

# Half-Year Financial Report 2020

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COMPONENTA

# Componenta Corporation's Half-year Financial Report 1 January – 30 June 2020

## Net sales increased, EBITDA weakened and cash flow improved

The information presented in this Half-Year Financial Report relates to the development of Componenta Group in January – June 2020 and in the corresponding period in 2019, unless otherwise stated. All financial figures in this report are for continued operations, unless otherwise stated. Continued operations during the reporting period included foundries in Pori and Karkkila, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland.

### January – June, H1 2020

- Net sales increased to EUR 36.7 million (EUR 22.3 million).
- EBITDA decreased to EUR 1.3 million (EUR 2.6 million).
- Operating result was EUR -1.6 million (EUR 1.7 million).

### April – June, Q2 2020

- Net sales increased to EUR 17.1 million (EUR 11.3 million).
- EBITDA decreased to EUR 0.5 million (EUR 1.0 million).
- Operating result was EUR -0.9 million (EUR 0.6 million).

### President and CEO Sami Sivuranta:

"During the second quarter of 2020, the COVID-19 pandemic further increased uncertainty in the market, and this meant decreased sales volumes for us. However, our net sales were increased by

Componenta Manufacturing Oy (previously Komasa Oy) which was not part of the Componenta Group during the comparison period. While decreased volumes were the main reason for weakened profitability, we were also affected by a temporary decline in productivity caused by challenges with quality.

During the first half of the year, we reduced our management and downsized administrative personnel. In the future, these actions will continue to have a positive impact on the company's fixed costs. Furthermore, the savings that we have sought through the acquisition and integration of Componenta Manufacturing Oy will materialize in our results with a delay.

The COVID-19 pandemic had a somewhat negative impact on Componenta's net sales and profitability during the second quarter of the year. In the future, several uncertainties will affect the development of sales volumes, especially in the short term, and it is estimated that the pandemic will continue to have a somewhat negative impact on the Group's net sales and profitability during the second half of 2020.

During the outbreak of the pandemic, we acted early to ensure the health and safety of our personnel and to minimize any negative financial impacts. We aimed to manage costs and diminish negative impacts by taking measures such as restricting investments and minimizing travel and use of external advisory services. We also adjusted through cooperation negotiations in all our business units, including Group's administration.

Despite the exceptional circumstances, we have been able to maintain our delivery capacity and good customer service. While restrictions due to the pandemic, issues in international procurement channels and financial uncertainties have taken their toll on our customers' production, Componenta has been able to secure its own production and ability to deliver by, for example, employing alternative raw material procurement channels.

During the reporting period, we strengthened our sales by appointing a new sales and marketing director, and by further clarifying the responsibilities and operating model of our sales. Through these changes, we are seeking more defined ownership for the sales in our profit centres. As a result of these actions, we have gained significant new business during the first half of 2020, which in turn will support us in achieving the Group's long-term growth and profitability

targets. The new sales volumes will start to show in the Group's net sales and profitability in the near future as the deliveries start. Our achievements in gaining new sales will, for their part, help compensate for the negative impact of the COVID-19 pandemic on the Group's net sales and EBITDA.

Our liquidity remained on a good level during the reporting period. In April, we also signed a new revolving credit facility agreement of EUR 2.0 million. By the end of June, the Group had EUR 5.3 million in undrawn committed credit facilities.

We will continue to focus on securing new sales volumes, improving the profitability of our key operations, and keeping our liquidity in control. These measures will help us secure our company's operations in the short term, recover rapidly after the pandemic and reach our long-term strategic goals."

## Key figures

	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Change %	Jan 1–Dec 31, 2019
Net sales, continued operations, MEUR	36.7	22.3	64.8%	50.7
EBITDA, continued operations, MEUR	1.3	2.6	-48.1%	1.6
Operating result, continued operations, MEUR	-1.6	1.7	-196.1%	-1.7
Operating result margin, continued operations, %	-4.4	7.6	-158.3%	-3.3
Result after financial items, continued operations, MEUR	-2.3	1.7	-236.6%	-2.1
Net result, continued operations, MEUR	-2.3	1.7	-235.5%	-2.1
Net result, including discontinued operations, MEUR	-2.3	0.7	-426.6%	14.6
Basic earnings per share, EUR	-0.01	0.00	-344.1%	0.08
Diluted earnings per share, EUR	-0.01	0.00	-344.1%	0.08
Cash flow from operating activities, continued operations, MEUR	6.4	6.1	5.8%	4.1
Interest-bearing net debt, MEUR*	6.1	-9.0	-167.8%	8.7
Return on equity, %	-31.2	7.2	-531.7%	83.0
Return on investment, %	-11.6	7.3	-258.6%	3.2
Equity ratio, %	24.1	39.1	-38.4%	29.4
Gross investments incl. lease liabilities, continued operations, MEUR	3.1	0.5	563.8%	2.8
Group's restructuring debt, MEUR	11.7	15.2	-23.3%	12.3
Number of personnel at the end of the period, incl. leased workers, continued operations	587	423	38.8%	617
Average number of personnel during the period, incl. leased workers, continued operations	596	445	33.9%	508
Order book at the end of the reporting period, continued operations, MEUR	8.3	4.3	93.9%	9.0

\*) Only interest-bearing restructuring debt included.

## Order book

At the end of June 2020, Componenta's order book of continued operations stood at EUR 8.3 million (EUR 4.3 million). The order book contains the orders confirmed to customers for the next two months. The increase in order book resulted mainly from the consolidation of Componenta Manufacturing Oy, as the company was not part of the Group during the comparison period.

## Net sales

Continued operations during the financial period included foundries in Pori and Karkkila, and metal product plants in Jyväskylä, Härmä, Kurikka, Leppävesi and Sastamala, Finland. Additionally, the Group has real estate business operations in Finland that are of limited importance.

Net sales of continued operations increased by 64.8% from the comparison period to EUR 36.7 million (EUR 22.3 million). The sales volumes decreased due to the COVID-19 pandemic, but net sales increased anyway due to the consolidation of Componenta Manufacturing Oy, as the company was not part of the Group during the comparison period.

By customer segment, Componenta's net sales in the reporting period were as follows: Machine building 47% (41%), agricultural machinery 22% (27%), forestry machines 7% (11%), energy industry 11% (8%), defence industry 7% (0%), and other industries in all 6% (13%).

## Result

EBITDA of the Group's continued operations weakened from the previous year to EUR 1.3 million (EUR 2.6 million). Componenta's profitability during the reporting period was burdened by reduced volumes due to the COVID-19 pandemic, but also by decrease in productivity caused by quality challenges and changes in product mix.

Operating result of the Group for the reporting period decreased compared to the previous year to EUR -1.6 million (EUR 1.7 million). Depreciation on machinery and equipment was EUR 1.1 million more than in the previous year. Net financial items were EUR -0.7 million (EUR -0.0 million). The increase in depreciation

on machinery and equipment and in net financial items resulted mainly from the consolidation of Componenta Manufacturing Oy, as the company was not part of the Group during the comparison period.

The net impact of deferred tax was EUR 0.0 million (EUR 0.0 million). The Group's result for the reporting period was EUR -2.3 million (EUR 0.7 million). The undiluted result per share for the financial period was EUR -0.01 (EUR 0.00).

## Balance sheet, financing and cash flow

At the end of the reporting period, the Componenta Group's total liabilities were EUR 43.0 million (EUR 30.9 million), of which the external restructuring debts were EUR 11.7 million (EUR 15.2 million, including EUR 2.5 million of external restructuring debts of Componenta Främlestad AB). Componenta Corporation's share of the external restructuring debts was EUR 7.2 million (EUR 7.5 million) and Componenta Castings Oy's share was EUR 4.4 million (EUR 5.2 million). The external restructuring debts include EUR 0.7 million (EUR 0.7 million) of interest-bearing debt, of which EUR 0.1 million (EUR 0.1 million) is short-term. In addition, other long-term liabilities amounted to EUR 10.5 million (EUR 2.3 million) and short-term accounts payable, accrued debts and other debts amounted to EUR 21.0 million (EUR 13.3 million). The increase in debt is mainly due to the consolidation of Componenta Manufacturing Oy with the Group, payment transfers permitted by pension companies and tax authority related to the COVID-19 pandemic, and the postponing of restructuring debt payments arranged with significant creditors of Componenta Castings Oy.

At the end of the reporting period, net gearing stood at 44.5% (-45.2%). Net gearing includes only interest-bearing liabilities of the restructuring debts. At the end of the reporting period, the Group's equity ratio stood at 24.1% (39.1%). At the end of the reporting period, Componenta Corporation's, Componenta Castings Oy and Componenta Manufacturing Oy had positive equity. The Group's equity was positive at EUR 13.7 million.

At the end of the reporting period, the company's invested capital stood positive at EUR 26.8 million (EUR 21.8 million), the return on investment was -11.6% (7.3%) and the return on equity -31.2% (7.2%).

At the end of the reporting period, the Group's cash and cash equivalents totalled EUR 7.0 million and comparable cash and cash equivalents excluding cash and cash equivalents from discontinued operations was EUR 9.0 million. After the reporting period, the Group's liquidity has remained good. On 22 April 2020 Componenta signed a new revolving credit facility agreement of EUR 2.0 million, and the Group had EUR 5.3 million in undrawn committed credit facilities at the end of the reporting period.

The net cash flow from operating activities of continued operations for the reporting period was EUR 6.4 million (EUR 6.1 million). The improved net cash flow from operating activities of continued operations is mainly caused by payment transfers permitted by pension companies and tax authority related to the COVID-19 pandemic, but also by the favourable development of working capital achieved by Componenta's own actions. At the end of the reporting period, working capital of continued operations (incl. inventory and receivables deducted by accounts payable) was EUR 5.2 million and at the end of year 2019 EUR 6.7 million. Less capital is employed in inventory and days sales outstanding (DSO) has shortened. Furthermore, days payables outstanding (DPO) has prolonged thanks to improved payment terms.

## Investments

The investments of continued operations amounted to EUR 2.3 million (EUR 0.5 million). The Group's net cash flow from investments was EUR -2.3 million (EUR -0.6 million), which includes the cash flow from the Group's investments in tangible and intangible assets. The net cash flow from investments of continued operations was EUR -2.3 million (EUR -0.4 million). The largest individual investment item was the new machinery acquired for the Härmä unit, for which installation was still ongoing at the end of the reporting period. With this investment, Componenta secures deliveries to certain clients in the long term, expands the offering of the Härmä unit and enhances its competitive advantage in heavy machining.

## Personnel

The average number of personnel in the Group during the reporting period was 591 (584) and including

leased personnel 596 (655). At the end of the reporting period, the number of personnel was 581 (562), and including leased personnel 587 (611).

## Risks and factors causing uncertainty to business

The most significant risks to Componenta's business in normal circumstances are risks related to the business environment (competition and price risk, commodities risks and environmental risks), risks related to business operations (customer, supplier, productivity, production and process risks, disruptions in the employment market, contract and product responsibility risks, personnel and data security risks) and financing risks (risks related to arranging financing and liquidity; currency, interest and credit risks).

Regarding the COVID-19-pandemic, Componenta is closely monitoring the development of markets and the situation of its customers and will adapt its operations accordingly. The pandemic is estimated to have a somewhat negative impact on net sales and profitability during the second half of the year. Componenta Group has already adjusted its operations by, for example, transferring payments related to taxes and pensions as permitted by the tax authority and pension companies, by temporarily laying off employees, and by agreeing upon postponement of payments of restructuring debts with significant creditors of Componenta Castings Oy. Componenta has also signed a new revolving credit facility agreement of EUR 2.0 million on 22 April 2020. In June 2020, Componenta was also granted EUR 0.1 million by Business Finland as funding for business development in disruptive circumstances. Should the weak economic situation caused by the pandemic continue, it can have significant effect on Componenta's customers and, in turn, on Componenta in the form of increased credit loss risk. Such prolonged situation could also impact Componenta's estimates and lead to impairment of assets. However, the Group's liquidity has improved after the financial statements of 2019, which will help the Group to keep the situation under control.

Regarding the ability of Componenta to continue as a going concern, the most significant risks and uncertainties are related to Componenta Corporation's and

Componenta Castings Oy's ability to make payments based on the restructuring programmes. Uncertainties and other business risks related to the company's ability to continue as a going concern have been described in detail in the half-year financial report tables.

## Restructuring programmes

The implementation of restructuring programmes has proceeded as planned. Componenta Corporation's and Componenta Castings Oy's repayment programmes commenced in 2019 and will end in 2023.

As protection against the effects of the COVID-19 pandemic and to secure liquidity in circumstances where it was very difficult to predict future business, Componenta Castings Oy has signed a payment plan with significant creditors for postponing payments which were due on 3 May 2020 and 3 November 2020. These two payments will be paid to the creditors evenly in conjunction with remaining (six)

instalments between 2021 and 2023. However, Componenta Castings Oy may pay the unpaid instalments earlier. Componenta Castings Oy will, nevertheless, pay the instalments defined in the repayment schedule to its parent company Componenta Corporation, so that Componenta Corporation can pay its restructuring debt instalments in accordance with the repayment schedule. Componenta Castings Oy's agreement improves the net cash flow from financing activities by EUR 0.3 million during 2020.

In accordance with the restructuring programme, Componenta Corporation has paid EUR 0.3 million of external restructuring debt on 11 May 2020, and Componenta Castings Oy has paid EUR 0.3 million of external restructuring debt and EUR 0.4 million of internal restructuring debt on 4 May 2020.

After these payments, the Group's external restructuring debts are EUR 11.7 million (30.6.2019: EUR 15.2 million, including EUR 2.5 million of external restructuring debts of Componenta Främmestad AB).

## Repayment schedule for external restructuring debt as of 30 June 2020

MEUR	2020	2021	2022	2023	Total
Componenta Corporation	0.3	0.7	0.7	5.4	7.2
Componenta Castings Oy	0.3	1.1	1.0	2.0	4.4
<b>Total</b>	<b>0.6</b>	<b>1.8</b>	<b>1.8</b>	<b>7.4*</b>	<b>11.7</b>

\*) The larger final instalment in Componenta Corporation's and Componenta Castings Oy's repayment programme is due to the fact that income from the sale of properties not included in core business operations has been taken into account. This income will be used to pay debt at the end of the programme. The final instalment also includes an additional obligation of EUR 3.2 million arising from the expiry of a loan guarantee of EUR 80 million.

## Repayment schedule for intra-Group restructuring debt as of 30 June 2020

MEUR	2020	2021	2022	2023	Total
Componenta Corporation	0.0	0.0	0.0	0.0	0.0
Componenta Castings Oy	0.4	0.7	0.7	1.5	3.3
<b>Total</b>	<b>0.4</b>	<b>0.7</b>	<b>0.7</b>	<b>1.5</b>	<b>3.3</b>

## Resolutions of Componenta's Annual General Meeting

Due to the exceptional circumstances and restrictions imposed by authorities resulting from the COVID-19 pandemic, the arrangements for Componenta's Annual General Meeting held on April 16, 2020 were unusual. Shareholders had the opportunity to follow the meeting remotely online and were able to exercise their right to vote through an authorised representative.

The Annual General Meeting of Componenta Corporation adopted the financial statements and the consolidated financial statements for the financial period from 1 January to 31 December 2019, approved the Corporation Remuneration Policy, and discharged the members of the Board of Directors and the CEO from liability concerning the financial period.

In accordance with the proposal of the Board of Directors, the General Meeting resolved that no dividend shall be distributed for the financial period ended on 31 December 2019.

The General Meeting resolved that the annual remuneration payable to the Chairman of the Board shall be 50,000 euro and the remuneration payable to other members of the Board of Directors shall be 25,000 euro. In addition, the members of possible committees of the Board of Directors will be paid an annual remuneration of 5,000 euro. Travel expenses of the members of the Board of Directors shall be compensated in accordance with the Company's travel policy.

The number of the members of the Board of Directors was resolved to be four (4). The General Meeting resolved to re-elect Harri Suutari, Anne Leskelä, Harri Pynnä and Petteri Walldén as Members of the Board of Directors.

The General Meeting elected Authorised Public Accountants PricewaterhouseCoopers Oy as the company's auditor. The Auditor with principal responsibility is Authorised Public Accountant Samuli Perälä. The auditor is remunerated according to the invoice approved by the company.

The General Meeting resolved to amend the Articles of Association of the company so that section 2 will stipulate as follows: "2. Field of Business: The company's field of business is to manufacture and sell engineering and foundry industry products and to engage in activity related to these as part of Componenta Corporation. To carry on its activities, the company may grant securities, guarantees and loans to its group companies and affiliated companies. The Company may offer administrative, financing, accounting and other services to its group companies and affiliated companies, and trade in securities and practice other investment activity."

## Board of Directors and management

In its organizational meeting immediately following the Annual General Meeting held on 16 April 2020, the Board of Directors elected Harri Suutari as the

Chairman of the Board and Anne Leskelä as the Vice Chairman of the Board.

The Corporate Executive Team of Componenta was reduced from seven to five members, effective 1 March 2020. The change aims at cost efficient administration and clearer responsibilities in the management of Componenta Corporation. In connection with this change, Pasi Mäkinen, previously Director, Material Services, was appointed Componenta's Chief Operating Officer as of 1 March 2020.

On 11 March 2020, Componenta announced that the Board of Directors had appointed M.Sc. (Eng.) Sami Sivuranta, 45, as the new President and CEO of Componenta. Since September 2019, Sivuranta has held the position of Director Business Development at Componenta, and during years 2004 – 2016 he has worked in various managerial positions at Componenta. Sivuranta has also served as Director Business Development at Parma Ltd. during 2016 – 2017 and as Executive Vice President Operations at HKScan Corporation during 2017 – 2019. The appointment took place immediately.

The composition of the Corporate Executive Team as of 30 June 2020 was: President and CEO Sami Sivuranta, General Counsel Mervi Immonen, CFO Marko Karppinen, and COO Pasi Mäkinen.

## Share capital and shares

The shares of Componenta Corporation are listed on the Nasdaq Helsinki stock exchange. During the financial period, the average share price was EUR 0.08 (EUR 0.14), the lowest price was EUR 0.06 (EUR 0.11) and the highest was EUR 0.12 (EUR 0.17). The share price at the end of June was EUR 0.07 (EUR 0.15). At the end of the financial period, the market value of the company's shares was EUR 16.6 million (EUR 29.6 million). Out of the entire share capital, 19.9% (20.0%) were traded during the financial period.

Componenta Corporation's share capital was EUR 1.0 million (EUR 1.0 million) at the end of June. At the end of the financial period, the total number of company's shares was 237,269,224 (177,269,224) and the company had 7,723 (7,846) shareholders.

## Conversion of stock options 2018A to stock options 2018B and market value of stock options 2018B

As announced on 10 February 2020, The Board of Directors of Componenta Corporation resolved to convert stock options 2018A that have been returned to the company to stock options 2018B. The Board of Directors announced the issue of stock options 2018 on 12 November 2018. The Board of Directors has converted 416,250 stock options 2018A to stock options 2018B. The number of stock options 2018A is now 2,013,750 in total, stock options 2018B 2,861,500 in total and stock options 2018C 2,445,250 in total.

The share subscription price for stock option 2018B is 0.128 euros per share, i.e. the trade volume weighted average quotation of the share on Nasdaq Helsinki Ltd. during 14 October – 8 November 2019. The share subscription price of the stock option may be decreased by the amount of the dividend and the amount of the distribution of assets resolved before the share subscription. The share subscription price will be credited to the company's reserve for invested unrestricted equity. The theoretical market value of one stock option 2018B is approximately 0.052 euros and the theoretical market value of stock options 2018B is approximately 150,000 euros in total. The theoretical market value of a stock option has been calculated by using the Black & Scholes stock option

pricing model with the following input factors: share price 0.114 euros, share subscription price 0.128 euros, risk free interest rate 0%, validity of stock options approximately 4.8 years and volatility 59.94%.

## Guidance for 2020

Componenta expects the net sales of continued operations to be EUR 65 – 80 million in 2020. EBITDA is expected to remain positive. Net sales of continued operations in 2019 was EUR 50.7 million and EBITDA was EUR 1.6 million.

Any increases in raw material prices, the general competitive situation and the development of customers' sales volumes may have an impact on the future outlook. According to current estimate, the COVID-19 pandemic will have a somewhat negative effect on net sales and profitability, but there are significant uncertainties regarding the future outlook due to poor visibility.

## Alternative performance measures

Componenta will continue to publish certain publicly available performance measures that can be derived from the IFRS financial statements. The calculations of these key financial figures were presented in Componenta's annual review published on 17 March 2020.

Helsinki, 24 July 2020

COMPONENTA CORPORATION  
Board of Directors

Componenta is a technology company which specializes in supplying cast and machined components to global manufacturers of vehicles, machines and equipment. The company's share is listed on Nasdaq Helsinki.

# Half-year financial report tables

## Accounting principles

Componenta Corporations' half-year financial report for January – June 2020 has been prepared in accordance with the accounting policies set out in IAS 34, Interim Financial Reporting, and should be read in conjunction with Componentas' Financial Statements for 2019, published on 17 March 2020. Componenta has applied the same accounting principles in preparing this half-year financial report as in the financial statements for 2019, except for the adoption of new IFRS-standards and IFRIC-interpretations effective in 2020. This half-year financial report is unaudited.

## New applied standards

This half-year financial report has been prepared using the same accounting principles as in 2019. In 2020 there has not been any new published standards that would have a material impact on Componenta.

## Restructuring programmes

The contents of the restructuring programmes are presented in detail in the consolidated financial statement published on 17 March 2020.

## Basis for consolidation

Following the confirmation of the restructuring decision, a restructuring programme supervisor was assigned to Componenta. According to the restructuring programme, the supervisor is required to submit a report on the implementation of the restructuring programme annually, as well as a final report at the conclusion of the restructuring programme. At the request of a creditor or the supervisor, the court may order the restructuring programme to lapse. Despite the limitations related to control under IFRS 10, the company believes that the inclusion of Componenta Castings Oy in the consolidated financial

statements of Componenta is justified and gives a true and accurate picture of the Group's result and financial position.

Still in the management's opinion, the preparation of a consolidated financial statement is justified because the functions of the company and its consolidated subsidiaries are closely related to each other and are interdependent. Accordingly, Componenta's financial information is given as a Interim Financial Report, which covers the financial information of the company and its subsidiaries under corporate restructuring as well as other companies under the parent company's control.

## Assumption of ability to continue as a going concern

This half-year financial report for January – June 2020 has been prepared on the going concern basis. It is assumed that Componenta can, during the foreseeable future, realize its assets and pay back its liabilities as part of normal operations within the framework of the restructuring programmes. When assessing the going concern principle, Componenta's management has taken into account the uncertainties and risks related to the various confirmed restructuring programmes, available funding sources and the cash flow estimates of the companies for the next 12 months. Due to limitations arising from the restructuring programmes, Componenta's assessment is that it has only a limited opportunity to influence how it can transfer cash funds and bank receivables between Group companies (such as subsidiaries' ability to distribute funds in the form of dividends, Group contributions or intra-Group loans) and the nature of new financing that the Group can acquire. In assessing the ability to continue as a going concern, the management has analyzed the impact of the approved restructuring programmes on the financial position and cash flow of the Group, the companies under restructuring proceedings and the parent company.

The Group's liquidity and the company's financial performance, as well as the success of the restructuring programmes and financing transactions are affected by the material uncertainties in accordance with the IFRS standards, which the Group management has taken into account when assessing the company's ability to continue as a going concern. It is possible that the restructuring will be unsuccessful, and the Group companies will file for bankruptcy. The implementation of the restructuring programmes may be unsuccessful due to, for example, the companies under restructuring being unable to repay the restructuring debts confirmed in the restructuring programmes confirmed by the courts, and the creditors in such circumstances being unwilling to renegotiate debt repayment arrangements that the companies would be able to satisfy.

When assessing the ability to continue as a going concern the management has analyzed the impacts of COVID-19 on the Group's financial position. Regarding the COVID-19-pandemic, Componenta is closely monitoring the development of markets and the situation of its customers and will adapt its operations accordingly by transferring payments related to taxes and pensions and temporarily laying off employees. Additionally, Componenta Castings Oy has agreed with its significant creditors upon postponement of payments of restructuring debts. To control the situation Componenta has strived to improve its liquidity by, for example, postponing tax and pension payments with EUR 5.5 million and by signing a new revolving credit facility agreement of EUR 2.0 million in April 2020. In June 2020, Componenta was also granted EUR 0.1 million as funding for business development in disruptive circumstances by Business Finland. Additionally, Componenta has gained significant new business deals during the first half of the year.

The pandemic had a slightly negative impact on net sales and profitability during the second quarter of the year. According to the latest estimates on net sales and EBITDA it is assessed that the COVID-19 pandemic will also have a slightly negative impact on net sales and profitability during the rest of the year, but this development involves uncertainties.

When assessing the ability to continue as a going concern, the significant estimates and assumptions

as well as uncertainties by the company and its management are as follows:

- Componenta Corporation and Componenta Castings Oy will be able to make the payments in accordance with the restructuring programmes. A material risk to the success of the restructuring programmes is the availability of working capital, because the main customers will support Componenta with shorter-than-normal sales terms and because the Group companies undergoing restructuring do not at the moment have access to external financing.
- Componenta Castings Oy will be able to partly make up for the volume that has decreased due to the bankruptcy of Componenta Främmestad AB with new orders placed by existing and new customers and succeed with the adaptation measures, particularly at the Pori foundry.
- When analyzing cash flow and liquidity forecasts for the companies over the next 12 months, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs.

When preparing cash flow and liquidity forecasts for the companies, the management has estimated the companies' future sales volumes, net sales, EBITDA margins, capital expenditure and working capital needs. These estimates are subject to material uncertainty in accordance with the IFRS standards, as there is no certainty that the anticipated sales volumes, sales prices and EBITDA margins will be achieved or that capital expenditure can be implemented as expected.

### **Accounting principles requiring judgement by the management**

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

When preparing this half-year financial report, the management has used significant judgements when making assumptions about the company's ability to continue as a going concern. Uncertainties related to the ability to continue as a going concern are presented in more detail above in the chapter Assumption of the ability to continue as a going concern. The management has made significant estimates and assumptions in determining the valuation of assets such as tangible and intangible assets, inventories and contingent liabilities. Additionally, the management has made assumptions on valuation of accounts receivables from the aspect of effects of COVID-19 pandemic. The management has assessed the situation from the point of view of both company's own business as well as the general

economic situation. The performed assessment did not lead to any changes in the valuation of accounts receivables.

As part of the assessment of COVID-19 impacts, management has assessed if there are any indications of impairment on the carrying amounts of Group's assets. The management has also estimated the recoverable amounts of these assets and assumed that there are no indications and that there is no need for impairment of the carrying amounts of Group's assets. These estimates and assumptions involve risks and uncertainty, and therefore it is possible that as conditions change, these forecasts will change, which may affect the assets recoverable amounts.

## Consolidated income statement

MEUR	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
<b>Continued operations:</b>			
Net sales	36.7	22.3	50.7
Other operating income	0.1	0.1	0.0
Operating expenses	-35.5	19.8	-49.1
EBITDA	1.3	2.6	1.6
<i>% of net sales</i>	3.7%	11.6%	3.1%
Depreciation, amortization and write-downs	-3.0	-0.9	-3.3
Operating result	-1.6	1.7	-1.7
<i>% of net sales</i>	-4.4%	7.6%	-3.3%
Financial income and expenses	-0.7	0.0	-0.4
Result after financial items	-2.3	1.7	-2.1
<i>% of net sales</i>	-6.3%	7.6%	-4.0%
Income taxes	0.0	0.0	0.0
Net result of continued operations	-2.3	1.7	-2.1
<b>Discontinued operations:</b>			
Net result of discontinued operations	0.0	-1.0	16.6
Net result	-2.3	0.7	14.6
<b>Allocation of net profit for the period</b>			
To equity holders of the parent	-2.3	0.7	14.6
<b>Earnings per share calculated on the profit attributable to equity holders of the parent</b>			
- Basic earnings per share, Group, EUR	-0.01	0.00	0.08
- Diluted earnings per share, Group, EUR	-0.01	0.00	0.08

## Consolidated statement of comprehensive income

MEUR	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
<b>Net result</b>	<b>-2.3</b>	0.7	14.6
<b>Continued operations:</b>			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	-	0.0	0.0
Total items that may be reclassified to profit or loss subsequently	<b>0.0</b>	0.0	0.0
Income tax on other comprehensive income	<b>0.0</b>	0.0	0.0
Other comprehensive income of continued operations, net of tax	<b>0.0</b>	0.0	0.0
<b>Discontinued operations</b>			
Revaluation of buildings and land areas, net of tax	-	-	0.6
Translation differences	-	-0.2	1.0
Other items	-	-	-27.2
Other comprehensive income of discontinued operations, net of tax	<b>0.0</b>	-0.2	-25.5
<b>Total comprehensive income</b>	<b>-2.3</b>	<b>0.5</b>	<b>-11.0</b>
Allocation of total comprehensive income			
To equity holders of the parent	<b>-2.3</b>	0.5	-11.0
<b>Total comprehensive income</b>	<b>-2.3</b>	<b>0.5</b>	<b>-11.0</b>

## Consolidated statement of financial position

MEUR	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
<b>Assets</b>			
Non-current assets			
Intangible assets	2.0	0.4	2.1
Goodwill	3.2	-	3.2
Tangible assets	32.1	20.6	31.8
Investment properties	0.0	0.0	0.0
Receivables	0.3	0.4	0.4
Total non-current assets	37.6	21.5	37.5
Current assets			
Inventories	8.3	10.4	9.2
Trade and other receivables	3.8	7.8	3.0
Cash and cash equivalents	7.0	11.0	4.5
Total current receivables	19.1	29.2	16.6
<b>Total assets</b>	<b>56.7</b>	50.7	54.1
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity			
Share capital	1.0	1.0	1.0
Other equity	12.7	18.8	14.9
Equity attributable to equity holders of the parent company	13.7	19.8	15.9
Shareholders' equity	13.7	19.8	15.9
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	10.2	1.2	10.4
Interest free liabilities and capital loans	9.9	13.4	10.4
Provisions	0.0	0.0	0.0
Deferred tax liabilities	0.6	1.4	0.6
Total non-current liabilities	20.7	16.0	21.4
Current liabilities			
Interest bearing liabilities	3.0	0.8	2.8
Interest free liabilities	19.1	14.0	13.6
Tax liabilities	0.0	0.0	0.0
Provisions	0.3	0.0	0.3
Total current liabilities	22.4	14.8	16.8
Total liabilities	43.0	30.9	38.2
<b>Total shareholders' equity and liabilities</b>	<b>56.7</b>	50.7	54.1

## Condensed consolidated cash flow statement

MEUR	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
<b>Cash flow from operating activities</b>			
<b>Continued operations</b>			
Result after financial items of continued operations	-2.3	1.7	-2.1
Depreciation, amortization and write-downs, continued operations	3.0	0.9	3.3
Net financial income and expenses, continued operations	0.7	0.0	0.4
Other income and expenses, adjustments to cash flow, continued operations	-0.1	0.7	1.5
Change in net working capital, continued operations	5.7	2.8	1.4
<b>Cash flow from operations before financing and income taxes, continued operations</b>	<b>6.9</b>	<b>6.1</b>	<b>4.5</b>
Interest received and paid and dividends received, continued operations	-0.5	0.0	-0.4
Taxes paid, continued operations	0.0	0.0	0.0
<b>Net cash flow from operating activities, continued operations</b>	<b>6.4</b>	<b>6.1</b>	<b>4.1</b>
<b>Net cash flow from operating activities, discontinued operations</b>	<b>-</b>	<b>1.2</b>	<b>1.3</b>
<b>Net cash flow from operating activities</b>	<b>6.4</b>	<b>7.3</b>	<b>5.3</b>
<b>Cash flow from investing activities</b>			
<b>Continued operations</b>			
Capital expenditure in tangible and intangible assets, continued operations	-2.3	-0.4	-1.3
Acquisitions	-	-	1.1
<b>Net cash flow from investing activities, continued operations</b>	<b>-2.3</b>	<b>-0.4</b>	<b>-0.2</b>
<b>Net cash flow from investing activities, discontinued operations</b>	<b>-</b>	<b>-0.1</b>	<b>-0.5</b>
<b>Net cash flow from investing activities</b>	<b>-2.3</b>	<b>-0.6</b>	<b>-0.7</b>
<b>Cash flow from financing activities</b>			
<b>Continued operations</b>			
Repayment of lease liabilities	-0.8	0.0	-0.8
Cost of share issue	-	-	-0.3
Draw-down of current loans	-	-	1.1
Repayment of current loans	-0.1	-0.8	-1.6
Repayment of non-current loans and other changes	-0.6	0.0	-2.0
<b>Net cash flow from financing activities, continued operations</b>	<b>-1.5</b>	<b>-0.8</b>	<b>-3.6</b>
<b>Net cash flow from financing activities, discontinued operations*</b>	<b>-</b>	<b>-0.3</b>	<b>-1.9</b>
<b>Net cash flow from financing activities</b>	<b>-1.5</b>	<b>-1.0</b>	<b>-5.5</b>
<b>Change in liquid assets</b>	<b>2.6</b>	<b>5.7</b>	<b>-0.8</b>
Cash and cash equivalents at the beginning of the period	4.5	5.3	5.3
Cash and cash equivalents at the period end	7.0	11.0	4.5

\*) Includes the derecognition of cash funds of the discontinued operations from the Group's statement of financial position.

## Statement of changes in consolidated shareholders' equity

MEUR	Share capital	Share premium account	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Cash flow hedges	Translation differences	Retained earnings	Shareholders' equity total
<b>Shareholders' equity Jan 1, 2020</b>	<b>1.0</b>	<b>0.0</b>	<b>7.9</b>	<b>0.6</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>3.9</b>	<b>15.9</b>
Net result								-2.3	-2.3
Comprehensive income items:									
Cash flow hedges									0.0
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.3</b>	<b>-2.3</b>
Transaction with owners:									
Option and share-based compensation								0.1	0.1
<b>Transactions with owners, total</b>								<b>0.1</b>	<b>0.1</b>
<b>Shareholders' equity Jun 30, 2020</b>	<b>1.0</b>	<b>0.0</b>	<b>7.9</b>	<b>0.6</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>13.7</b>
Comprehensive income items:									
Translation differences							-0.2		-0.2
Cash flow hedges				0.0		0.0			0.0
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.7</b>	<b>0.5</b>
Transaction with owners:									
Option and share-based compensation								0.0	0.0
<b>Transactions with owners, total</b>								<b>0.0</b>	<b>0.0</b>
<b>Shareholders' equity Jun 30, 2019</b>	<b>1.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>29.5</b>	<b>0.0</b>	<b>-1.0</b>	<b>-10.7</b>	<b>19.2</b>
Net result								0.7	0.7
Comprehensive income items:									
Translation differences							-0.2		-0.2
Cash flow hedges				0.0		0.0			0.0
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.7</b>	<b>0.5</b>
Transaction with owners:									
Option and share-based compensation								0.0	0.0
<b>Transactions with owners, total</b>								<b>0.0</b>	<b>0.0</b>
<b>Shareholders' equity Jun 30, 2019</b>	<b>1.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>29.5</b>	<b>0.0</b>	<b>-1.2</b>	<b>-10.0</b>	<b>19.8</b>

## Group development

### Group development by quarter, continued operations

MEUR	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Net sales	17.1	19.6	18.4	10.0	11.3	11.0
EBITDA	0.5	0.8	-0.3	-0.7	1.0	1.6
Operating result	-0.9	-0.7	-1.8	-1.6	0.6	1.1
Net financial items	-0.3	-0.4	0.0	-0.4	0.0	0.0
Result after financial items	-1.3	-1.0	-1.8	-2.0	0.6	1.1

### Order book at period end, continued operations

MEUR	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Order book	8.3	9.1	9.0	10.8	4.3	6.2

## Net sales

Componenta offers its clients services throughout the whole supply chain including planning, casting, machining, painting and logistical services. The main products sold by Componenta are non-machined, machined and painted iron cast components. Additionally the company produces machining services for its clients own products. Componenta serves clients, with which

Componenta has strong and long-term relationships. Geographically Componenta operates in Europe, but collaborations exist with companies that operate globally. Sales revenue that is insignificant from the Group's perspective is received from the leasing of office space and industrial premises.

## Net sales by market area

MEUR	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
Finland	30.4	15.5	38.7
Sweden	4.2	4.5	7.9
Germany	1.0	1.0	2.0
Other European countries	0.8	1.1	1.6
Other countries	0.2	0.1	0.2
Rental income	0.1	0.1	0.2
Continued operations	36.7	22.3	50.7
Discontinued operations	-	36.8	42.6
Internal items/eliminations	-	9.3	11.2
<b>Total</b>	<b>36.7</b>	<b>59.1</b>	<b>93.2</b>

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

## Quarterly net sales development by market area, continued operations

MEUR	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Finland	14.1	16.3	15.3	8.0	7.9	7.6
Sweden	1.9	2.2	2.2	1.3	2.3	2.3
Germany	0.6	0.4	0.5	0.4	0.6	0.4
Other European countries	0.4	0.5	0.3	0.2	0.4	0.5
Other countries	0.0	0.1	0.1	0.0	0.1	0.0
Rental income	0.0	0.1	0.0	0.1	0.0	0.1
<b>Total</b>	<b>17.1</b>	<b>19.6</b>	<b>18.4</b>	<b>10.0</b>	<b>11.3</b>	<b>11.0</b>

## Net sales by business area, continued operations

%	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
Machine building	47	41	39
Agricultural machinery	22	27	25
Forestry machines	7	11	10
Energy industry	11	8	12
Defence industry	7	0	3
Other industries	6	13	11
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Net sales by customer, continued operations

Componenta has one significant customer, which share of net sales are over 10%. This customer's share of net sales is 19.5% (23.9%).

## Disaggregation of revenue from contracts with customers, continued operations

Timing of revenue recognition, MEUR	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
At a point in time	36.6	-	50.5
Over time	0.1	-	0.2
<b>Total</b>	<b>36.7</b>	<b>0.0</b>	<b>50.7</b>

## Assets and liabilities related to contracts with customers

The Group balance sheet include the following assets and liabilities related to contracts with customers, which are based on revenue recognition over time.

	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
<b>MEUR</b>	<b>Assets based on contract</b>			<b>Liabilities based on contract</b>		
Jan 1	0.1	-	0.0	0.0	-	0.0
Revenue recognised that was included in the contract liability balance at the beginning of the period	-0.1	-	-	-	-	-
Increase from revenue	-	-	-	-	-	0.0
Portion of assets related to contracts, transferred to receivables at of period	-	-	0.0	-	-	-
Changes related to acquired business	-	-	0.0	-	-	-
Additions in assets, related to contracts, regarding satisfied, but not billed performance obligations	-	-	0.1	-	-	-
<b>Jun 30/Dec 31</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Unsatisfied performance obligations

The table below presents transaction prices allocated on the remaining performance obligations. The table includes revenues, which will be recognised in the future and which relate to unsatisfied or partly satisfied performance obligations on the reporting day. The company utilizes the practical expedient permitted and do not present unsatisfied performance obligations of those contracts, where the length of the contract is one year or less.

MEUR	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
Contracts with customers	1.3	-	3.8

# Changes in tangible and intangible assets

## Changes in tangible assets

MEUR	Jan 1 – Jun 30, 2020	Jan 1 – Jun 30, 2019	Jan 1–Dec 31, 2019
<b>Acquisition cost at the beginning of the period</b>	<b>116.2</b>	<b>142.8</b>	<b>142.8</b>
<b>Right-of-use assets (IFRS 16)</b>	<b>10.0</b>	<b>0.4</b>	<b>0.4</b>
Translation differences	0.0	-1.0	-1.6
Additions	3.0	0.7	2.5
Companies acquired	0.0	0.0	18.0
Revaluation of buildings and land areas	0.0	0.0	0.0
Disposals and transfers between items	0.0	0.0	-35.9
<b>Acquisition cost at the end of the period</b>	<b>129.1</b>	<b>142.8</b>	<b>126.2</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-94.4</b>	<b>-122.4</b>	<b>-122.4</b>
Translation differences	0.0	0.8	1.4
Accumulated depreciation on disposals and transfers	0.0	0.2	33.8
Accumulated depreciation on companies acquired	0.0	0.0	-2.6
Depreciations, amortizations and write-downs during the period	-2.7	-0.8	-4.6
<b>Accumulated depreciation at the end of the period</b>	<b>-97.1</b>	<b>-122.2</b>	<b>-94.4</b>
<b>Carrying amount at the end of the period</b>	<b>32.1</b>	<b>20.6</b>	<b>31.8</b>

## Changes in intangible assets

MEUR	Jan 1 – Jun 30, 2020	Jan 1 – Jun 30, 2019	Jan 1–Dec 31, 2019
<b>Acquisition cost at the beginning of the period</b>	<b>20.9</b>	<b>18.4</b>	<b>18.4</b>
Translation differences	0.0	0.0	-0.1
Additions	0.2	0.3	0.2
Companies acquired	0.0	0.0	2.3
Disposals and transfers between items	0.0	-0.3	0.0
<b>Acquisition cost at the end of the period</b>	<b>21.1</b>	<b>18.4</b>	<b>20.9</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-18.8</b>	<b>-18.0</b>	<b>-18.0</b>
Translation differences	0.0	0.0	0.1
Accumulated depreciation on disposals and transfers	0.0	0.0	0.0
Accumulated depreciation on companies acquired	0.0	0.0	-0.7
Depreciations, amortizations and write-downs during the period	-0.2	-0.2	-0.2
<b>Accumulated depreciation at the end of the period</b>	<b>-19.1</b>	<b>-18.0</b>	<b>-18.8</b>
<b>Carrying amount at the end of the period</b>	<b>2.0</b>	<b>0.4</b>	<b>2.1</b>

## Goodwill

MEUR	Jan 1 – Jun 30, 2020	Jan 1 – Jun 30, 2019	Jan 1–Dec 31, 2019
<b>Acquisition cost at the beginning of the period</b>	<b>3.2</b>	-	0.0
Additions	-	-	3.2
<b>Carrying amount at the end of the period</b>	<b>3.2</b>	-	3.2

# Lease liabilities

## Changes in right-of-use assets

MEUR	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Acquisition cost at the beginning of the period	10.0	1.7	1.7
Transaction effect of IFRS 16-standard	-	0.4	0.4
Additions	0.8	0.1	1.4
Disposals	-	-	-0.5
Companies acquired	-	-	8.2
Depreciation	-0.9	-0.1	-1.2
Translation differences	-	-0.1	-0.1
<b>Carrying amount at the end of the period</b>	<b>9.8</b>	<b>2.1</b>	<b>10.0</b>

# Values of financial assets and liabilities

MEUR, Jun 30, 2020	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Investments measured at fair value through other comprehensive income	Lease liabilities	Other financial assets and liabilities	Total
<b>Non-current assets</b>						
Loan receivables		-				-
Other receivables		0.1				0.1
<b>Current assets</b>						
Cash and cash equivalents		7.0				7.0
Accounts receivables		2.3				2.3
<b>Total financial assets</b>		<b>9.5</b>				<b>9.5</b>
<b>Non-current liabilities</b>						
Lease liabilities				7.7		7.7
Other loans		1.9				1.9
Trade payables and advances received		0.2				0.2
Interest-bearing restructuring debts		0.6				0.6
<b>Current liabilities</b>						
Lease liabilities				1.5		1.5
Other loans		1.3				1.3
Trade payables and advances received		5.4				5.4
Interest-bearing restructuring debts		0.1				0.1
<b>Total financial liabilities</b>		<b>9.6</b>		<b>9.2</b>		<b>18.8</b>

<b>MEUR, Jun 30, 2019</b>	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Investments measured at fair value through other comprehensive income	Lease liabilities	Other financial assets and liabilities	Total
<b>Non-current assets</b>						
Loan receivables		0.1				0.1
Other receivables		0.1				0.1
<b>Current assets</b>						
Cash and cash equivalents		11.0				11.0
Accounts receivables		6.4				6.4
<b>Total financial assets</b>		<b>17.6</b>				<b>17.6</b>
<b>Non-current liabilities</b>						
Lease liabilities				0.3		0.3
Other loans		0.4				0.4
Trade payables and advances received		0.3				0.3
Interest-bearing restructuring debts		0.6				0.6
<b>Current liabilities</b>						
Lease liabilities				0.5		0.5
Other loans		0.1				0.1
Trade payables and advances received		4.8				4.8
Interest-bearing restructuring debts		0.1				0.1
<b>Total financial liabilities</b>		<b>6.3</b>		<b>0.8</b>		<b>7.1</b>

Interest free restructuring debts are not included in the table.

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

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

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

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

## Contingent liabilities

MEUR	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Real-estate mortgages			
For own debts	3.2	3.2	3.2
Business mortgages			
For own debts	12.4	-	10.0
Pledges			
For own debts	7.8	-	7.8
Other leasing commitments	0.1	0.1	0.1
Other commitments	0.2	0.4	0.2
<b>Total</b>	<b>23.7</b>	<b>3.7</b>	<b>21.3</b>

### Secured liabilities

MEUR	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Liabilities secured with real estate or business mortgages			
Interest-bearing restructuring debts	0,5	0,6	0,5
<b>Total</b>	<b>0,5</b>	<b>0,6</b>	<b>0,5</b>
Liabilities secured with pledges and business mortgages			
Loans from financial institutions	3,0	-	3,0
<b>Total</b>	<b>3,0</b>	<b>0,0</b>	<b>3,0</b>

## Related party transactions

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

Componenta did not have any transactions with related parties in 2020 nor 2019. Salaries and remunerations paid to the management are presented annually in the consolidated financial statements.

# Key figures

	Jan 1–Jun 30, 2020	Jan 1–Jun 30, 2019	Jan 1–Dec 31, 2019
Equity ratio, %	24.1	39.1	29.4
Equity per share, EUR	0.06	0.11	0.07
Invested capital at period end, MEUR	26.8	21.8	29.1
Return on investment, %	-11.6	7.3	3.2
Return on equity, %	-31.2	7.2	83.0
Net interest-bearing debt, MEUR	6.1	-9.0	8.7
Net gearing, %	44.5	-45.2	54.9
Order book, MEUR	8.3	4.3	9.0
Investments in non-current assets incl. lease liabilities, continued operations, MEUR	3.1	0.5	2.8
Investments in non-current assets incl. lease liabilities, discontinued operations, MEUR	-	0.5	0.4
Investments in non-current assets excl. lease liabilities, Group, MEUR	2.3	0.6	1.3
Investments in non-current assets incl. lease liabilities, Group, MEUR	3.1	1.0	3.1
Investments in non-current assets incl. lease liabilities, continued operations, % of net sales	8.4	2.1	5.4
Average number of personnel during the period, continued operations	591	404	480
Average number of personnel during the period, incl. leased personnel, continued operations	596	445	508
Average number of personnel during the period, Group	591	584	602
Average number of personnel during the period, incl. leased personnel, Group	596	655	650
Number of personnel at period end, continued operations	581	388	617
Number of personnel at period end, incl. leased personnel, continued operations	587	423	617
Number of personnel at period end, Group	581	562	617
Number of personnel at period end, incl. leased personnel, Group	587	611	617
Share of export and foreign activities in net sales, continued operations, %	17.4	30.1	23.2
Contingent liabilities, MEUR	23.7	3.7	21.3
	<b>Jan 1–Jun 30, 2020</b>	<b>Jan 1–Jun 30, 2019</b>	<b>Jan 1–Dec 31, 2019</b>
<b>Per Share Data</b>			
Basic earnings per share, EUR	-0.01	0.00	0.08
Diluted earnings per share, EUR	-0.01	0.00	0.08
Cash flow per share, EUR	0.00	0.00	0.00

## Calculation of key financial figures

Return on equity, % (ROE)	= $\frac{\text{Profit (Group) after financial items – income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes + non-controlling interest (average of the figures for the accounting period)}}$
Return on investment, % (ROI)	= $\frac{\text{Profit (Group) after financial items + interest and other financial expenses} \times 100}{\text{Shareholders' equity + interest bearing liabilities (average of the figures for the accounting period)}}$
Equity ratio, %	= $\frac{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest} \times 100}{\text{Balance sheet total – advances received}}$
Earnings per share, EUR (EPS)	= $\frac{\text{Profit after financial items – income taxes} + / - \text{non-controlling interest} - \text{deferred and paid interest on hybrid loan}}{\text{Average number of shares during the financial period}}$
Earnings per share with dilution, EUR	= As above, the number of shares has been increased with the possible warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price (= average trading price). After tax interest expense of the possible convertible loan has been added to the profit of the period. Number of shares that can be subscribed by the loan has been added to the number of total shares.
Cash flow per share, EUR (CEPS)	= $\frac{\text{Net cash flow from operating activities}}{\text{Average number of shares during the financial period}}$
Equity per share, EUR	= $\frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Net interest bearing debt, MEUR	= Interest bearing liabilities + preferred capital notes – cash and bank accounts
Net gearing, %	= $\frac{\text{Net interest bearing liabilities} \times 100}{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest}}$
EBITDA, EUR	= Operating profit + Depreciation, amortization and write-downs + / - Share of the associated companies' result

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