operations.

In Glaston's main market area, the EMEA region, increasing market activity was noted, particularly in Europe, where market activity was high. The positive development in the architectural market boosted demand for advanced Heat Treatment and Insulating Glass technologies equipment. Demand was further supported by subsidy programs that were launched in a number of European countries. In addition, many customers typically aiming to finish their investments before the end of the year, and this effect was reflected in the good new machine and upgrade order intake particularly in the Heat Treatment business.

Driven by the residential glass sector, market recovery in North America continued at a good level. The increasing market activity boosted demand, especially for the Thermoplastic Spacer (TPS®) technology, as well as for the flat tempering and laminating lines. After a strong first half of the year, the Services market slowed down in the third quarter, continuing into the fourth quarter.

In China, strong market recovery was observed and customers showed increasing interest in large-sized lines and automation. The TPS® technology, as well as high-end Insulating Glass lines, were in high demand. Elsewhere in the APAC region, activity continued to remain at a lower level mainly due to coronavirus-related restrictions, although signs of increased activity were noted.

Supply chain disruptions such as material delivery times, raw material price increases and disturbances in logistics continued to impact the business.

Automotive glass

After a slow first quarter of 2021, the rest of the year showed a positive development with increasing investment activity in the market for new machinery.

In the fourth quarter, Automotive production continued to face difficulties due to supply chain shortages, particularly for computer chips. This resulted in lower activities for Glaston's customers, who are Tier 1 suppliers to automotive OEMs. The general market sentiment is still positive as development in the automotive end market has a better outlook with high end-customer demand, which automotive production is currently unable to fulfill.

Following the overall positive market sentiment, increased investment activity in the market for new machinery was noted as customers recognized the need to invest in order to fulfill future requirements. However, Services activity was affected by the supply chain shortages. In the display market, no major changes were observed and automotive displays showed increasing activity, similar to the automotive market itself.

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 North America is mainly driven by special products such as recreational vehicles (RV) and heavy vehicles. Typically, orders from North American customers are for highly customized solutions, taking advantage of Glaston's flexibility and ability to respond to the customers' special requirements. In other regions, investment activity remained subdued.

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

In **October–December 2021** orders received increased by 13% to EUR 59.1 (52.1) million compared to the corresponding period in the previous year. Order intake in all three segments grew. Order intake for Automotive and Display returned to more normal levels, increasing by 14% compared to the corresponding quarter in the previous year.

Orders received from **January–December 2021** amounted to EUR 216.2 (153.5) million, up 41% compared to the corresponding period in 2020. Comparison figures for the second and third quarters in the previous year were on a low level due to COVID-19-related market uncertainty.

Orders received*), EUR million	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Heat Treatment	23.5	20.7	89.0	56.1
Insulating Glass	25.1	22.2	95.0	75.7
Automotive & Display	10.0	8.8	31.2	20.2
Segments, total	58.6	51.6	215.1	152.1
Unallocated and eliminations	0.4	0.5	1.1	1.4
Glaston Group, total	59.1	52.1	216.2	153.5

*) 6–9/2021 order intake for the Automotive and Display Technologies has been corrected downwards by EUR 1.4 million, also impacting segment and Group order intake and respective cumulative figures for the Jan–Jun 2021 and Jan–Sep 2021 periods

The order book stood at EUR 94.8 (63.9) million at the end of the year. The Heat Treatment order book totaled EUR 45.6 (31.4) million, representing 48% of the order book, Insulating Glass EUR 38.5 (26.1) million, or 41%, and Automotive & Display EUR 10.7 (6.5) million, or 11% of the order book.

Order book, EUR million	31.12.2021	31.12.2020
Heat Treatment	45.6	31.4
Insulating Glass	38.5	26.1
Automotive & Display	10.7	6.5
Segments total	94.8	63.9
Unallocated and eliminations	0.0	0.0
Glaston Group total	94.8	63.9

Orders received and order book by product area

In the Heat Treatment Technologies product area, the steady development continued in the fourth quarter and orders received from October–December 2021 totaled EUR 16.0 (13.9) million. Orders were received globally, led by EMEA and North America. One of the highlights was the sale of the largest ever FC series tempering line. For the Insulating Glass Technologies product area, the second-highest quarterly order intake in 2021 was noted and order intake was EUR 17.9 (15.9) million. Demand for the TPS® Insulating Glass manufacturing lines remained on a high level. For example, deals were closed with customers in Portugal, Italy, the USA and China. In the Automotive & Display Technologies product area, the steady development continued, with the fourth quarter having the best quarterly order entry in 2021. Orders received amounted to EUR 7.2 (4.4) million, with China and the USA as the most active markets.

Orders received for the Services product area totaled EUR 17.4 (17.4) million. For Heat Treatment upgrades, yet another strong quarter was noted with major orders from, for example, Germany, the USA and Spain. Additionally, the positive development continued for IG Service upgrades and Automotive & Display upgrades. The spare parts business was under pressure due to supply chain disturbances. The Services product area accounted for 30 (33)% of orders received.

Orders received by product area*), EUR million	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Heat Treatment Technologies	16.0	13.9	60.1	34.1
Insulating Glass Technologies	17.9	15.9	70.5	53.6
Automotive & Display Technologies	7.2	4.4	16.5	7.3
Services	17.4	17.4	68.0	57.1
Unallocated and eliminations	0.4	0.5	1.1	1.4
Glaston Group, total	59.1	52.1	216.2	153.5

*) 6–9/2021 order intake for the Automotive and Display Technologies has been corrected downwards by EUR 1.4 million, also impacting segment and Group order intake and respective cumulative figures for the Jan–Jun 2021 and Jan–Sep 2021 periods

**Order book by product area,
EUR million**

	31.12.2021	31.12.2020
Heat Treatment Technologies	39.3	26.6
Insulating Glass Technologies	38.0	26.1
Automotive & Display Technologies	10.2	6.5
Services	7.3	4.7
Unallocated and eliminations	0.0	0.0
Glaston Group, total	94.8	63.9

Net sales

October–December 2021 net sales totaled EUR 52.6 (38.3) million. The Heat Treatment segment's net sales saw strong growth and increased by 48% to EUR 22.1 (14.9) million, mainly due to good order intake in the previous quarters and low comparison figures. Net sales in the Insulating Glass segment increased to EUR 23.1 (18.0) million as several customer projects were delivered in line with plans. Net sales in the Automotive & Display segment totaled EUR 7.3 (4.9) million, reflecting the higher order intake in the previous quarters. Of total net sales, the Heat Treatment segment accounted for 42%, the Insulating Glass segment for 44% and the Automotive & Display segment for 14%. Geographically, the EMEA region accounted for 55%, the Americas for 30% and Asia and the Pacific (APAC) for around 15% of the company's total fourth quarter net sales.

January–December 2021 net sales totaled EUR 182.7 (170.1) million. Net sales in the Heat Treatment segment increased by 21% and totaled EUR 74.7 (61.6) million. Net sales in the Insulating Glass segment were on the same level as in the previous year: EUR 81.6 (81.9) million. A slight increase, +4%, was noted in the Automotive & Display segment and net sales totaled EUR 25.6 (24.6) million.

Net sales, EUR million	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Heat Treatment	22.1	14.9	74.7	61.6
Insulating Glass	23.1	18.0	81.6	81.9
Automotive & Display	7.3	4.9	25.6	24.6
Segments total	52.5	37.9	181.9	168.2
Unallocated and eliminations	0.1	0.4	0.8	1.9
Glaston Group total	52.6	38.3	182.7	170.1

**Geographical distribution of net sales,
EUR million**

	10–12/2021	10–12/2020	1–12/2021	1–12/2020
The Americas	15.9	9.5	55.4	44.7
EMEA	28.7	20.4	95.7	94.4
APAC	7.9	8.3	31.5	30.9
Glaston Group total	52.6	38.3	182.7	170.1

Net sales by product area

October–December 2021 net sales in the Heat Treatment Technologies product area increased by 74% and totaled EUR 14.9 (8.6) million. Net sales in the Insulating Glass Technologies product area increased by 38% and totaled EUR 16.7 (12.1) million. Net sales in the Automotive & Display Technologies product area grew strongly to EUR 4.1 (1.1) million. Net sales in the Services product area increased slightly compared to the corresponding period in the previous year and was EUR 17.6 (17.1) million as net sales for upgrades and field service increased, but net sales for spare parts declined. Net sales of the Services product area accounted for 33 (45)% of total net sales.

Net sales by product area, EUR million	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Heat Treatment Technologies	14.9	8.6	48.0	40.2
Insulating Glass Technologies	16.7	12.1	58.1	60.3
Automotive & Display Technologies	4.1	1.1	11.5	12.5
Services	17.6	17.1	66.8	58.1
Unallocated and eliminations	-0.7	-0.5	-1.7	-0.9
Glaston Group, total	52.6	38.3	182.7	170.1

Operating result and profitability

October–December 2021 comparable EBITA was EUR 3.5 (2.1) million or 6.6 (5.4)% of net sales. Profitability was favorably impacted by the positive development in net sales. Profit improvement in the quarter was noted in the Insulating Glass and Automotive & Display segments. The comparable operating result was EUR 2.3 (0.9) million, or 4.4 (2.4)% of net sales. The fourth quarter operating result was EUR 1.2 (-0.7) million. Items affecting comparability amounted to EUR -1.2 (-1.6) million and were a result of the impairment of the balance sheet items related to the cooperation with Heliotrope Technologies, and to restructuring costs. Financial income and expenses amounted to EUR -2.1 (-0.6) million with a EUR 1.6 million negative impact from the impairment of the loan receivables from Heliotrope. The result before taxes was EUR -1.0 (-1.4) million. The result for the fourth quarter was EUR 0.1 (-2.2) million and earnings per share were EUR 0.002 (-0.026). The comparable earnings per share were EUR 0.023 (0.001).

January–December 2021 comparable EBITA amounted to EUR 11.1 (7.7) million, i.e. 6.1 (4.6)% of net sales. In the full year, EBITA improved strongly in the Heat Treatment segment and the Automotive & Display segment turned from loss to profit. EBITA in the Insulating Glass segment declined. The comparable operating result was EUR 6.6 (3.2) million, i.e. 3.6 (1.9)% of net sales. The Group's operating result was EUR 5.1 (-0.5) million. Items affecting comparability totaled EUR -1.5 (-3.8) million. Financial income and expenses amounted to EUR -3.5 (-2.3) million. The result before taxes was EUR 1.2 (-3.3) million. The result for the review period was EUR 1.1 (-5.5) million. Earnings per share were EUR 0.013 (-0.065) and comparable earnings per share were EUR 0.060 (0.013). The impairment of the balance sheet items related to the Heliotrope cooperation contributed to EBIT-included items affecting comparability by EUR -0.8 million, and financial items by EUR -1.6 million. The impairment also negatively impacted the result before taxes, the result for the review period, and both earnings per share and comparable earnings per share.

Comparable operating result (EBIT) and EBITA

EUR million	10–12/2021	10–12/2020	1–12/2021	1–12/2020
Operating result	1.2	-0.7	5.1	-0.5
Items affecting comparability ⁽¹⁾	1.2	1.6	1.5	3.8
Comparable EBIT	2.3	0.9	6.6	3.2
Operating result	1.2	-0.7	5.1	-0.5
Amortization and purchase price allocation	1.1	1.2	4.5	4.5
EBITA	2.3	0.4	9.6	4.0
Items affecting comparability ⁽¹⁾	1.2	1.6	1.5	3.8
Comparable EBITA	3.5	2.1	11.1	7.7
% of net sales	6.6%	5.4%	6.1%	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, and 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 fourth quarter in brief:

- Market recovery continued with growing demand for Heat Treatment equipment and Heat Treatment upgrades
- Healthy order backlog at EUR 45.6 million
- Net sales up 48% supported by stable order intake

HEAT TREATMENT SEGMENT KEY FIGURES MEUR

	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Orders received	23.5	20.7	89.0	56.1
Order book at end of period	45.6	31.4	45.6	31.4
Net sales	22.1	14.9	74.7	61.6
Comparable EBITA	0.7	0.8	3.4	2.0
Comparable EBITA, %	3.2%	5.4%	4.5%	3.2%
Comparable operating result (EBIT)	0.3	0.4	1.6	0.4
Comparable operating result (EBIT), %	1.2%	2.5%	2.1%	0.6%
Operating result (EBIT)	-0.3	-0.6	0.6	-1.2
Operating result (EBIT), %	-1.4%	-4.2%	0.8%	-2.0%
Net working capital	-19.0	-13.0	-19.0	-13.0
Employees at end of period	283	293	283	293

Orders received and order book

In the fourth quarter, the positive market trend continued and October–December 2021 order intake totaled EUR 23.5 (20.7) million. The segment's most significant orders were received for glass tempering lines RC and FC and a Jumbo line to countries such as the USA, Turkey, Italy and Australia. Demand for Heat Treatment upgrades was high with orders for several iControl upgrades, RC-zone and HTBS-zone heating chamber replacements, as well as Vortex Plus convection system upgrade orders. The most significant upgrade orders were received from the USA, Spain and Germany, among other countries. Spare parts volume declined whereas field services increased compared to the fourth quarter of 2020.

Orders received from January–December 2021 increased by 59% to EUR 89.0 (56.1) million. The Heat Treatment segment's order book stood at EUR 45.6 (31.4) million at the end of the year.

Net sales and profitability

October–December 2021 net sales in the Heat Treatment segment increased by 48% to EUR 22.1 (14.9) million. Net sales were mainly supported by the good order intake since Q4/2020. The share of the higher margin services business declined and a lower margin on a few projects further impacted profitability. The October–December 2021 comparable EBITA was EUR 0.7 (0.8) million, or 3.2 (5.4)% of net sales.

January–December 2021 net sales in the Heat Treatment segment totaled EUR 74.7 (61.6) million. Comparable EBITA amounted to EUR 3.4 (2.0) million, corresponding to 4.5 (3.2)% of net sales.

Production and working capital management

The capacity utilization rates of the Tampere and Tianjin machine assembly production facilities were on a good level in the fourth quarter and the healthy order backlog gives a good start for 2022. The Heat Treatment segment's net working capital was EUR -19.0 (-13.0) million.

Personnel

At the end of the year, the Heat Treatment segment employed 283 (293) people, most of them based in Finland.

Insulating Glass reporting segment

Glaston's Insulating Glass segment provides high technology machines for the manufacture of insulating glass, maintenance, upgrade and modernization services, as well as spare parts. The Insulating Glass segment includes the Insulating Glass product area and insulating glass machine services.

Insulating Glass segment's fourth quarter in brief:

- Strong market activity resulting in good order intake
- Due to a consistently good level of order intake during the year, net sales increased by 28%
- The factory in Germany is running at full capacity

INSULATING GLASS SEGMENT

KEY FIGURES

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Orders received	25.1	22.2	95.0	75.7
Order book at end of period	38.5	26.1	38.5	26.1
Net sales	23.1	18.0	81.6	81.9
Comparable EBITA	2.4	1.6	6.5	7.3
Comparable EBITA, %	10.5%	9.2%	8.0%	8.9%
Comparable operating result (EBIT)	1.9	1.1	4.6	5.2
Comparable operating result (EBIT), %	8.3%	6.3%	5.6%	6.4%
Operating result (EBIT)	1.7	0.7	4.6	3.6
Operating result (EBIT), %	7.5%	3.9%	5.6%	4.4%
Net working capital	-4.6	2.1	-4.6	2.1
Employees at end of period	359	330	359	330

Orders received and order book

In the fourth quarter, the Insulating Glass segment's market continued strong. The segment's orders received grew by 13% and totaled EUR 25.1 (22.2) million. In Europe, demand was strong and was supported by the successful participation at the Vitrum 2021 exhibition in Milan in October. Also, the government subsidies launched in many European countries supported customers' investment decisions. In China, a high increase in new orders was noted with a high demand for high-end IG lines and automation, such as the TPS® technology. Elsewhere in the APAC region, markets continued to be subdued. In North America, a quick market recovery was observed with increasing demand for the TPS® technology. The segment received several important insulating glass equipment orders from Europe, the USA and China. Insulating Glass Services recorded growth that was mainly due to higher field service and upgrade activity.

Orders received from January–December 2021 totaled EUR 95.0 (75.7) million. The Insulating Glass segment's order book stood at EUR 38.5 (26.1) million at the end of the period.

Net sales and profitability

Fourth quarter net sales in the Insulating Glass segment improved compared to the corresponding period in 2020 and totaled EUR 23.1 (18.0) million, mainly due to the improved order intake. A strong volume development boosted profitability. The comparable EBITA increased to EUR 2.4 (1.6) million, i.e. 10.5 (9.2)% of net sales.

January–December 2021 net sales were on the same level as the corresponding period in the previous year and totaled EUR 81.6 (81.9) million. Comparable EBITA amounted to EUR 6.5 (7.3) million, corresponding to 8.0 (8.9)% of net sales.

Production and working capital management

Capacity utilization at the company's insulating glass machine factory in Neuhausen-Hamberg, Germany was at an excellent level during the fourth quarter and the high number of planned projects were successfully delivered. The fourth quarter net working capital improved due to the high amount of advance payments and receivables collection, and was EUR -4.6 (2.1) million.

Personnel

At the end of the review period, the Insulating Glass segment employed 359 (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. The Automotive & Display segment includes the Automotive & Display Technologies product area and related machine services.

Automotive & Display segment's fourth quarter in brief:

- Positive market development culminating in the fourth quarter
- Net sales impacted by supply chain disruptions
- Factory running at full capacity

AUTOMOTIVE & DISPLAY SEGMENT

KEY FIGURES	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Orders received	10.0	8.8	31.2	20.2
Order book at end of period	10.7	6.5	10.7	6.5
Net sales	7.3	4.9	25.6	24.6
Comparable EBITA	0.4	-0.5	1.2	-1.6
Comparable EBITA, %	5.2%	-10.4%	4.7%	-6.6%
Comparable operating result (EBIT)	0.2	-0.7	0.4	-2.5
Comparable operating result (EBIT), %	2.6%	-14.8%	1.6%	-10.1%
Operating result (EBIT)	-0.2	-0.9	-0.1	-3.0
Operating result (EBIT), %	-2.7%	-17.7%	-0.4%	-12.0%
Net working capital	7.9	8.4	7.9	8.4
Employees at end of period	103	94	103	94

Orders received

After a slow start to the year, demand in the Automotive market picked up in the second quarter and the positive development culminated in the fourth quarter. Even though automotive production continued to face supply chain shortages, the general market sentiment is positive as overall development in the automotive end market has a better outlook. In order to meet future requirements, customers have identified the need to update their existing equipment. Consequently, increased investment activity for new machines was noted. Order intake increased by 20% compared to the corresponding period in the previous year and the segment's fourth quarter order intake was EUR 10.0 (8.8) million. Standard automotive products were in high demand with orders received from China, the USA and Europe.

The Automotive services markets were stable throughout the quarter, although on a lower than normal level due to supply chain disruptions. The interest in Automotive upgrades continued, even though order intake fell below the levels of the record high previous quarter.

The Automotive & Display segment's orders received from January–December 2021 totaled EUR 31.2 (20.2) million and the order book stood at EUR 10.7 (6.5) million at the end of the period.

Net sales and profitability

October–December 2021 net sales improved due to increased activity and stood at EUR 7.3 (4.9) million. Although at its highest in 2021, net sales was somewhat affected by component shortages. Sales in Services were steady throughout the quarter but still lower than usual due to supply chain disruptions in the industry. Volume increase had a positive impact on profitability. Compared to some earlier quarters, there was some impact from the lower share of services and less favorable market mix. Comparable EBITA turned to profit and was EUR 0.4 (-0.5) million.

January–December 2021 net sales totaled EUR 25.6 (24.6) million. Comparable EBITA turnaround was significant as EBITA improved to EUR 1.2 (-1.6) million, corresponding to 4.7 (-6.6)% 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 segment's fourth quarter net working capital was EUR 7.9 (8.4) million.

Personnel

Reflecting the changing market environment and improved order situation, the Automotive & Display segment's personnel grew compared to the corresponding period in the previous year. At the end of the review period, the segment employed 103 (94) people, most of them in Switzerland.

Financial position, cash flow and financing

At the end of December, Glaston Group's balance sheet total was EUR 197.3 (207.3) million. Intangible assets amounted to EUR 75.8 (76.9) million, of which goodwill was EUR 58.6 (58.3) million. At the end of the period, property, plant and equipment amounted to EUR 22.9 (23.1) million and inventories to EUR 27.3 (25.1) million. At the end of the year the contract assets of customer projects accrued at the pace of revenue recognition were netted against advance payments received for the projects. This resulted in around a EUR 25.7 million reduction in current assets and liabilities in the closing balance sheet for 2021.

The comparable return on capital employed (ROCE) was 6.1 (4.7)%.

At the end of December, the company's net gearing was 26.9 (48.8)%. The equity ratio was 42.3 (41.2)%. Net interest-bearing debt totaled EUR 18.3 (33.6) million. The average maturity of Glaston's long-term debt was 1.3 years at the end of the year.

In October–December 2021, cash flow from operating activities, before the change in net working capital, was EUR 1.4 (-0.2) million. Cash flow from the change in working capital was EUR 4.1 (3.7) million, reflecting the growth in order intake. Cash flow from operating activities was EUR 5.5 (3.5) million. Net cash flow from investing activities was EUR -2.6 (0.0) million and cash flow from financing activities was EUR -2.0 (-0.2) million.

In January–December, Glaston's cash flow from operating activities was EUR 19.3 (0.7) million. Cash flow from investing activities was EUR -3.1 (-2.2) million and cash flow from financing activities was EUR -13.8 (5.9) million.

Capital expenditure, depreciation and amortization

Glaston Group's January–December gross capital expenditure totaled EUR 5.2 (3.4) million and was primarily related to product development, real estate, and intellectual property rights. Depreciation and amortization of property plant, and equipment, and of intangible assets, totaled EUR -7.9 (-8.1) million.

Investments in product development, digitalization and innovation

In 2021, Glaston ramped up its research and product development efforts and aligned them with the updated strategy's cornerstone initiative *Innovate with customers to win*. The initiative focuses on strengthening Glaston's role as a technology leader through the seamless integration of customer understanding, joint and more rapid innovation and development work. In the last quarter of 2021, the focus was on establishing processes for integrating customer needs with Glaston's R&D and product management.

In 2021, projects and innovations related to automation, ease of use and self-learning were at the forefront of product development. Glaston continued to strongly focus on the development towards fully automated lines in insulating glass and heat treatment technologies, as well as automotive and display technologies. Significant steps towards developing a fully automated tempering line were taken during the early part of the year when the company completed the first part of the strategically significant FC series tempering machine order. The development of the new tempering process autopilot, which learns how to achieve the most optimal way of running the line, progressed.

In Insulating Glass Technologies, the development and field testing of the MULTI'ARRISSER arrossing machine were successfully completed. With the new MULTI'ARRISSER, Glaston has introduced a fast and user-friendly solution for high-quality arrossing of straight glass edges with proven cup wheel technology. The product was well received by customers and Glaston was able to secure several orders for the new machine in 2021. In addition, the CORNER'REFINER for sealed IG units was launched on the market. In Automotive & Display product development, the focus was on developing an adaptive and self-learning manufacturing process for high-end automotive and display glass, transforming the Swiss unit from machine supplier into a technology leader.

From January–December 2021, research and product development expenditure, excluding depreciation, totaled EUR 7.0 (6.4) million, of which EUR 1.8 (1.7) million was capitalized. Research and product development expenditure amounted to 3.8 (3.8)% of net sales.

Personnel

On 31 December 2021, Glaston Group had a total of 750 (723) employees. At the end of December, the Heat Treatment segment employed 283 (293) people, the Insulating Glass segment 359 (330) people and the Automotive & Display segment 103 (94) people. Of the Group's personnel, 35%, i.e. 260 employees, worked in Germany, 26%, i.e. 195, worked in Finland, 12% worked elsewhere in the EMEA area, 20% worked in Asia and 7% worked in the Americas.

Due to the pick-up in the Heat Treatment business that was noted at the end of 2020, the previously agreed temporary lay-offs in Finland were canceled as of February 2021. Reflecting the higher workload, short-time work in Glaston's Automotive business in Switzerland, introduced in autumn 2019, ceased from February onwards. However, Swiss production personnel temporarily returned to reduced working hours in May and June due to a lower workload.

As the COVID-19 pandemic was still ongoing, Glaston continued adopting the strict coronavirus safety guidelines in 2021. Many of Glaston's employees continued to work remotely in order to safeguard their own health and the health of production personnel.

During the summer, employees gradually started returning to the offices, with strict rules to prevent the spread of the virus. As the COVID-19 situation took a turn for the worse in many countries during the latter part of the year, a hybrid work model incorporating both remote and on-site work was introduced.

STRATEGY

Glaston's revised strategy and updated financial targets for 2021–2025 were approved in August 2021. 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. The roadmap for 2021–2025 builds on Glaston's business area-specific strategic initiatives, while the successful implementation of the strategy is supported by strong leadership and Group-wide cornerstone initiatives.

In the review period, the implementation of the five cornerstone initiatives continued. In the 'Innovate with customers to win' cornerstone initiative, a steering group was formed and the harmonization of sales tools and processes progressed. The 'Lead digital transformation' cornerstone initiative worked on Glaston's digital vision and targets and the shared business architecture for platform solutions and user interface standards. In the 'Empower Glastonians to thrive' cornerstone, the new leadership principles were launched and progress was made with the global competence mapping and talent review. In the 'Elevate sustainability & continuous improvement' cornerstone initiative, the Group-wide safety organization was formally nominated and the Group-wide reporting processes were established. In addition, the sustainability work and reporting were further developed and the Group's materiality assessment was updated. The 'Global sourcing and manufacturing' cornerstone initiative focused on a development roadmap of the sourcing function.

For the strategy period 2021–2025, the following financial targets have been set: i) Annual average net sales growth (CAGR) clearly exceeding the addressable equipment market growth of more than 5% ii) Comparable operating margin (EBITA) of 10% at the end of the strategy period and iii) Comparable return on capital employed (ROCE) of 16% at the end of the strategy period. In 2021, net sales growth was 7.4%, still partially impacted by the low order intake at the start of the pandemic. For comparable EBITA, the performance improved to 6.1% (4.6% in 2020). Comparable ROCE also improved to 6.1 (4.7% in 2020) and, excluding the exceptional write-off of loan receivables, comparable ROCE would have been 7.4%.

For the non-financial strategic targets, progress in the Group-wide safety target of zero lost time accidents (LTA) is measured using the Lost-Time-Injury-Frequency Rate, which improved to 3.3 from 10.8 in 2020. Glaston's CO₂ emissions (scope 1+2) were 2,608 tons of CO₂ and CO₂ intensity (tons of CO₂ per millions of euros in net sales) was 14.3, compared to 16.3 in 2020. The target is a reduction of CO₂ emissions (scope 1+2) in relation to net sales by 50% from the 2020 level. Measurement of Net Promoter Score (customer satisfaction) and employee engagement will start in 2022.

SUSTAINABILITY

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. In order to systematically develop Glaston's sustainability agenda, a Sustainability Working Group was established in September 2021 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 increased regulatory requirements and stakeholder expectations.

In the review period, the Sustainability Working Group reviewed the materiality assessment and the Executive Management Group approved the revised assessment in December. Most of the material topics remained the same: responsible own activities (personnel, environment, responsible business), responsible sourcing, responsible partner and responsible member of society. The indicators, objectives and outcomes were aligned with the strategy's non-financial targets. Climate-related risks and biodiversity were assessed by utilizing the framework of the Task Force on Climate-related Financial Disclosures (TCFD).

Regarding Glaston's greenhouse gas emissions, over 80% occur in Finland, Germany and China. In December 2021, Glaston made the decision to switch to renewable electricity at its production facilities in Finland and Germany as of January 2022, thereby significantly reducing its CO₂ emissions.

The EU taxonomy

The European Union has set an ambitious long-term goal to be climate neutral by 2050. The European Union's Sustainable Finance Classification System (EU taxonomy) was published in 2020 and contributes to the achievement of the EU environmental goals by channeling investments for the transition to a climate-neutral and environmentally sustainable economy. The taxonomy is not intended to classify companies as either sustainable or not. Rather, it is a system to determine whether products and services qualify as environmentally sustainable.

The taxonomy includes six environmental objectives and related technical screening criteria. The environmental objectives are: 1) climate change mitigation, 2) climate change adaptation, 3) the sustainable use and protection of water and marine resources, 4) the transition to a circular economy, 5) pollution prevention and control and 6) the protection and restoration of biodiversity and ecosystems. A taxonomy aligned activity must benefit at least one of the objectives without harming any of the others. Additionally, the activity has to meet the Minimum Social Safeguards.

The taxonomy currently covers measures related to climate change adaptation and mitigation and covers three types of activities: 1) activities that in and of themselves contribute substantially to one of the six environmental objectives; 2) transition activities for which there are no technologically and economically feasible low-carbon alternatives, but that support the transition to a climate-neutral economy in a manner that is consistent with a pathway to limit the temperature increase to 1.5 degrees Celsius above

pre-industrial levels and 3) enabling activities: activities that enable other activities to make a substantial contribution to one or more of the objectives.

The technical screening criteria form the basis for taxonomy reporting as these determine the conditions for making a substantial contribution to the environmental objective. For the first two objectives (climate change mitigation and climate change adaptation), the criteria were published in spring 2021. For the other four objectives, the criteria will be published in 2022.

Glaston has conducted an analysis of its operations and concluded that the Insulating Glass technologies and related services, as well as all equipment and services to solar energy technology providers, are enabling activities that substantially contribute to climate change mitigation.

Technical screening criteria are criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

The manufacture of energy efficiency equipment for buildings, Section 3.5 of Annex 1*), identifies the manufacturing of high-performance windows and their key components as an economic activity that significantly contributes to climate change mitigation. Insulated Glass Units (IGU) represent between 70 to 80% of the surface area of a window and are a key component affecting its energy efficiency, which has been demonstrated in studies of CO₂ savings**). In manufacturing energy-efficient windows on an industrial scale, the technical screening criteria for thermal conductivity (U value) of less than 1.0 W/m²K cannot be met without utilizing insulating glass units (IGU). Thus, insulating glass manufacturing technologies for IGU production are essential for achieving the set threshold.

The economic activities of manufacturing energy-efficient windows and doors are covered in Section 3.5 by NACE codes C16.23 and C25.12, in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. Glaston's insulating glass technologies and related services are enabling activities in accordance with Article 10 of Regulation (EU) 2020/852, and we have identified 44% of taxonomy eligible turnover. Capital expenditure to improve insulating glass equipment's capabilities, efficiency and suitability for different production environments is regarded as taxonomy eligible. In total, we have identified 12% of taxonomy eligible investments in 2021.

Similarly, Glaston's development of heat treatment equipment for processing glass for photovoltaic modules is regarded as an enabling activity as it is a key component for manufacturing renewable energy technologies (NACE C28.99). Further, the company's consultations regarding the production technologies and processes for photovoltaic glass are regarded as a development of the processes and technologies dedicated to reducing GHG emissions (NACE M71.1.2).

Taxonomy-eligible /non-eligible economic activities

Turnover

Taxonomy-eligible activities, %	44%
Taxonomy-non eligible activities, %	56%

CapEx

Taxonomy-eligible activities, %	12%
Taxonomy-non eligible activities, %	88%

OpEx

Taxonomy-eligible activities, %	0%
Taxonomy-non eligible activities, %	100%

Going forward, Glaston's conclusions on the taxonomy may change as the assessment criteria become more precise and further guidance is available.

*) COMMISSION DELEGATED REGULATION (EU) ... supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. C/2021/2800 final

**) Potential impact of high-performance glazing on energy and CO₂ saving in Europe, TNO, 2019.

SHARES AND SHAREHOLDERS

Glaston Corporation's shares are listed on the Nasdaq Helsinki Small Cap list. The trading code 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 31 December 2021 was EUR 12.7 (12.7) million.

1.1.-31.12.2021		No. of shares and votes	Share turnover, EUR million
GLA1V		84,289,911	20.6
	Highest Lowest	Closing	Average price *)
Share price	1.40 0.72	1.14	0.98
		31.12.2021	31.12.2020
Market value		96.1	75.0
Number of shareholders		7,427	7,352
Foreign ownership, %		27.3	27.3

*) trade-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 6.0%.

GOVERNANCE

Annual General Meeting 2021

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 will be 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 be authorized to decide on the repurchase of own shares, and on the issuance of shares and issuance of special rights entitling to shares. The number 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

Shareholders' Nomination Board

On 22 September 2021, Glaston announced the composition of the Shareholders Nomination Board.

The Shareholders' Nomination Board comprises one member appointed by each of the four largest shareholders of Glaston Corporation. The shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. on the first working day in September.

Based on the ownership on 1 September 2021, the following persons have been nominated as members of the Nomination Board: Lasse Heinonen (Ahlstrom Capital BV), Jaakko Kurikka (Hymy Lahtinen Oy), Pekka Pajamo (Varma Mutual Pension Insurance Company) and Esko Torsti (Ilmarinen Mutual Pension Insurance Company). Veli-Matti Reinikkala, Chairman of the Company's Board of Directors, has served as an advisory member of the Nomination Board.

In its organizing meeting on 22 September 2021, the Nomination Board elected Lasse Heinonen amongst its members as the Chairman.

On 15 December 2021, the Shareholders' Nomination Board disclosed its proposal concerning the Board composition and remuneration to the AGM 2022. According to the proposal, the Nomination Board proposed that the number of members of the Board of Directors would be seven and that Sebastian Bondestam, Antti Kaunonen, Sarlotta Narjus, Veli-Matti Reinikkala, Arja Talma, Tero Telaranta and Michael Willome be re-elected as Members of the Board of Directors. The Nomination Board proposed that the annual remuneration of the Members of the Board of Directors would be increased to be as follows: Chairman EUR 70,000 (60,000), Vice Chairman 43,000 (40,000) and Members EUR 33,000 (30,000).

Organizational and Executive Management changes

As of 1 January 2021, Glaston made changes to the Group structure as the Emerging Technologies operations, previously part of the Automotive & Emerging Technologies business area, were restructured and became part of the regional sales structure. As of the same date, Glaston's business areas are Glaston Heat Treatment Technologies, Glaston Insulating Glass Technologies and Glaston Automotive & Display Technologies.

On 1 February 2021, operations in Glaston's Brazilian subsidiary were discontinued. Going forward, customer support and sales have been conducted together with external parties.

On 12 March 2021, the appointment of Hannele Anonen as SVP People and Culture and a member of the Executive Management Group was announced. She took up her position on 1 August 2021 and reports to President & CEO Anders Dahlblom. In this connection, Taina Tirkkonen, General Counsel, and SVP Human Resources, continued as the company's General Counsel and member of the Executive Management Group.

In order to boost internal efficiency, on 30 September 2021, Glaston divested its glass handling business to Cimec Oy. In this connection, the companies signed a distribution agreement for handling devices and Glaston will continue to offer 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 did not have any impact on personnel.

SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES

The supply chain disruptions constitute the main short-term risk for Glaston's business operations. These disruptions are expected to continue into 2022 and Glaston is actively mitigating the higher than normal risks related to raw materials, 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 related to the pandemic in terms of its duration and new virus variants, which might be significantly more transmissible, such as the current Omicron variant, coupled with the potentially slow rollout of vaccinations and vaccines not working effectively against new and rapidly spreading variants of the virus, further complicating the situation. New lockdowns and more stringent travel restrictions are 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.

Labor shortages and rising employee turnover are a growing concern, especially in the USA. Glaston's ability to maintain a high level of job satisfaction among its employees, as well as attracting new employees, is further emphasized.

Glaston's long-term strategic and operational risks and uncertainties are described in detail in the Report of the Board of Directors.

EVENTS AFTER THE REPORTING PERIOD

On 27 January 2022 Glaston disclosed the share-based incentive plan 2022–2026 for the Group key employees in accordance with the terms and conditions materially corresponding to the terms and conditions of the share-based incentive plan 2019–2023. The Performance Share Plan comprises three performance periods, calendar years 2022–2024, 2023–2025, and 2024–2026. The Board of Directors resolves on the plan's performance criteria and on the performance levels at the beginning of each performance period. The key employees will receive the company's shares as a reward, if the performance levels of the performance criteria, set by the Board of Directors, are achieved.

Performance Period 2022–2024

The potential reward of the performance period 2022–2024 will be based on the Glaston Group's comparable EBITA*) and Service Net Sales during the period of 1 January 2022–31 December 2024. If the performance levels of the performance criteria for the performance period 2022–2024 are achieved in full, the payable rewards correspond to a maximum total of 700,000 Glaston Corporation shares, including also the proportion to be paid in cash.

The potential reward from the performance period 2022–2024 will be paid in 2025 in a manner resolved by the Board of Directors, either partly in the company's shares and partly in cash, in which case the cash proportion is intended to cover taxes and tax-related costs arising from the reward to the key employee, or fully in cash. The reward to be paid on the basis of the plan may be reduced if the reward cap set by the Board of Directors is reached.

In total 18 key persons, including the CEO and President and the members of the Executive Management Group, belong to the target group of the plan in the performance period 2022–2024.

*) Comparable EBITA: operating result before amortization, impairment of intangible assets and purchase price allocation excluding items affecting comparability

GLASTON'S OUTLOOK FOR 2022

In 2021, Glaston's markets saw a continued recovery and strong growth. We expect positive development to continue in 2022 with good progress for both machines and services business. At the start of 2022, our order backlog was 48% higher than the previous year providing a strong starting point for 2022 and supporting Glaston's net sales and profitability development. In 2022, Glaston will focus on the execution of its strategy which will incur costs and capital expenditure ahead of the effect on revenue growth. As the COVID-19 pandemic continues and supply chain disturbances have become a longer-term challenge, a higher than normal uncertainty is related to the development of economic activity and customers' investments.

Glaston Corporation estimates that its net sales and comparable EBITA will improve in 2022 from the levels reported for 2021. In 2021, Group net sales totaled EUR 182.7 million and comparable EBITA was EUR 11.1 million.

BOARD OF DIRECTORS' PROPOSAL ON THE DISTRIBUTION OF PROFITS

The distributable funds of Glaston Corporation are EUR 65,418,781, of which EUR 5,042,127 represents the loss for the financial year. The company has no funds available for dividend distribution. The Board of Directors proposes that, based on the balance sheet to be adopted for the financial period 2021, a return of capital of a total of EUR 2,528,697 be distributed, i.e. EUR 0.03 per share. There are 84,289,911 shares entitled to a return of capital, corresponding to a total return of capital of EUR 2,528,697.

The return of capital will be paid from the reserve for invested unrestricted equity to shareholders who are registered in the company's register of shareholders, maintained by Euroclear Finland Ltd, on the record date of 14 April 2022. The Board of Directors proposes that the return of capital be paid on 26 April 2022.

The Annual Review 2021, including the financial statements and the Board of Directors' review, will be available on the company website www.glaston.net on 22 March 2022, at the latest.

Helsinki, 14 February 2022
Glaston Corporation
Board of Directors

GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY – 31 DECEMBER 2021

This consolidated financial statements of Glaston Group are prepared in accordance with International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) and Interpretations issued by the International Financial Reporting Interpretations Committee (SIC and IFRIC). The Notes to the Financial Statements are also in accordance with the Finnish Accounting Act and Ordinance and the Finnish Companies' Act.

Glaston's Financial Statements are audited. Auditor's report has been given on 14 February 2022. 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	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Net sales	52.6	38.3	182.7	170.1
Other operating income	0.5	0.7	4.3	2.3
Expenses	-49.9	-37.6	-173.9	-164.8
Depreciation, amortization and impairment	-1.5	-1.5	-6.0	-6.0
Depreciation of right-of-use assets	-0.5	-0.5	-1.9	-2.1
Operating result	1.2	-0.7	5.1	-0.5
Financial items, net	-2.1	-0.6	-3.5	-2.3
Interest expenses on lease liabilities	-0.1	-0.1	-0.5	-0.5
Result before income taxes	-1.0	-1.4	1.2	-3.3
Income taxes	1.2	-0.8	-0.0	-2.2
Profit / loss for the period	0.1	-2.2	1.1	-5.5
Earnings per share, EUR	0.002	-0.026	0.013	-0.065
Operating result, as % of net sales	2.2	-1.8	2.8	-0.3
Profit / loss for the period, as % of net sales	0.3	-5.8	0.6	-3.2
Items affecting comparability	-1.2	-1.6	-1.5	-3.8
Comparable operating result	2.3	0.9	6.6	3.2
Comparable operating result, as % of net sales	4.4	2.4	3.6	1.9

STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Profit / loss for the period	0.1	-2.2	1.1	-5.5
Other comprehensive income that will be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	0.9	-0.3	1.4	-0.6
Cash flow hedges	0.2	0.1	-0.1	-0.3
Income tax on other comprehensive income	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	-2.8	-0.1	-2.8	-0.1
Exchange differences on actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	-0.0
Actuarial gains and losses arising from defined benefit plans	1.8	1.6	1.8	1.6
Taxes on actuarial gains and losses arising from defined benefit plans	-0.6	0.3	-0.6	0.3
Other comprehensive income for the reporting period	-0.5	1.5	-0.3	0.8
Total comprehensive income for the reporting period	-0.3	-0.7	0.8	-4.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.12.2021	31.12.2020
Assets		
Non-current assets		
Goodwill	58.6	58.3
Other intangible assets	17.2	18.6
Property, plant and equipment	22.9	23.1
Right-of-use assets	7.3	6.9
Financial assets measured at fair value through other comprehensive income	0.0	2.8
Loan receivables	2.9	2.1
Deferred tax assets	2.6	1.6
Total non-current assets	111.6	113.5
Current assets		
Inventories	27.3	25.1
Receivables		
Trade and other receivables	17.1	17.7
Contract assets	14.3	27.3
Assets for current tax	0.1	0.4
Total receivables	31.6	45.4
Cash equivalents	26.9	23.3
Total current assets	85.7	93.8
Total assets	197.3	207.3

EUR million	31.12.2021	31.12.2020
Equity and liabilities		
Equity		
Share capital	12.7	12.7
Other restricted equity reserves	0.3	0.1
Reserve for invested unrestricted equity	107.9	109.5
Other unrestricted equity reserves	-0.3	-0.2
Retained earnings and exchange differences	-53.6	-47.7
Net result attributable to owners of the parent	1.1	-5.5
Total equity	68.0	68.9
Non-current liabilities		
Non-current interest-bearing liabilities	30.4	44.0
Non-current lease liabilities	6.9	6.6
Non-current interest-free liabilities and provisions	0.3	0.8
Deferred tax liabilities	9.3	7.8
Total non-current liabilities	46.9	59.2
Current liabilities		
Current interest-bearing liabilities	6.2	4.6
Current lease liabilities	1.7	1.6
Current provisions	2.5	3.5
Trade and other current interest-free payables	69.3	67.2
Contract liabilities	2.1	1.4
Liabilities for current tax	0.8	0.9
Total current liabilities	82.4	79.2
Total liabilities	129.3	138.4
Total equity and liabilities	197.3	207.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Cash flows from operating activities				
Cash flow before change in net working capital	1.4	-0.2	7.1	3.0
Change in net working capital	4.1	3.7	12.2	-2.3
Net cash flow from operating activities	5.5	3.5	19.3	0.7
Cash flow from investing activities				
Purchases of non-current assets	-3.0	-0.7	-5.2	-3.4
Proceeds from sale of business	0.4	0.4	0.4	0.6
Proceeds from sale of other non-current assets	-0.0	0.3	1.6	0.6
Net cash flow from investing activities	-2.6	0.0	-3.1	-2.2
Cash flow before financing	2.9	3.4	16.2	-1.5
Cash flow from financing activities				
Increase in non-current liabilities	-	-	-	7.5
Changes in loan receivables (increase - / decrease +)	0.0	0.1	0.0	0.1
Decrease in short-term liabilities	-2.0	-0.3	-12.1	-1.6
Return of capital	-	-	-1.7	-
Net cash flow from financing activities	-2.0	-0.2	-13.8	5.9
Effect of exchange rate changes	1.3	-0.3	1.2	-1.0
Net change in cash and cash equivalents	2.3	2.9	3.6	3.4
Cash and cash equivalents at the beginning of period	24.6	20.3	23.3	19.9
Cash and cash equivalents at the end of period	26.9	23.3	26.9	23.3
Net change in cash and cash equivalents	2.3	2.9	3.6	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	-	-	-0.5	-3.6	-0.6	-4.7
Share-based plan	-	-	-	-	0.0	0.0
Share-based plan, tax effect	-	-	-	-	-0.0	-0.0
Other changes	-	-	-	-	0.1	0.1
Equity at 30 December 2020	12.7	109.5	-0.2	-56.8	3.6	68.9

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	-	-	0.0	-0.5	1.3	0.8
Share-based plan	-	-	-	-	0.2	0.2
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 December 2021	12.7	107.9	-0.2	-57.3	5.0	68.0

KEY RATIOS

	31.12.2021	31.12.2020
EBITDA, as % of net sales	7.1%	4.4%
Comparable EBITDA, as % of net sales	7.9%	6.7%
Operating profit (EBIT), as % of net sales	2.8%	-0.3%
Comparable operating profit (EBIT), as % of net sales	3.6%	1.9%
Comparable EBITA, as % of net sales	6.1%	4.6%
Profit / loss for the period, as % of net sales	0.6%	-3.2%
Gross capital expenditure, EUR million	5.2	3.4
Gross capital expenditure, as % of net sales	2.8%	2.0%
Equity ratio, %	42.3%	41.2%
Gearing, %	66.3%	82.6%
Net gearing, %	26.9%	48.8%
Net interest-bearing debt, EUR million	18.3	33.6
Capital employed, end of period, EUR million	113.2	125.8
Return on equity, %	1.6%	-7.7%
Return on capital employed, %	2.8%	-0.4%
Number of personnel, average	731	744
Number of personnel, end of period	750	723

PER SHARE DATA	31.12.2021	31.12.2020
Number of registered shares, end of period (1.000)	84 290	84 290
Number of shares, average (1.000)	84 290	84 290
EPS, total, basic and diluted, EUR	0.013	-0.065
Adjusted equity attributable to owners of the parent per share, EUR	0.81	0.82
Return of capital per share, EUR*	0.03	0.02
Return of capital yield / share*	2.63%	2.25%
Price per earnings per share (P/E) ratio	86.5	-13.7
Price per equity attributable to owners of the parent per share	1.41	1.09
Market capitalization of registered shares, EUR million	96.1	75.0
Share turnover, % (number of shares traded, % of the average registered number of shares)	24.4%	29.2 %
Number of shares traded, (1.000)	20 577	24 638
Closing price of the share, EUR	1.14	0.89
Highest quoted price, EUR	1.40	1.27
Lowest quoted price, EUR	0.72	0.58
Volume-weighted average quoted price, EUR	0.98	0.78

*The Board of Directors' proposal to the Annual General Meeting

FINANCIAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is managed through the 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 in 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 (net gearing ratio) and net 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 31.12.2021	8.1	26.9	35.0
Committed credit facilities 31.12.2020	15.4	19.6	35.0

Net interest bearing debt

EUR million	31.12.2021	31.12.2020
Loans from financial institutions	36.6	48.7
Lease liabilities	8.6	8.2
Cash	26.9	23.3
Total	18.3	33.6
Net gearing, %	26.4	48.8

Credit risk

The impact of the Covid-19-pandemic on credit risk is reviewed 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 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 December 2021 19.6 (15.3 on 31.12.2020) per cent of Group's trade receivables were secured by LCs.

Ageing analysis of trade receivables		Past due				
EUR million						
	Carrying amount of trade receivables after recognizing allowance account	Not past due	< 30 days	31-180 days	181 - 360 days	> 360 days
31.12.2021	12.5	9.4	1.7	0.7	0.2	0.5
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	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	23.5	20.7	89.0	56.1
Insulating Glass	25.1	22.2	95.0	75.7
Automotive & Display	10.0	8.8	31.2	20.2
Total segments	58.6	51.6	215.1	152.1
Unallocated and eliminations	0.4	0.5	1.1	1.4
Total Glaston Group	59.1	52.1	216.2	153.5

^{*}) 6-9/2021 order intake for the Automotive and Display Technologies has been corrected downwards by EUR 1.4 million impacting also segment and Group order intake and respective cumulative figures for the Jan-Jun 2021 and Jan-Sep 2021 periods

Net sales

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	22.1	14.9	74.7	61.6
Insulating Glass	23.1	18.0	81.6	81.9
Automotive & Display	7.3	4.9	25.6	24.6
Total segments	52.5	37.9	181.9	168.2
Unallocated and eliminations	0.1	0.4	0.8	1.9
Total Glaston Group	52.6	38.3	182.7	170.1

Operating result (EBIT)

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	-0.3	-0.6	0.6	-1.2
Insulating Glass	1.7	0.7	4.6	3.6
Automotive & Display	-0.2	-0.9	-0.1	-3.0
Total segments	1.2	-0.8	5.1	-0.6
Unallocated and eliminations	-0.1	0.1	0.0	0.1
Total Glaston Group	1.2	-0.7	5.1	-0.5
Operating result %	2.2%	-1.8%	2.8%	-0.3%

Comparable operating result (EBIT)

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	0.3	0.4	1.6	0.4
Insulating Glass	1.9	1.1	4.6	5.2
Automotive & Display	0.2	-0.7	0.4	-2.5
Total segments	2.4	0.8	6.6	3.1
Unallocated and eliminations	-0.1	0.1	0.0	0.1
Total Glaston Group	2.3	0.9	6.6	3.2
Comparable EBIT %	4.4%	2.4%	3.6 %	1.9%

Comparable EBITA

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Heat Treatment	0.7	0.8	3.4	2.0
Insulating Glass	2.4	1.6	6.5	7.3
Automotive & Display	0.4	- 0.5	1.2	-1.6
Total segments	3.5	1.9	11.1	7.6
Unallocated and eliminations	-0.1	0.1	0.0	0.1
Total Glaston Group	3.5	2.1	11.1	7.7
Comparable EBITA %	6.6%	5.4%	6.1%	4.6%

Segment assets

EUR million	1-12/2021	1-12/2020
Heat Treatment	67.2	69.8
Insulating Glass	67.8	78.4
Automotive & Display	32.2	28.6
Total segment assets	167.2	176.8
Other assets	30.1	30.4
Total assets	197.3	207.3

Segment liabilities

EUR million	1-12/2021	1-12/2020
Heat Treatment	37.7	33.0
Insulating Glass	30.3	35.1
Automotive & Display	5.7	4.0
Total segment liabilities	73.7	72.1
Other liabilities	54.3	66.3
Total liabilities	128.0	138.4

Personnel at the end of the period

EUR million	1-12/2021	1-12/2020
Heat Treatment	283	293
Insulating Glass	359	330
Automotive & Display	103	94
Others	5	6
Total personnel at the end of the period	750	723

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

EUR million	10-12/2021	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	23.5	18.3	24.4	22.8	20.7	7.6	8.7	19.7
Insulating Glass	25.1	19.3	30.9	19.5	22.2	21.6	11.5	21.2
Automotive & Display	10.0	7.5	8.9	4.8	8.8	3.8	3.6	4.2
Total segments	58.6	45.1	64.3	47.1	51.6	33.1	23.8	45.2
Unallocated and eliminations	0.4	0.3	0.3	0.1	0.5	0.3	0.2	0.5
Total Glaston Group	59.1	45.4	64.5	47.2	52.1	33.3	24.0	45.6

*) 6-9/2021 order intake for the Automotive and Display Technologies has been corrected downwards by EUR 1.4 million impacting also segment and Group order intake and respective cumulative figures for the Jan-Jun 2021 and Jan-Sep 2021 periods

Order book

EUR million	31.12.2021	30.9.2021	30.6.2021	31.3.2021	31.12.2020	30.9.2020	30.6.2020	31.3.2020
Heat Treatment	45.6	41.5	46.1	39,4	31.4	26.7	29.5	36.2
Insulating Glass	38.5	37.4	35.7	23,8	26.1	18.9	15.7	29.7
Automotive & Display	10.7	7.2	6.0	4,8	6.5	2.1	3.7	10.0
Total segments	94.8	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	0.0	0.2	0.2	0.6
Total Glaston Group	94.8	86.1	87.8	68,0	63.9	47.8	49.1	76.4

Net sales

EUR million	10-12/2021	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	22.1	21.0	17.6	13.8	14.9	12.2	15.1	19.4
Insulating Glass	23.1	19.1	18.2	21.3	18.0	17.4	24.1	22.4
Automotive & Display	7.3	6.0	7.2	5.2	4.9	6.0	9.5	4.2
Total segments	52.5	46.1	42.9	40.3	37.9	35.6	48.7	46.0
Unallocated and eliminations	0.1	0.3	0.3	0.1	0.4	0.3	0.2	1.0
Total Glaston Group	52.6	46.4	43.3	40.4	38.3	35.9	48.9	46.9

Operating result

EUR million	10-12/2021	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	-0.3	0.9	0.6	-0.5	-0.6	-0.5	-0.0	-0.1
Insulating Glass	1.7	1.6	0.3	0.9	0.7	0.4	1.0	1.4
Automotive & Display	-0.2	-0.2	0.6	-0.3	-0.9	-0.4	-0.4	-1.3
Total segments	1.2	2.2	1.5	0.1	-0.8	-0.5	0.6	0.1
Unallocated and eliminations	-0.1	0.0	0.1	-0.0	0.1	-0.0	-0.0	0.1
Total Glaston Group	1.2	2.3	1.6	0.1	-0.7	-0.5	0.6	0.1
Operating result %	2.2%	4.9%	3.6%	0.3%	-1.8%	-1.4%	1.1%	0.3%

Comparable operating result (EBIT)

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

Comparable EBITA

EUR million	10-12/2021	7-9/2021	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	0.7	1.8	0.6	0.3	0.8	0.2	0.5	0.6
Insulating Glass	2.4	1.4	0.9	1.8	1.6	1.2	2.0	2.4
Automotive & Display	0.4	-0.0	0.8	0.0	-0.5	-0.0	-0.1	-1.0
Total segments	3.5	3.2	2.3	2.1	1.9	1.4	2.4	2.0
Unallocated and eliminations	-0.1	0.0	0.1	-0.0	0.1	-0.1	-0.0	0.1
Total Glaston Group	3.5	3.2	2.4	2.1	2.1	1.3	2.3	2.0
Comparable EBITA %	6.6 %	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	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Re-structuring	-0.3	-1.6	-1.7	-3.8
Other	-0.9	-	0,3	-
Items affecting comparability⁽¹⁾	-1.2	-1.6	-1,5	-3.8

Comparable operating result (EBIT) and EBITA

EUR million	10-12/2021	10-12/2020	1-12/2021	1-12/2020
Operating result	1.2	-0.7	5,1	-0.5
Items affecting comparability ⁽¹⁾	1.2	1.6	1,5	3.8
Comparable EBIT	2.3	0.9	6,6	3.2
Operating result	1.2	-0.7	5,1	-0.5
Amortization and purchase price allocation	1.1	1.2	4,5	4.5
EBITA	2.3	0.4	9,6	4.0
Items affecting comparability ⁽¹⁾	1.2	1.6	1,5	3.8
Comparable EBITA	3.5	2.1	11,1	7.7
% of net sales	6.6%	5.4%	6,1 %	4.6%

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

EUR million	1-12/2021	1-12/2020
Carrying amount at beginning of the period	23.1	25.0
Additions	2.0	0.8
Disposals	-0.8	-0.4
Depreciation and amortization	-1.8	-2.1
Reclassification and other changes	-0.0	-0.2
Exchange differences	0.4	-0.1
Carrying amount at end of the period	22.9	23.1

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

EUR million

Changes in intangible assets	1-12/2021	1-12/2020
Carrying amount at beginning of the period	76.9	78.1
Additions	3.2	2.5
Disposals	-0.4	-
Depreciation and amortization	-4.2	-3.9
Reclassification and other changes	-0.1	0.2
Exchange differences	0.3	0.0
Carrying amount at end of the period	75.8	76.9

LEASES IN THE BALANCE SHEET

EUR million

Right-of-use assets	1-12/2021	1-12/2020
Carrying amount at beginning of the period	6.9	8.4
Additions	2.3	0.5
Depreciation expense	-1.9	-2.1
Carrying amount at end of the period	7.3	6.9

EUR million

Lease liabilities	1-12/2021	1-12/2020
Carrying amount at beginning of the period	8.2	9.9
Additions	2.2	0.4
Interest expense	0.5	0.5
Rental payment	-2.3	-2.6
Carrying amount at end of the period	8.6	8.2

LEASES IN PROFIT AND LOSS STATEMENT

EUR million

	1-12/2021	1-12/2020
Depreciation of right-of-use assets	-1.9	-2.1
Interest expense on lease liabilities	-0.5	-0.5
Short-term lease expense	-0.4	-0.3
Total amounts recognised in profit or loss	-2.7	-2.9

CONTINGENT LIABILITIES

EUR million

	31.12.2021	31.12.2020
Mortgages and pledges		
On own behalf	513.5	513.5
Guarantees		
On own behalf	8.5	9.0
On behalf of others	0.2	0.1

Mortgages and pledges include EUR 26.0 million shares in group companies.

At year end Glaston Tianjin Co. Ltd. has endorsed EUR 1.0 million of bank drafts. The expiring dates of the bank drafts are on the first half of year 2022.

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	31.12.2021		31.12.2020	
	Nominal value	Fair value	Nominal value	Fair value
Currency forwards				
Currency forward contracts	19.2	-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

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	-2.8	-
Reclassification	-	-
31.12.	0.0	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	31.12.2021				31.12.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Listed shares	-	-	-	-	-0.0	-	0.0	0.0
Other long-term investments	-0.0	-	0.0	0.0	-	-	2.8	2.8
Currency forward contracts	-	-	-	-	-	0.3	-	0.3
Total	-0.0	-	0.0	0.0	-0.0	0.3	2.8	3.2
Liabilities								
Currency forward contracts	-	-0.3	-	-0.3	-	-	-	-
Total	-	-0.3	-	-0.3	-	-	-	-

DEFINITIONS OF KEY RATIOS**Per share data**

Earnings per share (EPS):

Net result attributable to owners of the parent / Average number of shares

Dividend per share*:

Dividends paid / 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 / 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 / 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

At the beginning of the financial year, no new standards or amendments to standards have entered into force that would have had a material effect on the Glaston Group's financial statements. In April 2021, the IFRS Interpretations Committee issued a final agenda decision on the accounting for the costs of configuring and customizing cloud services (IAS 38 Intangible Assets). In the agenda decision, the Interpretation Committee considered whether, in applying IAS 38, the customer recognizes an intangible asset for the configuration and customization of the application and, if the intangible asset is not recognized, how the customer recognizes those configuration and customization costs. The Glaston Group has taken into account the effects of the agenda decision on the handling of cloud services and has determined that the decision has not had a significant effect on the Group's result, financial position or presentation of the financial statements.