ASPOCOMP

# ASPOCOMP'S FINANCIAL STATEMENTS, JAN. 1 - DEC. 31, 2017

## Key figures 10-12/2017 in brief

| | 10-12/2017 | 10-12/2016 | Change * |
|---|---|---|---|
| Net sales | 6.2 M€ | 6.6 M€ | -0.4 M€ |
| EBITDA | 0.6 M€ | 1.1 M€ | -0.5 M€ |
| Operating result | 0.3 M€ | 0.8 M€ | -0.5 M€ |
| *% of net sales* | 5.6 % | 12.4 % | -6.8 ppts |
| Earnings per share | 0.12 € | 0.19 € | -0.07 € |

## Key figures 2017 in brief

| | 1-12/2017 | 1-12/2016 | Change * |
|---|---|---|---|
| Net sales | 23.0 M€ | 21.6 M€ | 1.3 M€ |
| EBITDA | 1.8 M€ | 1.8 M€ | 0.1 M€ |
| Operating result | 0.8 M€ | 0.7 M€ | 0.1 M€ |
| *% of net sales* | 3.3 % | 3.2 % | 0.1 ppts |
| Earnings per share | 0.18 € | 0.16 € | 0.02 € |
| Operative cash flow | 0.8 M€ | 0.1 M€ | 0.7 M€ |
| Equity ratio | 68.9 % | 67.7 % | 1.2 ppts |
| Order book at the end of period | 2.5 M€ | 2.4 M€ | 0.2 M€ |
| Dividend/share ** | 0.07 € | 0.00 € | 0.07 € |

* The total may deviate from the sum totals due to rounding up and down.

** The Board of Directors will propose to the Annual General meeting

## OUTLOOK FOR THE FUTURE

In 2018, net sales are expected to grow approximately 10 percent and the operating result to be better than in 2017. In 2017, net sales amounted to EUR 23.0 million and the operating result to EUR 0.8 million.

## CEO'S REVIEW

"We continued to perform well in 2017, although we fell slightly short of our growth target of around 10 percent. We have succeeded very well in our main strategic objective of diversifying our business. Our net sales and profitability are no longer entirely dependent on individual customer relationships or customer segments. We have expanded into several customer segments and have increased our sales and activity in Central Europe, especially in Germany and the United Kingdom. The general economic recovery and the launch of investments were particularly evident in the industrial electronics customer segment, which saw the strongest growth. Last year, the sales of the security and defense electronics customer segment also developed strongly. In Aspocomp's latest customer segment, testing semiconductor components, we nearly triple our sales.

We posted our highest sales in the last quarter of the year, EUR 6.2 million (EUR 6.6 million 10-12/2016), but fell clearly short of the high sales in the reference period. January-December net sales amounted to EUR 23.0 million (EUR 21.6 million 1-12/2016), representing a year-on-year increase of 6.2 percent. Growth in net sales was slowed by the weakening of the US dollar. The comparable exchange rates had a negative impact of about EUR 0.17 million on net sales. The order book grew slightly and amounted to EUR 2.5 million at the end of the year (EUR 2.4 million 12/2016).

Fourth-quarter profitability fell behind the exceptionally strong reference period. The operating result for October-December amounted to EUR 0.3 million (EUR 0.8 million 10-12/2016). The full-year operating result grew by 10 percent to EUR 0.8 million (EUR 0.7 million 1-12/2016). The operating profit margin improved slightly and was 3.3 percent (3.2% 1-12/2016). Cash flow improved significantly from the previous year and amounted to EUR 0.8 million (EUR 0.1 million 1-12/2016).

Thanks to the EUR 10 million investment project to develop the company’s Oulu plant, which was announced in December, and the outsourcing of Asian volume production services, Aspocomp expects to grow significantly faster than the market at an average rate of 10 percent a year. The cornerstones of Aspocomp's growth include, for instance, next-generation 5G telecommunications and government networks, the e-revolution in the automotive industry, the development of testing requirements for semiconductor components as well as the spread of artificial intelligence and mechanical applications in the industry.”

## NET SALES AND EARNINGS

### October-December 2017

Fourth-quarter net sales amounted to EUR 6.2 million, a year-on-year decrease of 6 percent.

The five largest customers accounted for 49 percent of net sales (62% 10-12/2016). In geographical terms, 95 percent of net sales were generated in Europe (97%), 2 percent in Asia (3%) and 3 percent in North America (1%).

The operating result for the fourth quarter amounted to EUR 0.3 million (EUR 0.8 million 10-12/2016). Fourth-quarter operating result was 6 percent of net sales.

Net financial expenses for the fourth quarter amounted to EUR 0.0 million (EUR 0.0 million 10-12/2016). Earnings per share were EUR 0.12 (EUR 0.19).

The order book at the end of the review period was EUR 2.5 million (EUR 2.4 million 12/2017), representing a year-on-year increase of about EUR 0.1 million.

### Financial year 2017

Net sales amounted to EUR 23.0 million (EUR 21.6 million 1-12/2016), a year-on-year increase of 6 percent. Net sales fell short of the expected growth of about 10 percent, due to the weakening of the US dollar and the delays in a major customer project in December 2017. The comparable exchange rates had a negative impact of EUR 0.17 million on net sales.

Growth was strongest in the industrial electronics customer segment. Strong development was also seen in sales of the security and defense electronics customer as well as testing semiconductor components segments.

The five largest customers accounted for 50 percent of net sales (53% 1-12/2016). In geographical terms, 96 percent of net sales were generated in Europe (93%), 2 percent in Asia (5%) and 2 percent in North America (2%).

Operating result amounted to EUR 0.8 million (EUR 0.7 million 1-12/2016), representing a year-on-year increase of EUR 0.1 million. The improvement in operating result was due to the growth in net sales.

Net financial expenses amounted to EUR 0.1 million (EUR 0.1 million). Earnings per share were EUR 0.18 (EUR 0.16).

## INVESTMENTS AND R&D

Investments during 2017 amounted to EUR 1.0 million (EUR 0.4 million 1-12/2016). The investments were mainly focused on improving the capabilities of the Oulu plant.

R&D costs comprise general production development costs. These costs do not fulfill the IAS 38 definition of either development or research and are therefore booked into plant overheads.

## CASH FLOW AND FINANCING

Cash flow from operations amounted to EUR 0.8 million (EUR 0.1 million 1-12/2016), representing a year-on-year increase of EUR 0.7 million. Net working capital increased by EUR 0.5 million due mainly to the growth in trade receivables.

After investments of EUR 1.0 million, cash flow was EUR -0.1 million (EUR -0.2 million).

Cash assets amounted to EUR 0.4 million at the end of the period (EUR 0.3 million). Interest-bearing liabilities amounted to EUR 1.5 million (EUR 1.5 million 12/2016). Gearing was 9 percent (12%). Non-interest-bearing liabilities amounted to EUR 3.9 million (EUR 3.6 million). At the end of the period, the Group’s equity ratio amounted to 69 percent (68%).

The company also has a EUR 0.5 million credit facility, of which EUR 0.2 million was in use at the end of the review period (EUR 0.0 million). In addition, the company has a recourse factoring agreement, of which EUR 0.0 million was in use (EUR 0.4 million).

## DEFERRED TAX ASSETS

At the end of the 2017 financial year, the company had approximately EUR 3.5 million in deferred tax assets in its balance sheet. The deferred tax assets are primarily due to decelerated tax depreciation.

## PERSONNEL

During the review period, the company had an average of 111 employees (106 in 1-12/2016). The personnel count on December 31, 2017 was 113 (108 in 12/2016). Of them, 71 (69) were blue-collar and 42 (39) white-collar employees.

## Annual General Meeting

The decisions of the Annual General Meeting 2017, the authorizations given to the Board of Directors by the AGM and the decisions relating to the organization of the Board of Directors have been published in separate stock exchange releases on March 23, 2017.

The Annual General Meeting 2018 will take place on Friday, March 16 at 10:00 a.m. EET. The meeting will be convened by the company's Board of Directors later on.

## Other major events in the financial year 2017

Aspocomp organized a Capital Markets Day on March 14, 2017, where it published its financial targets for the strategy period of 2017-2020. Aspocomp's targets are to increase net sales by 10 percent on average per year and to achieve an operating profit (EBIT) of more than 7 percent of the company's net sales by the end of the strategy period. Aspocomp also updated its dividend policy. According to the new policy, Aspocomp aims to pay dividends to its shareholders annually. The Board of Directors will consider the company's financial performance, capital expenditure and development needs as well as liquidity when proposing annual dividends. Aspocomp's target is to distribute at least 1/3 of the Group's profit for the period as dividends to its shareholders (Company Announcement March 14, 2017).

On December 18, 2017, the company announced that it would invest about EUR 10 million in new technology at its Oulu plant. With these investments, the company will bolster its position as a partner to the world's leading technology and semiconductor companies by introducing more advanced technology at its Oulu plant and increasing production capacity. The investments will be implemented in 2018 and 2019. The investment is partly funded by cash flow from business operations and partly by loan financing (Company Announcement December 18, 2017).

## Shares

The total number of Aspocomp's shares at December 31, 2017 was 6,666,505 and the share capital stood at EUR 1,000,000. The company did not hold any treasury shares. Each share is of the same share series and entitles its holder to one vote at a General Meeting and to have an identical dividend right.

Aspocomp Group Plc's CEO subscribed a total of 170,000 new Aspocomp shares under the company's 1/2014 stock option terms on August 23, 2017, a total of 40,000 shares with the 2014A option rights and a total of 130,000 shares with the 2014B option rights. The new shares have been registered in the Trade Register on September 19, 2017. After the registration of the new shares, the total number of Aspocomp Group Plc's shares has increased to 6,666,505.

| Date | Event | Change | Number of shares |
|---|---|---|---|
| Jan. 1, 2017 | | | 6,406,505 |
| August 23, 2017 | Stock options exercised | + 170 000 | 170,000 |
| Dec. 31, 2017 | | | 6,666,505 |

A total of 3,934,035 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to December 31, 2017. The aggregate value of the shares exchanged was EUR 9,477,226. The shares traded at a low of EUR 1.59 and a high of EUR 3.19. The average share price was EUR 2.41. The closing price at December 29, 2017 was EUR 2.37, which translates into market capitalization of EUR 15.8 million.

The company had 2,968 shareholders at the end of the review period. Nominee-registered shares accounted for 4.5 percent of the total shares.

## ASPOCOMP'S BUSINESS OPERATIONS

Aspocomp specializes in demanding PCB technologies, serving its customers throughout the entire life cycle of a product. Aspocomp sells and manufactures PCBs and also provides related design and logistics services as well as technology solutions. Aspocomp creates value for its customers with unique products and solutions, strong manufacturing and technology expertise, as well as fast and reliable deliveries.

Aspocomp has expanded its operations to serve numerous industries and market areas. Aspocomp's customers are companies that design and manufacture telecom systems and equipment, automotive and industrial electronics, security technology and semiconductor testing systems.

Aspocomp offers a wide range of PCB design and manufacturing services, together with selected partners. A wide network of expert partners together with Aspocomp's own manufacturing enables its customers to cost-effectively buy their PCBs from a single provider over the entire life cycle of a product. These services include the selection of the most suitable high-volume manufacturer, provision of the technical specifications of the product, quality assurance and logistics services.

Aspocomp's manufacturing unit in Oulu focuses on prototype and quick-turn deliveries and the commercialization of new PCB technologies in cooperation with customers' product design departments. The Oulu plant manufactures HDI (*High Density Interconnection*), multilayer and special material PCBs. It is capable of very fast deliveries, even in the case of structurally complex PCBs and therefore is able to help its customers in their very diverse and demanding needs.

## OUTLOOK FOR THE FUTURE

In 2018, net sales are expected to grow approximately 10 percent and the operating result to be better than in 2017. In 2017, net sales amounted to EUR 23.0 million and the operating result to EUR 0.8 million.

The cornerstones of Aspocomp's growth include, for instance, next-generation 5G telecommunications and government networks, the e-revolution in the automotive industry, the development of testing requirements for semiconductor components as well as the spread of artificial intelligence and mechanical applications in the industry.

A major share of Aspocomp's net sales is generated by quick-turn deliveries and R&D series, and thus the company's order book is short. The company's aim is to systematically expand its services to cover the PCB needs of customers over the entire life cycle and thereby balance out variations in demand and the order book.

## ASSESSMENT OF SHORT-TERM BUSINESS RISKS

### Dependence on key customers

Aspocomp's customer base is concentrated; around half of sales are generated by a small number of key customers. This exposes the company to significant fluctuations in demand.

### Market trends

Although Aspocomp is a marginal player in the global electronics market, changes in global PCB demand also have an impact on the company's business. Competition for quick-turn deliveries and short production series will accelerate as the market for PCBs weakens, and continues to have a negative impact on both total demand and market prices.

Aspocomp's main market area comprises Northern and Central Europe. In case Aspocomp's clients would transfer their R&D and manufacturing out of Europe, demand for Aspocomp's offerings might weaken significantly.

### Liquidity

Although the Group's liquidity has improved markedly due to the improvement in operating profit, the company still remains dependent on the net sales generated by its key customers. Liquidity risk is managed, if necessary, with a recourse factoring agreement and credit facility.

## Events after the financial period

Aspocomp has been granted about EUR 1.3 million in development support from the European Regional Development Fund under the Leverage from the EU 2014-2020 program for investments in high-tech and capability development (stock exchange release, January 22, 2018). The development support granted by the Centre for Economic Development, Transport and the Environment of North Ostrobothnia (ELY Centre) is earmarked for the EUR 10 million investment program that Aspocomp announced in December (stock exchange release, December 18, 2017). The support is targeted at the part of the investment project that aims to develop and improve Aspocomp's ability to deliver high-tech PCBs for the testing of demanding semiconductor components. The investments will create more than 30 new jobs at the company, most of them at the Oulu plant. The development support provides Aspocomp with a total of EUR 1,267,500 for equipment investments and EUR 45,490 for technology development-related salaries. The support will be paid on the basis of expenses incurred as the investments are completed in 2018 and 2019.

## Board of Directors' dividend proposal and Annual General Meeting

According to the financial statements dated on December 31, 2017 the parent company's distributable earnings amounted to EUR 7,252,301.72, of which the retained earnings were EUR 4,490,412.92.

The Board of Directors will propose to the Annual General Meeting to be held on March 16, 2018, that a dividend of EUR 0.07 per share be paid. The dividend would be paid to shareholders registered in the Register of Shareholders maintained by Euroclear Finland Ltd on the record date of the dividend distribution, March 20, 2018. The Board of Directors proposes that the dividend will be paid on March 28, 2018.

There have been no significant changes in the company's financial position since the close of the financial period. According to the Board of Directors, the proposed dividend distribution does not endanger the company's financial standing.

## Publication of the financial statements and Report of the Board of Directors

Aspocomp's financial statements and report of the Board of Directors as well as Corporate Governance Statement for 2017 will be released in full with the Annual Report on Thursday, February 22, 2018. The Corporate Governance Statement 2017 is also available on the company's website at www.aspocomp.com/governance.

## PUBLICATION OF FINANCIAL RELEASES

Aspocomp Group Plc.'s financial information publication schedule for 2018 is:

- Interim report for January-March: Friday, April 27, 2018
- Half-year report for January-June: Thursday, August 9, 2018
- Interim report January-September: Thursday, October 25, 2018

The interim reports and half-year report will be published at around 9:00 a.m. (EET) on the given dates.

Aspocomp's silent period commences 30 days prior to the publication of its financial information.

# Summary of Financial Statements and Notes

## ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICES

The reported operations include the Group's parent company, Aspocomp Group Plc. This Financial Statement review have been prepared in accordance with the IAS 34 following the same accounting principles as in annual financial statements. The whole year numbers presented in the financial report have been audited. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented.

The preparation of the financial statements in accordance with IFRS requires Aspocomp's management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge at the date of this report, actual results may differ from the estimates.

## New and amended IFRS standards not yet adopted

### IFRS 15 Revenue from contracts with customers

IFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. A new five-step process must be applied before revenue can be recognized: identify contracts with customers, identify the separate performance obligations, determine the transaction price of the contract, allocate the transaction price to each of the separate performance obligations, and recognize the revenue as each performance obligation is satisfied. The standard is effective as of January 1, 2018. The Group does not engage in project sales or recognize revenue on the basis of percentage of completion. The bulk of the Group's sales comprise ordinary orders and deliveries of products, and such revenue is recognized in accordance with the criteria of the delivery terms as currently in force. On the other hand, the Group has agreed on consignment warehousing with certain customers, which may mean that the recognition of revenue from such performance obligations may result in the earlier timing of earnings, with revenue being recognized when the product arrives in the warehouse. The Group will apply the standard retroactively as from January 1, 2018. The adoption of the standard has an impact of EUR 0.1 million on shareholders' equity in the Group's opening balance sheet. Net sales for January-December 2017 would have been about EUR 1.0 million higher if IFRS 15 had been applied in revenue recognition instead of the current accounting principles.

# PROFIT AND LOSS STATEMENT

## October - December

| 1 000 € | 10-12/2017 | | 10-12/2016 | | Change |
|---|---|---|---|---|---|
| **Net sales** | **6,186** | ***100%*** | **6,591** | ***100%*** | ***-6%*** |
| Other operating income | 2 | *0%* | 17 | *0%* | *-91%* |
| Materials and services | -2,864 | *-46%* | -2,539 | *-39%* | *13%* |
| Personnel expenses | -1,628 | *-26%* | -1,651 | *-25%* | *-1%* |
| Other operating costs | -1,085 | *-18%* | -1,302 | *-20%* | *-17%* |
| Depreciation and amortization | -267 | *-4%* | -300 | *-5%* | *-11%* |
| **Operating result** | **344** | ***6%*** | **816** | ***12%*** | ***-58%*** |
| Financial income and expenses | -12 | *0%* | -2 | *0%* | |
| **Profit/loss before tax** | **332** | ***5%*** | **814** | ***12%*** | ***-59%*** |
| Income taxes | 481 | *8%* | 413 | *6%* | |
| **Profit/loss for the period** | **813** | ***13%*** | **1,227** | ***19%*** | ***-34%*** |
| *Other comprehensive income* | | | | | |
| Items that will not be reclassified to profit or loss | 0 | *0%* | 0 | *0%* | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Remeasurements of employee benefits | -41 | *-1%* | 0 | | |
| Currency translation differences | 3 | *0%* | -1 | *0%* | |
| Total other comprehensive income | -38 | *-1%* | -1 | *0%* | |
| **Total comprehensive income** | **775** | ***13%*** | **1,225** | ***19%*** | ***-37%*** |
| | | | | | |
| **Earnings per share (EPS)** | | | | | |
| Basic EPS | 0.12 € | | 0.19 € | | *-37%* |
| Diluted EPS | 0.12 € | | 0.19 € | | *-37%* |

## January - December

| 1 000 € | 1-12/2017 | | 1-12/2016 | | Change |
|---|---|---|---|---|---|
| **Net sales** | **22,955** | ***100%*** | **21,623** | ***100%*** | ***6%*** |
| Other operating income | 24 | *0%* | 38 | *0%* | *-38%* |
| Materials and services | -10,517 | *-46%* | -9,159 | *-42%* | *15%* |
| Personnel expenses | -6,294 | *-27%* | -6,216 | *-29%* | *1%* |
| Other operating costs | -4,338 | *-19%* | -4,530 | *-21%* | *-4%* |
| Depreciation and amortization | -1,074 | *-5%* | -1,066 | *-5%* | *1%* |
| **Operating result** | **756** | ***3%*** | **690** | ***3%*** | ***10%*** |
| Financial income and expenses | -53 | *0%* | -68 | *0%* | *-22%* |
| **Profit/loss before tax** | **703** | ***3%*** | **622** | ***3%*** | *13%* |
| Income taxes | 477 | *2%* | 412 | *2%* | |
| **Profit/loss for the period** | **1,180** | ***5%*** | **1,034** | ***5%*** | ***14%*** |
| *Other comprehensive income* | | | | | |
| Items that will not be reclassified to profit or loss | 0 | *0%* | 0 | *0%* | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Remeasurements of employee benefits | -41 | *0%* | 0 | *0%* | |
| Currency translation differences | 5 | *0%* | 2 | *0%* | - |
| Total other comprehensive income | -36 | *0%* | 2 | *0%* | - |
| **Total comprehensive income** | **1,144** | ***5%*** | **1,036** | ***5%*** | ***10%*** |
| **Earnings per share (EPS)** | | | | | |
| Basic EPS | 0.18 € | | 0.16 € | | *13%* |
| Diluted EPS | 0.18 € | | 0.16 € | | *13%* |

## CONSOLIDATED BALANCE SHEET

| 1 000 € | 12/2017 | 12/2016 | Change |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 3,268 | 3,216 | *2%* |
| Tangible assets | 2,572 | 2,499 | *3%* |
| Available for sale investments | 15 | 15 | *0%* |
| Deferred income tax assets | 3,501 | 3,017 | *16%* |
| **Total non-current assets** | **9,356** | **8,747** | ***7%*** |
| **Current assets** | | | |
| Inventories | 2,755 | 2,622 | *5%* |
| Short-term receivables | 4,920 | 4,117 | *20%* |
| Cash and bank deposits | 384 | 258 | *49%* |
| **Total current assets** | **8,059** | **6,998** | ***15%*** |
| **Total assets** | **17,415** | **15,744** | ***11%*** |
| **Equity and liabilities** | | | |
| Share capital | 1,000 | 1,000 | *0%* |
| Reserve for invested non-restricted equity | 4,478 | 4,255 | *5%* |
| Remeasurements of employee benefits | -41 | 0 | |
| Retained earnings | 6,570 | 5,384 | *22%* |
| **Total equity** | **12,007** | **10,639** | ***13%*** |
| Long-term financing loans | 1,003 | 819 | *22%* |
| Other non-current liabilities | 402 | 357 | *13%* |
| Deferred income tax liabilities | 21 | 19 | *11%* |
| Short-term financing loans | 508 | 693 | *-27%* |
| Trade and other payables | 3,473 | 3,217 | *8%* |
| **Total liabilities** | **5,408** | **5,105** | ***6%*** |
| **Total equity and liabilities** | **17,415** | **15,744** | ***11%*** |

## Consolidated Changes in Equity

**January-December 2017**

| 1000 € | Share capital | Other reserve | Remeasuremets of empolyee benefits | Translation differences | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| **Balance at Jan. 1, 2017** | **1,000** | **4,255** | **0** | **-1** | **5,386** | **10,639** |
| **Comprehensive income** | | | | | | |
| Comprehensive income for the period | | | | | 1,180 | **1,180** |
| *Other comprehensive income for the period, net of tax* | | | | | | |
| Remeasurements of employee benefits | | | -41 | | | **-41** |
| Translation differences | | | | 5 | | **5** |
| **Total comprehensive income for the period** | **0** | **0** | **-41** | **5** | **1,180** | **1,144** |
| **Business transactions with owners** | | | | | | |
| Share-based payment | | 223 | | | 0 | **223** |
| **Business transactions with owners, total** | **0** | **223** | **0** | **0** | **0** | **223** |
| **Balance at December 31, 2017** | **1,000** | **4,478** | **-41** | **4** | **6,566** | **12,007** |

**January-December 2016**

| 1000 € | Share capital | Other reserve | Remeasuremets of empolyee benefits | Translation differences | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| **Balance at Jan. 1, 2016** | **1,000** | **4,117** | **0** | **-3** | **4,351** | **9,465** |
| **Comprehensive income** | | | | | | |
| Comprehensive income for the period | | | | | 1,034 | **1,034** |
| *Other comprehensive income for the period, net of tax* | | | | | | |
| Translation differences | | | 0 | 2 | | **2** |
| **Total comprehensive income for the period** | **0** | **0** | **0** | **2** | **1,034** | **1,036** |
| **Business transactions with owners** | | | | | | |
| Share-based payment | | 138 | | | 0 | **138** |
| **Business transactions with owners, total** | **0** | **138** | **0** | **0** | **0** | **138** |
| **Balance at December 31, 2016** | **1,000** | **4,255** | **0** | **-1** | **5,386** | **10,639** |

## CONSOLIDATED CASH FLOW STATEMENT

| 1 000 € | 1-12/2017 | 1-12/2016 |
|---|---|---|
| **Profit for the period** | **1,180** | **1,034** |
| Adjustments | 644 | 795 |
| Change in working capital | -934 | -1,658 |
| Received interest income | 2 | 0 |
| Paid interest expenses | -51 | -78 |
| Paid taxes | -5 | -2 |
| **Cash flow from operating activities** | **836** | **91** |
| Investments | -962 | -397 |
| Proceeds from sale of property, plant and equipment | 35 | 20 |
| **Cash flow from investing activities** | **-928** | **-377** |
| Increase in financing | 373 | 1,046 |
| Decrease in financing | -356 | -860 |
| Stock options exercised | 201 | 89 |
| **Cash flow from financing activities** | **217** | **276** |
| Change in cash and cash equivalents | 126 | -10 |
| Cash and cash equivalents at the beginning of period | 258 | 268 |
| **Cash and cash equivalents at the end of period** | **384** | **258** |

## KEY FINANCIAL INDICATORS

| | Q4/2017 | Q3/2017 | Q2/2017 | Q1/2017 | Q4/2016 |
|---|---|---|---|---|---|
| Net sales, M€ | 6.2 | 5.5 | 5.6 | 5.7 | 6.6 |
| Operating result before depreciation (EBITDA), M€ | 0.6 | 0.4 | 0.3 | 0.5 | 1.1 |
| Operating result (EBIT), M€ | 0.3 | 0.2 | 0.1 | 0.2 | 0.8 |
| *of net sales, %* | *6%* | *3%* | *1%* | *3%* | *12%* |
| Profit/loss before taxes, M€ | 0.3 | 0.1 | 0.0 | 0.2 | 0.8 |
| *of net sales, %* | *5%* | *3%* | *1%* | *3%* | *12%* |
| Net profit/loss for the period, M€ | 0.8 | 0.1 | 0.0 | 0.2 | 1.2 |
| *of net sales, %* | *13%* | *3%* | *1%* | *3%* | *19%* |
| Equity ratio, % | 69% | 71% | 70% | 70% | 68% |
| Gearing, % | 9% | 5% | 4% | 6% | 12% |
| Gross investments in fixed assets, M€ | 0.3 | 0.3 | 0.2 | 0.1 | 0.2 |
| *of net sales, %* | 5% | 6% | 3% | 3% | 3% |
| Personnel, end of the quarter | 113 | 114 | 113 | 106 | 108 |
| Earnings/share (EPS), € | 0.12 | 0.02 | 0.01 | 0.03 | 0.19 |
| Equity/share, € | 1.80 | 1.68 | 1.67 | 1.67 | 1.64 |

**The Alternative Performance Measures (APM) used by the Group**

Aspocomp presents in its financial reporting alternative perfomance measures, which describe businesses' financial performance and its development as well as investments and return on equity. In addition to accounting measures which are defined or specified in IFRS, alternative performance measures complement and explain presented information. Aspocomp presents in its financial reporting the following alternative performance measures:

| | | |
|---|---|---|
| EBITDA | = | Earnings before interests, taxes, depreciations and amortizations<br>EBITDA indicates the result of operations before depreciations, financial items and income taxes. It is an important key figure, as it shows the profit margin on net sales after operating expenses are deducted. |
| Operating result | = | Earnings before income taxes and financial income and expenses presented in the IFRS consolidated income statement.<br>The operating result indicates the financial profitability of operations and their development. |
| Profit/loss before taxes | = | The result before income taxes presented in the IFRS consolidated statements. |
| Equity ratio, % | = | $\frac{\text{Equity}}{\text{Total assets - advances received}} \times 100$ |
| Gearing, % | = | $\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$<br>Gearing indicates the ratio of capital invested in the company by shareholders and interest-bearing debt to financiers. A high gearing ratio is a risk factor that may limit a company's growth opportunities and financial latitude. |
| Gross investments | = | Acquisitions of long-term intangible and tangible assets (gross amount). |
| Order book | = | Undelivered customer orders at the end of the financial period. |
| Cash flow from operating activities | = | Profit for the period + non-cash transactions +- other adjustments +- change in working capital '+ interest income - interest expenses -taxes |

## CONTINGENT LIABILITIES

| 1 000 € | 12/2017 | 12/2016 |
|---|---|---|
| Business mortgage | 2,000 | 4,000 |
| Operating lease liabilities | 477 | 466 |
| Other liabilities | 21 | 21 |
| **Total** | **2,498** | **4,487** |

All figures are unaudited.

*Espoo, February 15, 2018*

**Board of Directors of Aspocomp Group Plc.**

For further information, please contact Mikko Montonen, CEO, tel. +358 40 5011 262, mikko.montonen(at)aspocomp.com.

### ASPOCOMP – A SERVICE COMPANY SPECIALIZING IN PCB TECHNOLOGIES

A printed circuit board (PCB) is used for electrical interconnection and as a component assembly platform in electronic devices. Aspocomp provides PCB technology design, testing and logistics services over the entire lifecycle of a product. The company’s own production and extensive international partner network guarantee cost-effectiveness and reliable deliveries.

Aspocomp’s customers are companies that design and manufacture telecommunication systems and equipment, automotive and industrial electronics, and systems for testing semiconductor components for security technology. The company has customers around the world and most of its net sales are generated by exports.

Aspocomp is headquartered in Espoo and its plant is in Oulu, one of Finland’s major technology hubs.

www.aspocomp.com

Some statements in this stock exchange release are forecasts and actual results may differ materially from those stated. Statements in this stock exchange release relating to matters that are not historical facts are forecasts. All forecasts involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of the Aspocomp Group to be materially different from any future results, performances or achievements expressed or implied by such forecasts. Such factors include general economic and business conditions, fluctuations in currency exchange rates, increases and changes in PCB industry capacity and competition, and the ability of the company to implement its investment program.