

**Half-Year
Financial Report**
1 January–30 June 2024



COMPONENTA

Componenta Corporation's Half-Year Financial Report 1 January–30 June 2024

Net sales and EBITDA decreased despite of positive developments in Q2 compared to Q1/2024

January–June 2024

- Net sales totalled EUR 50.0 million (EUR 60.2 million)
- EBITDA was EUR 1.9 million (EUR 5.4 million)
- The operating result was EUR -0.8 million (EUR 2.5 million)
- Cash flow from operating activities was EUR 1.8 million (EUR 5.4 million)

April–June 2024

- Net sales totalled EUR 26.4 million (EUR 29.5 million)
- EBITDA was EUR 2.1 million (EUR 2.6 million)
- The operating result was EUR 0.7 million (EUR 1.1 million)
- Cash flow from operating activities was EUR 2.6 million (EUR 4.7 million)

The information presented in this half-year financial report concerns Componenta Group's performance in January–June 2024 and in the corresponding period of 2023 unless otherwise stated. The figures in this bulletin are unaudited.

Sami Sivuranta, President and CEO

"The first half of the year presented two different streams. In the first quarter, the development of volumes and the order book remained well below expectations, particularly because of the low level of demand prevailing in the agricultural machinery industry across Europe. Overall, the decrease was caused by lower delivery volumes in the first half of the year and lower main raw material and energy index levels included in sales prices compared with the corresponding period in the previous year. Our

order book started to grow slightly in the second quarter. In May, we also announced a deal in the defence equipment industry, the impacts of which will become visible in the company's operations during the rest of the year and in the coming years.

In the first quarter, our profitability was weakened by low operating rates, especially in the Karkkila and Pori foundries, combined with volume products taken into serial production. These had a clear impact on production efficiency and the quality level, but systematic measures to improve quality were successfully implemented during the second quarter. We also adjusted our operations to meet the temporarily lower volume and order book levels. As a result of this, profitability improved clearly during the second quarter compared with the first quarter.

We expect volumes in the second half of the year to be better than in the first half. The ongoing ramp-up of serial products will have a positive impact on our result as deliveries return to their expected level. While there are differences in order backlogs between customers and sectors, the outlook for 2024 as a whole remains generally positive. Our liquidity remained at a good level throughout the first half of the year.

Inflation has levelled off, but the impacts of the political strikes in the early part of the year continued to burden our profitability in the second quarter.

We were able to maintain good service capability across the Group despite the challenging operating environment. The general availability of raw materials and other materials is currently at a good level. We are actively monitoring market developments and ensuring that our own supply chains continue to

work effectively. There are currently no significant near-term risks in the availability of electricity, but the prices and price fluctuations of electricity were higher than expected in the second quarter.

In line with our strategy, sustainability is one of the priorities in our operations and their development. For example, we are currently carrying out energy audits in our units for new energy efficiency measures. During the review period, we continued to prepare for the requirements of the CSRD on corporate sustainability reporting, according to which Componenta is required to report for 2024. We are determined to continue to meet our customers' expectations and demands in the coming years. As a contract manufacturer, we will continue to actively pursue measures to strengthen our market position, and we are working to be the preferred sustainable total supplier to our customers, with a wide offering."

Guidance for 2024 unchanged

Componenta expects the Group's net sales and EBITDA to improve year-on-year. The Group's net sales in 2023 were EUR 101.8 million, and its EBITDA was EUR 5.3 million. The improvement in net sales and EBITDA in 2024 is expected to focus clearly on the second half of the year.

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

Order book

Componenta's order book increased from the previous year and was EUR 10.8 million at the end of June 2024 (EUR 10.4 million). The order book contains the orders confirmed to customers for the next two months.

Agreement with the Defence Forces

Componenta announced on 31 May 2024 that the Minister of Defence had approved the proposal of the Ministry of Defence, supported by the Finance Committee of the Parliament of Finland, to acquire 120 mm shell-tailed compositions for the Defence Forces during 2025–2028. The total value of the transaction is around EUR 50 million, including an option worth around EUR 9 million for 2028.

Net sales

Componenta's net sales decreased by 17% during the review period and were EUR 50.0 million (EUR 60.2 million). The decrease was caused by lower delivery volumes, especially in the first quarter of the year, and lower main raw material and energy index levels included in sales prices. Net sales were divided between customer industries as follows: machine building 41% (43%), agricultural machinery 23% (34%), forest machinery 7% (7%), the energy industry 11% (8%), the defence equipment industry 12% (3%) and other industries 6% (5%).

Result

The Group's EBITDA decreased during the review period, amounting to EUR 1.9 million (EUR 5.4 million). The Group's operating result decreased during the review period, amounting to EUR -0.8 million (EUR 2.5 million). The lower sales volumes in the review period caused over half of the decrease in the EBITDA compared with last year. The rest of the decrease in the EBITDA was caused by the temporarily lower-than-normal profitability of new volume products that went into serial production, and by internal quality challenges and the strikes in the early part of the year, as well as the index development of electricity and main raw materials. However, productivity and internal quality developed favourably during the second quarter.

The Group's net financial items totalled EUR -1.2 million (EUR -1.1 million). Financial expenses increased by EUR 0.1 million from the comparison period because of the working capital loan drawn down in December 2022 and March 2023, totalling EUR 4.0 million, and the new EUR 2.0 million working capital loan drawn down in the review period, as well as the

credit facility in use during the review period. There were no significant changes in market interest rates during the review period.

The Group's result after financial items was EUR -2.0 million (EUR 1.4 million). Taxes totalled EUR 0.0 million (0.1 million) for the review period. The Group's

net result for the period was EUR -2.0 million (EUR 1.4 million).

Basic earnings per share were EUR -0.20 (EUR 0.15) for the review period. Diluted earnings per share were EUR -0.20 (EUR 0.14) for the review period.

Key figures

	Jan 1–June 30, 2024	Jan 1–June 30, 2023	Change, %	Jan 1–Dec 31, 2023
Net sales, EUR thousand	50,007	60,228	-17.0	101,809
EBITDA, EUR thousand	1,915	5,411	-64.6	5,278
Operating result, EUR thousand	-794	2,503*	-131.7	3,762**
Operating result, %	-1.6	4.2*	-138.2	3.7**
Result after financial items, EUR thousand	-1,989	1,374	-244.8	1,568
Net result, EUR thousand	-1,989	1,428	-239.4	1,547
Basic earnings per share, EUR	-0.20	0.15	-239.3	0.16
Diluted earnings per share, EUR	-0.20	0.14	-239.7	0.16
Cash flow from operating activities, EUR thousand	1,832	5,434	-66.3	1,126
Interest-bearing net debt, EUR thousand	8,876	1,786	397.0	9,097
Net gearing, %	37.6	7.0	436.9	35.6
Return on equity, %	-16.2	11.4	-241.5	6.2
Return on investment, %	-4.0	12.9	-131.1	9.8
Equity ratio, %	40.3	41.2	-2.1	45.0
Capital expenditure incl. lease liabilities, EUR thousand	1,356	1,689	-19.7	4,066
Number of personnel at the end of the period, incl. leased workers	627	636	-1.4	615
Average number of personnel during the period, incl. leased workers	622	638	-2.5	631
Order book at the end of the period, EUR thousand	10,807	10,419	3.7	14,532

* Minor adjustments have been made to the comparison period 2023 (profit effect approx. EUR 5 thousand) due to a change in the principle of preparing real estate valuations. More information about the change in the accounting principle and its effects on previous years' figures can be found in the section "Valuation of properties and land areas" in the accounting principles for the consolidated financial statements published 15th March 2024.

** The operating result for 2023 includes a non-recurring income of EUR 4.2 million from the reversal of the impairment loss related to the foundry business's production machinery and equipment. More information on the reversal of the impairment loss can be found in the note "Tangible assets" in the consolidated financial statements published 15th March 2024.

Balance sheet, financing and cash flow

At the end of the review period, the company's invested capital stood at EUR 38.9 million (EUR 40.3 million), and the return on investment was -4.0% (12.9%). The return on equity was -16.2% (11.4%). The Group's equity ratio stood at 40.3% (41.2%) at the end of the review period. The Group's equity was EUR 23.6 million (EUR 25.4 million). The equity ratio and equity decreased as a result of weak performance in the review period. The Group's net interest-bearing debt totalled EUR 8.9 million (EUR 1.8 million). Its net gearing stood at 37.6% (7.0%) at the end of the review period. The change in net interest-bearing debt and net gearing from the comparison period was affected

by the weaker cash position and the new working capital loan of EUR 2.0 million drawn down in April 2024.

Componenta Group's total liabilities on 30 June 2024 stood at EUR 35.4 million (EUR 36.6 million). Long-term liabilities amounted to EUR 12.6 million (EUR 12.3 million), and short-term liabilities totalled EUR 22.8 million (EUR 24.3 million). The Group's liabilities included EUR 4.7 million (EUR 4.4 million) in loans from financial institutions. In the review period, Componenta agreed on a new EUR 2.0 million working capital loan with LocalTapiola and Elo Mutual Pension Insurance Company. The loan was drawn down in full on 12 April 2024. The loan period is five years, with standard terms and conditions. In May 2024, Componenta entered into

a financing arrangement of up to USD 3.0 million with MPL, a US investor. Under the financing arrangement, the company may, at its sole discretion, raise funds in the form of a loan from MPL in instalments of up to USD 750,000. Against the loan, the company then issues convertible debentures to MPL, with a maturity of three years. The annual interest rate on the convertible debentures is 4%. The company may, at any time, redeem convertible debentures from MPL by paying the principal amount and any accrued interest to MPL. MPL may demand the conversion of a convertible debenture after 18 months have passed from the issue of the convertible debenture. The subscription price per share in the conversion corresponds to 91.5% of the company's average daily volume-weighted share price over a period of five consecutive trading days following the date when MPL requests conversion. The subscription price in the conversion will be set off by converting the convertible debentures. No funds had been drawn down under the financing arrangement by the date of this half-year report. The Group's other debt items mainly consisted of working capital items and lease liabilities.

At the end of the review period, the Group's cash and cash equivalents totalled EUR 6.5 million (EUR 13.0 million). At the end of the review period, Componenta had EUR 4.0 million (EUR 4.0 million) in unused committed credit facilities, in addition to the convertible bond arrangement (USD 3.0 million) mentioned above. In April 2024, Componenta repaid the EUR 1.0 million loan drawn down from a committed credit facility in early 2024.

The Group's net cash flow from operating activities in the review period was EUR 1.8 million (EUR 5.4 million). The change in the cash flow was mainly related to profitability being lower than in the comparison period, especially in the first quarter of the year. At the end of the review period, working capital (including inventories and accounts receivable, less accounts payable) totalled EUR 7.3 million (EUR 6.5 million). The change is mainly explained by normal seasonal variation in working capital.

Capital expenditure

Capital expenditure made by the Group totalled EUR 1.4 million (EUR 1.7 million). The Group's net cash from

investing activities was EUR -0.7 million (EUR -1.2 million), which includes the Group's cash flow from capital expenditure in tangible and intangible assets.

Research and development activities

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

Personnel

The Group's average number of personnel during the review period was 589 (592), or 622 (638) including leased employees. The Group's average number of personnel at the end of the review period was 593 (595), or 627 (636) including leased employees.

Risks and business-related uncertainties

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

The availability of certain raw materials such as recycled steel, pig iron, structural steel, aluminium and energy at competitive prices, as well as the uninterrupted supply of energy, is essential for the Group's business operations. Market prices for electricity remained at a relatively high level on average during the review period, and the price variation is very high on a daily and hourly basis.

Because of increased geopolitical tensions, the availability of raw materials and other materials continues to involve uncertainties in Componenta's operational activities. In addition, global challenges with the availability of certain components for customers may lead to production disruptions in our end customers' plants and thereby affect Componenta's sales volumes in the short term.

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

Componenta has no significant and immediate risk concentrations related to Russia or Ukraine among its customers or suppliers of goods. Componenta has no operations of its own in Russia or Ukraine. The Russian war of aggression has had an impact on the general price development and availability of raw materials such as structural steel and pig iron, and on the development of energy prices. The war has had an indirect impact on the supply chains of Componenta's manufacturers of steel materials and wholesalers through the price development and availability of iron ore and coal, for example. The continuation of the war and an unfavourable development of the geopolitical situation can continue have a negative impact on the financial market, sales volumes, the availability and price development of raw materials and energy and the availability of foreign labour, which increases uncertainty in terms of forecasts.

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

Componenta's business operations depend on the reliability of production plants, supply and delivery channels and the related processes and systems. Componenta is also closely monitoring developments in the labour market. The quality, accuracy and availability of information are extremely important, as information technology plays a significant role in the operations of Componenta and its suppliers and customers. If materialised, IT and cybersecurity risks may expose Componenta to disruptions and interruptions in operations and the loss or distortion of data, which may lead to interruptions in

product availability. Componenta pays close attention to cybersecurity risks and monitors its customers' situations and notifications.

Componenta continuously monitors the liquidity risk. The financing of the company's business operations is based on income financing, committed and drawn-down loans from financial institutions, credit facilities in force until September 2025, the convertible bond arrangement established in May 2024, and factoring arrangements. Any termination or non-renewal of factoring arrangements or credit facilities can create uncertainties for Componenta's liquidity. The Group's liquidity was at a good level at the end of the review period. At the end of the review period, Componenta had EUR 4.0 million in unused committed credit facilities and a convertible bond arrangement of up to USD 3.0 million agreed with MPL, a US investor. The share subscription facility agreed with GCF, a US investor, expired in June 2024.

Componenta's revolving credit facilities and working capital loans include the following financial covenant conditions: interest-bearing net debt / rolling 12-month EBITDA are a maximum of 3.0 and the equity ratio is at least 25%. In accordance with the agreed terms, the covenants are reviewed every six months on June 30 and December 31 and are valid for as long as the liability or amount related to the loan agreements remains unpaid or undisbursed. Due to the low rolling 12-month EBITDA, the first covenant condition was breached on 30 June 2024 and the company received waivers from the financing institutions during June 2024 to the situation on 30 June. Unfavorable EBITDA development during a rolling 12-month period may cause the covenants to be breached.

A more detailed description of the uncertainties related to the continuity of the company's operations and other business risks is provided under "Accounting principles requiring the management's judgement".

Flagging notifications

Componenta received no flagging notifications during the review period.

Resolutions of the Annual General Meeting

Componenta Corporation's Annual General Meeting (AGM) was held in Vantaa on 10 April 2024. The AGM

adopted the financial statements and consolidated financial statements for 2023 and discharged the members of the Board of Directors and the CEO from liability for the 2023 financial year (1 January to 31 December 2023). In accordance with the Board of Directors' proposal, the AGM decided that no dividend be paid based on the balance sheet confirmed for the financial year that ended on 31 December 2023.

The AGM decided that the Board of Directors consists of five members. The AGM re-elected Tomas Hedenborg, Anne Koutonen, Harri Suutari and Petteri Walldén as members of the Board. Lars Wrebo was elected as a new member of the Board. The AGM decided that the annual remuneration payable to the Chair of the Board of Directors would be EUR 50,000, and that the annual remuneration payable to other members of the Board would be EUR 30,000, in accordance with the proposal of the Shareholders' Nomination Board. The members of any committees of the Board of Directors will be paid an annual remuneration of EUR 5,000. In addition, Board members who live outside Finland and travel to Finland for a meeting will be paid a fee of EUR 1,000 per meeting.

At its inaugural meeting after the AGM, the Board of Directors elected Harri Suutari as Chair of the Board and Anne Koutonen as Vice Chair of the Board. The AGM elected the audit firm PricewaterhouseCoopers Oy as the company's auditor, with Ylva Eriksson, Authorised Public Accountant, as the principal auditor. The AGM selected BDO Oy, an authorised sustainability audit firm, as the company's sustainability auditor, with Laura Castrén, APA, Authorised Sustainability Auditor, as the principal sustainability auditor.

The AGM authorised the Board of Directors to decide on share issues in one or more instalments so that the share issue can be carried out either by issuing new shares or by transferring treasury shares held by the company. The total number of shares to be issued or transferred under the authorisation may not exceed 961,563 shares, which correspond to around 9.9% of all the shares in the company. The new shares may be issued and the treasury shares held by the company may be transferred for consideration or without consideration.

The Board of Directors will decide on all the terms and conditions of the issue of new shares and the transfer of the company's own shares. Based on the authorisation, the Board of Directors may also decide on a share issue in deviation from the pre-emptive subscription right of the shareholders (directed issue) subject to conditions mentioned in the Finnish Limited Liability Companies Act. The authorisation also includes the right to decide on the issue of new shares to the company itself without consideration. For example, the Board of Directors may use the authorisation as compensation in acquisitions, to develop capital structure, to broaden the ownership base, to acquire assets related to the company's business operations or to finance or carry out other business transactions, or for other purposes decided by the Board of Directors. However, the authorisation may not be used for the implementation of incentive programmes for the company's management or key personnel.

The authorisation is valid until the end of the next Annual General Meeting, but no longer than until 30 June 2025. For the sake of clarity, it is stated that the authorisation does not revoke the authorisation granted to the Board of Directors at the Annual General Meeting on 13 April 2023 to decide on the issue of shares and special rights entitling their holders to shares for incentive schemes, under which a maximum of 400,000 shares may be issued. However, the authorisation revokes other previous unused authorisations to issue shares.

The AGM decided to amend the Articles of Association by adding a new Article 8 on a sustainability auditor. As a result of the amendment, the numbering of the current Articles 8, 9 and 10 will change accordingly to Articles 9, 10 and 11. The AGM decided that the future Article 11 of the Articles of Association concerning the matters to be discussed at the Annual General Meeting will be supplemented by adding a new sub-item 10 on the election of the sustainability auditor and by adding to sub-item 6 a mention of the fee and the reimbursement criteria for the travel expenses of the auditor and the sustainability auditor.

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

Board of Directors and management

Componenta's Board of Directors consists of Harri Suutari (Chair), Anne Koutonen (Vice Chair), Tomas Hedenborg, Petteri Walldén and Lars Wrebo. The Board members' term of office ends at the close of the next AGM.

On 30 June 2024, the Group's Corporate Executive Team consisted of the following members: Sami Sivuranta, President and CEO; Marko Karppinen, CFO; Pasi Mäkinen, COO; and Hanna Seppänen, General Counsel.

Share capital and shares

The shares of Componenta Corporation are listed on the Nasdaq Helsinki. The average share price during the review period was EUR 2.67 (EUR 2.74). The lowest price was EUR 2.12 (EUR 2.30), and the highest was EUR 3.55 (EUR 3.25). The quoted price at the end of the review period was EUR 3.08 (EUR 2.80). The market value of all shares in the company at the end of the review period was EUR 29.9 million (EUR 27.2 million), and the volume of shares traded during the review period year was 13.5% (11.8%) of all shares in the company. Componenta Corporation's share capital was EUR 1.0 million (EUR 1.0 million) at the end of the review period. The total number of shares in the company was 9,712,757 (9,712,757) at the end of the review period. The company had 7,008 (7,085) shareholders at the end of the review period.

Option rights

On 13 April 2023, Componenta Corporation's Board of Directors decided to start a new option programme for key personnel of Componenta Corporation and its subsidiaries in line with the authorisation granted by the Annual General Meeting on 13 April 2023.

The share subscription price using option rights 2023B is EUR 2.35 per share, which is the volume-weighted average price of the company's share on Nasdaq Helsinki Ltd between 22 April and 21 May 2024. The subscription price of shares subscribed for using option rights 2023B will be reduced by the

amount of return of share capital per share and the amount of dividends distributed by the company and return of equity distributed from the unrestricted equity reserve per share. A maximum of 133,326 new shares in the company or shares held by the company can be subscribed for using option rights 2023B. The subscription period for shares to be subscribed for using option rights 2023B will run from 1 June 2027 to 31 May 2029. The theoretical market value of a 2023B option right is around EUR 1.0532. The total theoretical market value of the option rights is around EUR 140,418. The theoretical market value of option rights has been calculated applying the Black-Scholes model under the following assumptions: share price EUR 2.36; share subscription price EUR 2.35 under an option right; risk-free interest rate 2.89%; option right validity around 5 years; and volatility 46.92%.

In addition, at the end of the review period, Componenta had three previously decided option programmes: 2023A, 2018B and 2018C. In total, there were 133,134 2023A option rights, 36,298 2018B option rights and 76,462 2018C option rights. Each option right in the 2023A programme entitles its holder to subscribe for one Componenta share, and option rights in the 2018B and 2018C programmes entitle their holders to subscribe for two Componenta shares.

Events after the review period

Componenta acquires the operations of the Kalajoki plant and the Sepänkylä machining and service centre from Fortaco Group for approximately EUR 2.8 million. The transaction strengthens Componenta's service offering and capability for machine and equipment manufacturers. Componenta announced on 22 July 2024 that it had signed an agreement to acquire operations of Kalajoki and Sepänkylä, including their inventories and fixed assets, from Fortaco. The net sales of the acquired business in 2023 were approximately EUR 9.6 million.

According to the plan, the transaction will be carried out in two stages, so that first Componenta Manufacturing Oy acquires the operations of Kalajoki and Sepänkylä, including their inventories

and fixed assets, excluding real estate, EUR 1.8 million at the purchase price from Fortaco Group approximately on 1 October 2024. In the second phase, Componenta Manufacturing Oy buys the properties used by the Kalajoki and Sepänkylä businesses from Fortaco Oy no later than one year after the completion of the first phase. Until then, Componenta pays rent to Fortaco for the properties in Kalajoki and Sepänkylä. The paid rent is deducted from the purchase price of the real estate EUR 1 million. Componenta finances the transactions with its internal financing and the financing limits at its disposal.

The final closing of the transaction will depend on the usual terms and conditions of the acquisitions. The parties aim to implement the implementation of the transaction on 1 October 2024, and the business operations will become part of Componenta as of the closing date of the transaction. Componenta will publish a separate release on the final closing of the transaction.

Componenta makes a thorough assessment of the accounting principles of the object and prepares a purchase price allocation of the acquisition after the transaction has been completed. Once the purchase price allocation has been completed, Componenta will inform about its effects, if necessary, by means of a separate release.

If realized, the transaction will not have an impact on Componenta's profit guidance for 2024.

Alternative key financial ratios

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

Helsinki 23 July 2024

COMPONENTA CORPORATION
Board of Directors

Componenta Corporation is an international technology company and is Finland's leading contract manufacturer in the machine building industry. Sustainability and customers' needs are at the core of the company's extensive technology portfolio. Componenta produces components for its global customers, which are manufacturers of machinery and equipment. The company's shares are listed on the Nasdaq Helsinki. www.componenta.com

Half-year financial report tables

Accounting principles

Componenta Corporation's half-year financial report for January–June 2024 has been prepared in line with IAS 34 Interim Financial Reporting, and should be read in conjunction with Componenta's financial statements for 2023, published on 15 March 2024. Componenta has applied the same accounting principles to its half-year financial report as it applied to its 2023 financial statements. The half-year financial report is unaudited.

Accounting principles requiring the management's judgement

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

Componenta's half-year financial report has been prepared on a going concern basis. In assessing the continuity of operations, Componenta has analysed the liquidity risk and the adequacy of financing. In assessing the adequacy of financing, Componenta's management has taken into account the factors described in the following paragraph, among other aspects.

Componenta's sales volumes are at a good level despite the risks posed by the Russian war of aggression and increased geopolitical tensions. The temporarily weaker short-term order books have been addressed by means of timely and adequate adjustment measures. There have been no disruptions or restrictions in the availability of electricity, and fluctuations in the price of electricity are transferred to customer prices based on indices in three months on average. At the end of the review period, the Group's cash and cash equivalents totalled EUR 6.5 million (EUR 13.0 million). The Group's liquidity was at a good level. At the end of the review period, Componenta had EUR 4.0 million in unused committed credit facilities and a convertible bond arrangement of up to USD 3.0 million agreed in May 2024 with MPL, a US investor. In April 2024, Componenta agreed on and

drew down a new EUR 2.0 million working capital loan. Componenta's net debt stood at EUR 8.9 million (EUR 1.8 million). It is the company's view that the Group also has access to debt financing from the market if necessary. The management has analysed the companies' cash flow forecasts for the next 12 months.

The management has also made other estimates and assumptions in determining the valuation of assets such as investment properties, goodwill, tangible and intangible assets and inventories, as well as the applicability of deferred tax assets, and contingent liabilities, for the half-year report. The management has also assessed the impact of high inflation and market interest rate levels on the preparation of the half-year report and the valuation of the assets mentioned above. In addition, the management has assessed the value of accounts receivable. The management has assessed the situation in terms of both the company's own industry and the overall economic situation. The assessment did not have a material impact on the credit loss provision in the half-year report. Componenta regularly updates its credit loss provision. Componenta continuously assesses the impacts of the Russian war of aggression and the increased geopolitical tensions on financial reporting. Componenta closely monitors market developments and its customers' situation and adjusts its operations accordingly. The management has assessed any indications of impairment of assets and reversals of impairment. These estimates and assumptions involve risks and uncertainty, and it is therefore possible that these forecasts will change when the circumstances change, which may affect the recoverable amount of assets. More information about annual impairment testing is provided in the notes to the 2023 financial statements, which were published on 15 March 2024.

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

Consolidated income statement

EUR thousand	Jan 1-Jun 30, 2024	Jan 1-Jun 30, 2023	Jan 1-Dec 31, 2023
Net sales	50,007	60,228	101,809
Other operating income	343	288	751
Operating expenses	-48,435	-55,105	-97,283
EBITDA	1,915	5,411	5,278
% of net sales	3.8%	9.0%	5.2%
Depreciation, amortization and write-downs	-2,708	-2,908*	-1,516**
Operating result	-794	2,503*	3,762**
% of net sales	-1.6%	4.2%*	3.7%**
Financial income and expenses	-1,196	-1,130	-2,193
Result after financial items	-1,989	1,374	1,568
% of net sales	-4.0%	2.3%	1.5%
Income taxes	0	54	-21
Net result for the financial period	-1,989	1,428	1,547
Allocation of net result for the period			
To equity holders of the parent	-1,989	1,428	1,547
Earnings per share calculated on result attributable to the shareholders of the parent company			
- Basic earnings per share, EUR	-0.20	0.15	0.16
- Diluted earnings per share, EUR	-0.20	0.14	0.16

Consolidated statement of comprehensive income

EUR thousand	Jan 1-Jun 30, 2024	Jan 1-Jun 30, 2023	Jan 1-Dec 31, 2023
Net result	-1,989	1,428	1,547
Total comprehensive income	-1,989	1,428	1,547
Allocation of total comprehensive income			
To equity holders of the parent	-1,989	1,428	1,547

* Minor adjustments have been made to the comparison period 2023 (profit effect approx. EUR 5 thousand) due to a change in the principle of preparing real estate valuations. More information about the change in the accounting principle and its effects on previous years' figures can be found in the section "Valuation of properties and land areas" in the accounting principles for the consolidated financial statements published 15th March 2024.

** The operating result for 2023 includes a non-recurring income of EUR 4.2 million from the reversal of the impairment loss related to the foundry business's production machinery and equipment. More information on the reversal of the impairment loss can be found in the note "Tangible assets" in the consolidated financial statements published 15th March 2024.

Consolidated statement of financial position

EUR thousand	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Assets			
Non-current assets			
Intangible assets	1,753	1,851	1,995
Goodwill	3,225	3,225	3,225
Tangible assets*	30,007	26,653	30,974
Investment properties	0	17	0
Receivables	450	467	413
Deferred tax assets*	0	74	0
Total non-current assets	35,435	32,288	36,607
Current assets			
Inventories	12,432	12,081	12,628
Trade and other receivables	4,620	4,634	2,778
Cash and cash equivalents	6,455	12,964	5,277
Total current receivables	23,508	29,680	20,683
Total assets	58,943	61,968	57,290

EUR thousand	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	1,000	1,000	1,000
Other equity*	22,588	24,368	24,550
Equity attributable to equity holders of the parent company	23,588	25,368	25,550
Shareholders' equity	23,588	25,368	25,550
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	12,005	11,608	11,294
Interest free liabilities and capital loans	584	666	625
Provisions	14	14	14
Total non-current liabilities	12,603	12,288	11,934
Current liabilities			
Interest bearing liabilities	3,326	3,143	3,080
Interest free liabilities	19,068	20,807	16,392
Provisions	357	362	334
Total current liabilities	22,751	24,312	19,806
Total liabilities	35,355	36,600	31,740
Total shareholders' equity and liabilities	58,943	61,968	57,290

* Minor adjustments have been made to the comparison period 2023 (profit effect approx. EUR 5 thousand) due to a change in the principle of preparing real estate valuations. More information about the change in the accounting principle and its effects on previous years' figures can be found in the section "Valuation of properties and land areas" in the accounting principles for the consolidated financial statements published 15th March 2024.

Condensed consolidated cash flow statement

EUR thousand	Jan 1–Jun 30, 2024	Jan 1–Jun 30, 2023	Jan 1–Dec 31, 2023
Cash flow from operating activities			
Result after financial items	-1,989	1,374*	1,568
Depreciation, amortization and write-downs	2,708	2,908*	1,516
Net financial income and expenses	1,196	1,130	2,193
Other income and expenses, adjustments to cash flow	11	-625	-791
Change in net working capital	1,029	1,699	-1,289
Cash flow from operations before financing and income taxes	2,955	6,485	3,198
Interest received and paid and dividends received	-1,123	-1,052	-2,072
Net cash flow from operating activities	1,832	5,434	1,126
Cash flow from investing activities			
Capital expenditure in tangible and intangible assets	-728	-1,181	-2,794
Sale of tangible and intangible assets	11	1	45
Net cash flow from investing activities	-717	-1,180	-2,749
Cash flow from financing activities			
Convertible bond issue	-97	-	-
Repayment of lease liabilities	-993	-854	-1,748
Repayment of current loans	-850	-1,035	-1,952
Draw-down of non-current loans	2,000	2,000	2,000
Net cash flow from financing activities	60	111	-1,700
Change in liquid assets	1,175	4,364	-3,323
Cash and cash equivalents at the beginning of the period	5,277	8,600	8,600
Cash and cash equivalents at the period end	6,455	12,964	5,277

* Minor adjustments have been made to the comparison period 2023 (profit effect approx. EUR 5 thousand) due to a change in the principle of preparing real estate valuations. More information about the change in the accounting principle and its effects on previous years' figures can be found in the section "Valuation of properties and land areas" in the accounting principles for the consolidated financial statements published 15th March 2024.

Statement of changes in consolidated shareholders' equity

EUR thousand	Share capital	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Retained earnings	Shareholders' equity total
Shareholders' equity Jan 1, 2024	1,000	17,010	0	2,507	5,033	25,550
Net result					-1,989	-1,989
Total comprehensive income	0	0	0	0	-1,989	-1,989
Transaction with owners:						
Option and share-based compensation					28	28
Transactions with owners, total	0	0	0	0	28	28
Shareholders' equity Jun 30, 2024	1,000	17,010	0	2,507	3,072	23,588

EUR thousand	Share capital	Unrestricted equity reserve	Revaluation of buildings and land areas	Other reserves	Retained earnings	Shareholders' equity total
Shareholders' equity Jan 1, 2023	1,000	17,010	0	2,507	3,383	23,900
Net result*					1,428	1,428
Total comprehensive income	0	0	0	0	1,428	1,428
Transaction with owners:						
Option and share-based compensation					41	41
Transactions with owners, total	0	0	0	0	41	41
Shareholders' equity Jun 30, 2023	1,000	17,010	0	2,507	4,851	25,368

* Minor adjustments have been made to the comparison period 2023 (profit effect approx. EUR 5 thousand) due to a change in the principle of preparing real estate valuations. More information about the change in the accounting principle and its effects on previous years' figures can be found in the section "Valuation of properties and land areas" in the accounting principles for the consolidated financial statements published 15th March 2024.

Net sales

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

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

Net sales by market area

EUR thousand	Jan 1-Jun 30, 2024	Jan 1-Jun 30, 2023	Jan 1-Dec 31, 2023
Finland	41,028	48,788	82,813
Sweden	5,009	6,958	11,286
Germany	926	1,611	2,374
Other European countries	2,841	2,750	5,010
Other countries	226	120	312
Internal items/eliminations	-22	1	13
Total	50,007	60,228	101,809

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

Net sales by business area

%	Jan 1-Jun 30, 2024	Jan 1-Jun 30, 2023	Jan 1-Dec 31, 2023
Machine building	41	43	45
Agricultural machinery	23	34	30
Forestry machinery	7	7	7
Energy industry	11	8	9
Defence equipment industry	12	3	4
Other industries	6	5	5
Total	100	100	100

Net sales by customer

Componenta has two significant customers who account for more than 10% of the Group's net sales. One customer's share of the Group's net sales is 23.4% (32.5%) and the other customer who exceeded the 10% threshold for the first time accounts for 11.0% of the Group's net sales.

Changes in tangible assets

EUR thousand	Jan 1-Jun 30, 2024	Jan 1-Jun 30, 2023*	Jan 1-Dec 31, 2023
Acquisition cost at the beginning of the period	146,060	136,915	136,915
Additions	1,307	1,568	3,817
Revaluation of buildings and land areas**	0	0	4,235
Disposals and transfers between items	143	711	1,093
Acquisition cost at the end of the period	147,510	139,194	146,060
Accumulated depreciation at the beginning of the period	-115,086	-109,922	-109,922
Depreciations, amortizations and write-downs during the period**	-2,417	-2,619	-5,164
Accumulated depreciation at the end of the period	-117,503	-112,541	-115,086
Carrying amount at the end of the period	30,007	26,653	30,974

Changes in intangible assets

EUR thousand	Jan 1-Jun 30, 2024	Jan 1-Jun 30, 2023	Jan 1-Dec 31, 2023
Acquisition cost at the beginning of the period	22,919	22,321	22,321
Additions	50	120	249
Disposals and transfers between items	-	34	348
Acquisition cost at the end of the period	22,968	22,475	22,919
Accumulated depreciation at the beginning of the period	-20,924	-20,336	-20,336
Depreciations, amortizations and write-downs during the period	-291	-288	-587
Accumulated depreciation at the end of the period	-21,215	-20,624	-20,924
Carrying amount at the end of the period	1,753	1,851	1,995

Goodwill

EUR thousand	Jan 1-Jun 30, 2024	Jan 1-Jun 30, 2023	Jan 1-Dec 31, 2023
Acquisition cost at the beginning of the period	3,225	3,225	3,225
Carrying amount at the end of the period	3,225	3,225	3,225

* Minor adjustments have been made to the comparison period 2023 (profit effect approx. EUR 5 thousand) due to a change in the principle of preparing real estate valuations. More information about the change in the accounting principle and its effects on previous years' figures can be found in the section "Valuation of properties and land areas" in the accounting principles for the consolidated financial statements published 15th March 2024.

** The operating result for 2023 includes a non-recurring income of EUR 4.2 million from the reversal of the impairment loss related to the foundry business's production machinery and equipment. More information on the reversal of the impairment loss can be found in the note "Tangible assets" in the consolidated financial statements published 15th March 2024.

Changes in right-of-use assets

EUR thousand	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Acquisition cost at the beginning of the period	10,100	9,521	9,521
Additions	628	507	1,272
Transfers between items	170	769	1,473
Depreciation	-1,071	-1,059	-2,166
Carrying amount at the end of the period	9,827	9,738	10,100

Values of financial assets and liabilities

EUR thousand, Jun 30, 2024	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities measured at amortised cost	Investments measured at fair value through other comprehensive income	Lease liabilities	Total
Non-current assets					
Other receivables		181			181
Current assets					
Cash and cash equivalents		6,455			6,455
Accounts receivables		3,554			3,554
Total financial assets		10,190			10,190
Non-current liabilities					
Loans from financial institutions		3,465			3,465
Lease liabilities				8,540	8,540
Trade payables and advances received		175			175
Current liabilities					
Loans from financial institutions		1,188			1,188
Lease liabilities				2,138	2,138
Trade payables and advances received		8,732			8,732
Total financial liabilities		13,559		10,679	24,238

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

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

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

Componenta has also assessed the impact of the Russian war of aggression and the intensified geopolitical situation regarding the most significant

financial risks. From Componenta's point of view the greatest impact has been on the financing risk and liquidity risk.

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

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

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

Contingent liabilities

EUR thousand	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Business mortgages			
For own debts	11,500	17,600	17,600
Pledges			
For own debts	0	7,800	0
Other leasing commitments	438	497	460
Other commitments	68	181	68
Total	12,006	26,078	18,128

Secured liabilities

EUR thousand	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Liabilities secured with pledges, real estate or business mortgages			
Loans from financial institutions	4,653	4,401	3,513

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

based on Voimaosakeyhtiö SF's shareholder agreement and related financial commitments. On 25 June 2024 Componenta has for its part signed an agreement on the final and all-encompassing resolution of the issues in order to carry out the liquidation procedure in an orderly manner and to dissolve Majakka Voima and state the agreements and commitments between the parties terminated. The agreement awaits the approval of the general meetings of Majakka Voima and Voimaosakeyhtiö SF. Once implemented, the agreement will not result in significant financial liabilities to Componenta.

Related party transactions

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

Componenta did not have any abnormal transactions with related parties during the review period in 2024 nor during the reference period in 2023. Intra-group transactions have been eliminated from the Group's financial figures. Salaries and remunerations paid to the management are presented annually in the consolidated financial statements.

Group development

Group development by quarter

EUR thousand	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
Net sales	26,441	23,566	21,672	19,910	29,502	30,726
EBITDA	2,066	-152	-533	399	2,611	2,800
Operating result	735	-1,529	-1,930	3,193	1,129	1,370
Net financial items	-647	-548	-542	-522	-640	-489
Result after financial items	88	-2,077	-2,472	2,671	489	880

Order book at period end

EUR thousand	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
Order book	10,807	15,768	14,532	13,539	10,419	16,579

Key figures

	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Equity ratio, %	40.3	41.2	45.0
Equity per share, EUR	2.43	2.63	2.63
Invested capital at period end, EUR thousand	38,919	40,341	39,924
Return on investment, %	-4.0	12.9	9.8
Return on equity, %	-16.2	11.4	6.2
Net interest-bearing debt, EUR thousand	8,876	1,786	9,097
Net gearing, %	37.6	7.0	35.6
Order book, EUR thousand	10,807	10,419	14,532
Capital expenditure excl. lease liabilities, EUR thousand	728	1,181	2,794
Capital expenditure incl. lease liabilities, EUR thousand	1,356	1,689	4,066
Capital expenditure incl. lease liabilities, % of net sales	2.7	2.8	4.0
Average number of personnel during the period	589	592	589
Average number of personnel during the period, incl. leased personnel	622	638	631
Number of personnel at period end	593	595	584
Number of personnel at period end, incl. leased personnel	627	636	615
Share of export and foreign activities in net sales, %	18.0	19.0	18.6
Contingent liabilities, EUR thousand	12,006	26,078	18,128

Per Share Data

	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Basic earnings per share, EUR	-0.20	0.15	0.16
Diluted earnings per share, EUR	-0.20	0.14	0.16
Cash flow per share, EUR	0.19	0.56	0.12

Calculation of key financial ratios

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



COMPONENTA

Componenta Corporation, Head Office
Address: Teknobulevardi 3-5, FI-01530 Vantaa, Finland
Tel. +358 10 403 00
E-mail: firstname.lastname@componenta.com
www.componenta.com