



ASPOCOMP'S INTERIM REPORT JANUARY 1 - MARCH 31, 2017

Key figures 1-3/2017 in brief

	1-3/2017	1-3/2016	Change *
Net sales	5.7 M€	4.1 M€	1.5 M€
EBITDA	0.5 M€	-0.2 M€	0.6 M€
Operating result	0.2 M€	-0.4 M€	0.6 M€
<i>% of net sales</i>	3.4 %	-10.7 %	14.0 ppts
Earnings per share	0.03 €	-0.07 €	0.10 €
Operative cash flow	0.7 M€	-0.6 M€	1.3 M€
Equity ratio	70.4 %	66.3 %	4.1 ppts
Order book at the end of period	2.2 M€	1.4 M€	0.8 M€

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

OUTLOOK FOR THE FUTURE

The company's full-year guidance remains unchanged. In 2017, net sales are expected to grow approximately 10 percent and the operating margin to be better than in 2016. In 2016, net sales amounted to EUR 21.6 million and the operating result was 3 percent of net sales.

CEO'S REVIEW

"Growth continued to be strong in the first quarter, partly due to the weak comparison period a year ago. Net sales amounted to EUR 5.7 million (EUR 4.1 million 1-3/2016), representing a year-on-year increase of EUR 1.5 million or 37 percent.

Demand for printed circuit boards decreased compared to the end of the previous year in line with typical seasonal variation. Demand slowdown was particularly evident in the telecommunication infrastructure and industrial electronics customer segments. The company's order book developed positively, growing by EUR 0.8 million from the previous year. The order book amounted to EUR 2.2 million (EUR 1.4 million) at the end of the review period. The order book has grown in step with the growth in volume production.

Operating result improved and amounted to EUR 0.2 million (EUR -0.4 million), a year-on-year increase of EUR 0.6 million or 3 percent of net sales. The increase in profitability was due to the significantly higher net sales compared to the comparison period a year ago. Cash

flow from operations was EUR 0.7 million in the black, a year-on-year improvement of EUR 1.3 million.

Overall, the year has started in line with expectations. At the Capital Market Day in March, we announced our intention to expand our business into new geographic areas and new customer segments. One key objective is to shift the main focus of the company from products and technology to customer-centered service. According to the full-year guidance for 2017, net sales are expected to grow by approximately 10 percent and the operating margin to be better than last year.”

NET SALES AND EARNINGS

January-March 2017

First-quarter net sales amounted to EUR 5.7 million (EUR 4.1 million 1-3/2016), a year-on-year increase of 37 percent. Demand weakened during the first quarter compared to the previous quarter, as expected due to seasonal fluctuations. A slowdown in demand was particularly evident in the telecommunication infrastructure and industrial electronics customer segments.

The five largest customers accounted for 52 percent of net sales (51% 1-3/2016). In geographical terms, 98 percent of net sales were generated in Europe (88%), 1 percent in Asia (6%) and 1 percent in North America (6%).

The operating result for the first quarter amounted to EUR 0.2 million (EUR -0.4 million 1-3/2016). Growth in net sales resulted in a better operating result.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR 0.03 (EUR -0.07).

INVESTMENTS AND R&D

Investments during the review period amounted to EUR 0.1 million (EUR 0.0 million 1-3/2016).

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 during the period was EUR 0.7 million (EUR -0.6 million 1-3/2016).

Cash flow improved and turned into the black due to improved operating result and lower working capital.

Cash flow after investments was EUR 0.6 million (EUR -0.6 million).

Cash assets amounted to EUR 0.5 million at the end of the period (EUR 0.3 million 3/2016). Interest-bearing liabilities amounted to EUR 1.1 million (EUR 1.9 million 3/2016). Gearing was 5.8 percent (18.4%). Non-interest-bearing liabilities amounted to EUR 3.5 million (EUR 2.7 million). At the end of the period, the Group's equity ratio amounted to 70.4 percent (66.3%).

The company also has a EUR 0.5 million credit facility, which was not in use at the end of the review period. In addition, the company has a recourse factoring agreement, of which EUR 0.1 million was in use (EUR 1.0 million).

PERSONNEL

During the review period, the company had an average of 107 employees (105 in 1-3/2016). The personnel count on March 31, 2017 was 106 (104 in 3/2016). Of them, 67 (66) were non-salaried and 39 (38) salaried employees.

ANNUAL GENERAL MEETING 2017, THE BOARD OF DIRECTORS AND AUTHORIZATIONS GIVEN TO THE BOARD

The Annual General Meeting of Aspocomp Group Plc held on March 23, 2017 adopted the annual accounts and the consolidated annual accounts for the financial period 2016 and granted the members of the Board of Directors and the CEO discharge from liability. The Meeting decided not to pay dividend for the financial period 2016.

The Annual General Meeting decided to set the number of Board members at five (5). The AGM re-elected the current members of the Board Ms. Päivi Marttila, Ms. Kaarina Muurinen, Mr. Juha Putkiranta, and Mr. Matti Lahdenperä as members of the Board, and elected Ms. Julianna Borsos, D.Sc. (Econ), (born 1971), as a new member of the Board, for a term of office ending at the closing of the following Annual General Meeting. The Annual General Meeting re-elected PricewaterhouseCoopers Oy, Authorized Public Accountants, as the company's auditor for a term of office ending at the closing of the following Annual General Meeting. PricewaterhouseCoopers Oy has notified that Mr. Markku Katajisto, Authorized Public Accountant, will act as its principal auditor.

The Annual General Meeting decided that the chairman of the Board of Directors will be paid EUR 30,000 and the other members will be paid EUR 15,000 each in remuneration for their term of office. In addition, the Annual General Meeting further decided that EUR 1,000 will be paid as remuneration per meeting to the chairman and EUR 500 per meeting will be paid to the other members of the Board. The members of the Board of Directors will further be reimbursed for reasonable travel costs. The auditor's fees will be paid according to the auditor's invoice.

The Annual General Meeting decided to authorize the Board of Directors, in one or more installments, to decide on the issuance of shares and the issuance of options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act as follows:

The number of shares to be issued based on the authorization may in total amount to a maximum of 649,650 shares.

The Board of Directors decides on all the terms and conditions of the issuances of shares and of options and other special rights entitling to shares. The authorization concerns both the issuance of new shares as well as own shares possibly held by the company. The issuance of shares and of options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorization cancels the authorization given by the General Meeting on April 7, 2016 to decide on the issuance of shares as well as the issuance of special rights entitling to shares. The authorization is valid until June 30, 2018.

In its organization meeting held on March 23, 2017 the Board of Directors re-elected Päivi Marttila as Chairman of the Board and Kaarina Muurinen as Vice Chairman. Board committees were not established, as the extent of the company's business did not require it.

SHARES

The total number of Aspocomp's shares at March 31, 2017 was 6,496,505 and the share capital stood at EUR 1,000,000. The company did not hold any treasury shares.

A total of 2,868,589 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to March 31, 2017. The aggregate value of the shares exchanged was EUR 6,620,179. The shares traded at a low of EUR 1.59 and a high of EUR 3.18. The average share price was EUR 2.47. The closing price at March 31, 2017 was EUR 2.80, which translates into market capitalization of EUR 18.2 million.

Nominee-registered shares accounted for 4.6 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

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.

The company's full-year guidance remains unchanged. In 2017, net sales are expected to grow approximately 10 percent and the operating margin to be better than in 2016. In 2016, net sales amounted to EUR 21.6 million and the operating result was 3 percent of net sales.

ASSESSMENT OF SHORT-TERM BUSINESS RISKS

Dependence on key customers

Aspocomp's customer base is concentrated; the majority of sales are generated by a small number of key customers. Aspocomp does not as yet have enough medium-sized customers

and still remains too dependent on its 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. A prolonged downturn has increased competition in quick-turn deliveries and short production series and has had a negative impact on both demand and prices. Correspondingly, overdemand for PCBs increases the need for quick-turn deliveries and decreases competition in short series, as high-volume manufacturers seek to optimize their capacity utilization ratios.

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 reduced with a recourse factoring agreement and credit facility.

PUBLICATION OF FINANCIAL RELEASES

Aspocomp Group Plc.'s financial information publication schedule for 2017 is:

- Half-year financial report for January-June: Friday, August 11, 2017
- Interim report for January-September: Thursday, October 26, 2017

Interim reports will be published at around 9:00 a.m.

ACCOUNTING POLICIES

The reported operations include the Group's parent company, Aspocomp Group Plc. All figures are unaudited. The Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles that were applied in the preparation of the financial statements of December 31, 2016 have been applied in the preparation of this report. However, the company complies with new or modified standards that came into effect as of January 1, 2017. The company has determined that these amendments do not have an impact on the consolidated financial statements.

PROFIT AND LOSS STATEMENT

January - March

	1 000 €	1-3/2017		1-3/2016		Change	1-12/2016	
Net sales	5,669	100%	4,137	100%	37%	21,623	100%	
Other operating income	19	0%	2	0%	664%	38	0%	
Materials and services	-2,502	-44%	-1,717	-41%	46%	-9,159	-42%	
Personnel expenses	-1,536	-27%	-1,568	-38%	-2%	-6,216	-29%	
Other operating costs	-1,180	-21%	-1,033	-25%	14%	-4,530	-21%	
Depreciation and amortization	-279	-5%	-262	-6%	6%	-1,066	-5%	
Operating result	191	3%	-441	-11%	143%	690	3%	
Financial income and expenses	-12	0%	-26	-1%	54%	-68	0%	
Profit/loss before tax	179	3%	-467	-11%	138%	622	3%	
Income taxes	-2	0%	0	0%		412	2%	
Profit/loss for the period	177	3%	-467	-11%	138%	1,034	5%	
<i>Other comprehensive income</i>								
Items that will not be reclassified to profit or loss	0	0%	0	0%		0	0%	
Items that may be reclassified subsequently to profit or loss:								
Currency translation differences	1	0%	2	0%	-77%	2	0%	
Total other comprehensive income	1	0%	2	0%	-77%	2	0%	
Total comprehensive income	178	3%	-465	-11%	138%	1,036	5%	
Earnings per share (EPS)								
Basic EPS	0.03 €		-0.07 €		143%	0.16 €		
Diluted EPS	0.03 €		-0.07 €		143%	0.16 €		

CONSOLIDATED BALANCE SHEET

	1 000 €	3/2017	3/2016	Change	12/2016
Assets					
Non-current assets					
Intangible assets		3,255	3,080	6%	3,216
Tangible assets		2,297	2,020	14%	2,499
Available for sale investments		15	15	0%	15
Deferred income tax assets		3,017	2,595	16%	3,017
Total non-current assets		8,584	7,710	11%	8,747
Current assets					
Inventories		2,549	2,390	7%	2,622
Short-term receivables		3,777	3,221	17%	4,117
Cash and bank deposits		467	282	65%	258
Total current assets		6,793	5,893	15%	6,998
Total assets		15,378	13,603	13%	15,744
Equity and liabilities					
Share capital		1,000	1,000	0%	1,000
Reserve for invested non-restricted equity		4,261	4,129	3%	4,255
Retained earnings		5,562	3,883	43%	5,384
Total equity		10,823	9,012	20%	10,639
Long-term financing loans		784	96	716%	819
Other non-current liabilities		357	358	0%	357
Deferred income tax liabilities		19	12	65%	19
Short-term financing loans		311	1,844	-83%	693
Trade and other payables		3,084	2,281	35%	3,217
Total liabilities		4,555	4,591	-1%	5,105
Total equity and liabilities		15,378	13,603	13%	15,744

CONSOLIDATED CHANGES IN EQUITY

January-March 2017

1000 €	Share capital	Other reserve	Translation differences	Retained earnings	Total equity
Balance at Jan. 1, 2017	1,000	4,255	-1	5,386	10,639
Comprehensive income					
Comprehensive income for the period				177	177
<i>Other comprehensive income for the period, net of tax</i>					
Translation differences			1		1
Total comprehensive income for the period	0	0	1	177	178
Business transactions with owners					
Share-based payment		6		0	6
Business transactions with owners, total	0	6	0	0	6
Balance at March 31, 2017	1,000	4,261	-1	5,563	10,823
January-March 2016					
Balance at Jan. 1, 2016	1,000	4,117	-3	4,351	9,465
Comprehensive income					
Comprehensive income for the period				-467	-467
<i>Other comprehensive income for the period, net of tax</i>					
Translation differences			2		2
Total comprehensive income for the period	0	0	2	-467	-465
Business transactions with owners					
Share-based payment		12		0	12
Business transactions with owners, total	0	12	0	0	12
Balance at March 31, 2016	1,000	4,129	-1	3,884	9,012

CONSOLIDATED CASH FLOW STATEMENT

	1 000 €	1-3/2017	1-3/2016	1-12/2016
Profit for the period		177	-467	1,034
Adjustments		283	303	795
Change in working capital		304	-398	-1,658
Received interest income		1	4	0
Paid interest expenses		-23	-29	-78
Paid taxes		-2	0	-2
Cash flow from operating activities		741	-588	91
Investments		-143	-34	-397
Proceeds from sale of property, plant and equipment		18	0	20
Cash flow from investing activities		-125	-34	-377
Increase in financing		0	745	1,046
Decrease in financing		-408	-109	-860
Stock options exercised		0	0	89
Cash flow from financing activities		-408	635	276
Change in cash and cash equivalents		208	14	-10
Cash and cash equivalents at the beginning of period		258	268	268
Cash and cash equivalents at the end of period		467	282	258

KEY FINANCIAL INDICATORS

	Q1/2017	Q4/2016	Q3/2016	Q2/2016	Q1/2016
Net sales, M€	5.7	6.6	5.6	5.3	4.1
Operating result before depreciation (EBITDA), M€	0.5	1.1	0.4	0.4	-0.2
Operating result (EBIT), M€	0.2	0.8	0.2	0.2	-0.4
of net sales, %	3%	12%	3%	3%	-11%
Profit/loss before taxes, M€	0.2	0.8	0.1	0.1	-0.5
of net sales, %	3%	12%	2%	3%	-11%
Net profit/loss for the period, M€	0.2	1.2	0.1	0.1	-0.5
of net sales, %	3%	19%	2%	3%	-11%
Equity ratio, %	70%	68%	64%	66%	66%
Gearing, %	6%	12%	16%	15%	18%
Gross investments in fixed assets, M€	0.1	0.2	0.1	0.1	0.0
of net sales, %	3%	3%	2%	1%	1%
Personnel, end of the quarter	106	108	109	105	104
Earnings/share (EPS), €	0.03	0.19	0.02	0.02	-0.07
Equity/share, €	1.67	1.64	1.45	1.43	1.41

Formulas and definitions

Equity/share, €	=	$\frac{\text{Equity attributable to shareholders}}{\text{Number of shares at the end of period}}$
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Total assets - advances received}} \times 100$
Gearing, %	=	$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$
Earnings/share (EPS), €	=	$\frac{\text{Profit attributable to equity shareholders}}{\text{Adjusted weighted average number of shares outstanding}}$
EBITDA	=	Earnings before interests, taxes, depreciations and amortisations

CONTINGENT LIABILITIES

	1 000 €	3/2017	3/2016	12/2016
Business mortgage		4,000	4,000	4,000
Operating lease liabilities		465	631	466
Other liabilities		21	1,086	21
Total		4,486	5,717	4,487

All figures are unaudited.

Espoo, April 27, 2017

Board of Directors of Aspocomp Group Plc.

For further information, please contact Mikko Montonen, CEO,
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ASPOCOMP - A SERVICE COMPANY SPECIALIZING IN PCB TECHNOLOGIES

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. 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.

A printed circuit board (PCB) is the principal interconnection method in electronic devices. PCBs are used for electrical interconnection and as a component assembly platform in most electronic applications. Aspocomp's customers are companies that design and manufacture telecom systems and equipment, automotive and industrial electronics, security technology and semiconductor testing systems.

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.