

Aspocomp Group Plc, Interim Report, April 27, 2021 at 9:00 a.m.

Aspocomp's Interim Report January 1 - March 31, 2021: Net sales declined in the challenging market and the operating result remained at the previous year's level

Key figures 1-3/2021 in brief

	1-3/2021	1-3/2020	Change *
Net sales	6.2 M€	6.7 M€	-7 %
EBITDA	-0.1 M€	0.0 M€	-37 %
Operating result	-0.5 M€	-0.4 M€	-16 %
<i>% of net sales</i>	-8.0 %	-6.3 %	-2 ppts
Earnings per share	-0.07 €	-0.07 €	0 %
Operative cash flow	-0.1 M€	0.4 M€	-118 %
Equity ratio	62.7 %	63.9 %	-1 ppts
Order book at the end of period	5.3 M€	5.6 M€	-5 %

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

OUTLOOK FOR 2021

Demand is expected to improve in all customer segments. However, a global shortage of components may hinder positive developments.

The company's full-year guidance remains unchanged. Aspocomp estimates that its net sales for 2021 will increase and its operating result for 2021 will improve from 2020. In 2020, net sales amounted to EUR 25.6 million and the operating result to EUR -0.1 million.

CEO'S REVIEW

“Demand for PCBs was weak as expected in the first quarter, which is typically the quietest quarter of the year. The net sales for January-March amounted to EUR 6.2 million, a year-on-year decrease of about 7 percent. The decline in net sales was steady in almost all customer segments, with only the Industrial Electronics segment swinging to growth of 22 percent. Customer prospects and purchases clearly picked up towards the end of the quarter, as companies began to prepare for growth in demand when COVID-19 pandemic restrictions will be eased. The growth expectations of the electronics industry are also reflected in the difficult availability of raw materials and semiconductor components and the significant increase in delivery times.

The operating result was EUR 0.5 million in the red, a year-on-year decrease of 16 percent. The weak operating result was affected by the low level of net sales at the beginning of the year, an unfavorable product mix and increased maintenance costs at the Oulu plant due to equipment breakdowns and preventive maintenance. Our earnings performance will recover in step with rising demand and the positive development of the order book.”

Impact of the COVID-19 pandemic

Due to the COVID-19 pandemic and the resulting decline in general demand, as well as for financial reasons, some customers have had to postpone or even cancel their orders. Asian PCB mass suppliers have had overcapacity due to the weaker market situation, which allowed them to exceptionally respond to changing customer needs.

The company's production at the Oulu plant has continued normally and delivery capacity has been reasonable. The company has continued to invest in new capacity and increased its product development investments in new products and more challenging technologies.

The pandemic has not affected the company's liquidity. The cash situation has remained good and the credit facilities have not been used. The company has had no need to recognize write-downs of goodwill.

NET SALES AND EARNINGS

January - March 2021

First-quarter net sales amounted to EUR 6.2 (6.7) million, a year-on-year decrease of 7 percent. Net sales declined steadily in almost all customer segments, except for Industrial Electronics, which grew by 22 percent.

The five largest customers accounted for 48 (42) percent of net sales. In geographical terms, 87 (90) percent of net sales were generated in Europe and 13 (10) percent on other continents.

The operating result for the first quarter amounted to EUR -0.5 (-0.4) million. First-quarter operating result was -8.0 (-6.3) percent of net sales. The operating result was burdened at the beginning of the year by the low net sales level and unfavorable product mix and as well as increased maintenance costs at the Oulu plant.

Net financial expenses amounted to EUR 0.0 (0.0) million, including a deferred exchange gain of EUR 0.1 million. Earnings per share were EUR -0.07 (-0.07).

The order book at the end of the review period was EUR 5.3 (5.6) million.

THE GROUP'S KEY FIGURES

	1-3/21	1-3/20	Change	1-12/20
Net sales, M€	6.2	6.7	-7 %	25.6
EBITDA, M€	-0.1	0.0	-37 %	1.5
Operating result, M€	-0.5	-0.4	-16 %	-0.1
% of net sales	-8%	-6%	-2 <i>ppts</i>	-1%
Pre-tax- profit/loss, M€	-0.5	-0.4	-2 %	-0.4
% of net sales	-7%	-7%	-1 <i>ppts</i>	-2%
Profit/loss for the period, M€	-0.5	-0.4	-2 %	-0.1
% of net sales	-7%	-7%	-1 <i>ppts</i>	0%

Earnings per share, €	-0.07	-0.07	0 %	-0.01
Investments, M€	0.6	1.0	-39 %	2.0
% of net sales	10%	14%	-5 <i>ppts</i>	8%
Cash, end of the period	1.9	1.5	42 %	2.8
Equity / share, €	2.44	2.60	-16 %	2.51
Equity ratio, %	63%	64%	-1 <i>ppts</i>	64%
Gearing, %	21%	21%	-1 <i>ppts</i>	17%
Personnel, end of the period	134	139	-5 persons	138

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

INVESTMENTS

Investments during the review period amounted to EUR 0.6 (1.0) million. The investments were mainly focused on upgrading the capabilities of the Oulu plant, improving automation, and increasing production efficiency.

In 2017, Aspocomp launched a total of EUR 10 million investment program to further strengthen its position as a strategic partner to leading companies in the semiconductor, automotive, defense and aerospace, and telecommunications (5G) industries. The second phase of investments was launched in the spring of 2020, when the company was granted a total of EUR 1.35 million in development support by the ELY Center, corresponding to about 25 percent of its total cost. The second phase of the investment program aims in particular to increase the capacity of the Oulu plant, improve automation and increase production efficiency. In this current program, which will run until the end of 2022, all of the new equipment will be installed in the existing Oulu plant building and no additional plant space will be built.

CASH FLOW AND FINANCING

Cash flow from operations amounted to EUR -0.1 (0.4) million in the review period.

Cash assets amounted to EUR 1.9 (1.4) million at the end of the period. Interest-bearing liabilities amounted to EUR 5.3 (5.3) million. Gearing was 21 (21) percent. Non-interest-bearing liabilities amounted to EUR 4.6 (4.8) million.

At the end of the period, the Group's equity ratio amounted to 62.7 (63.9) percent.

The company has a EUR 1.0 (1.0) 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 0.0 (0.0) million was in use.

PERSONNEL

During the review period, the company had an average of 135 (137) employees. The personnel count on March 31, 2021 was 134 (139). Of them, 83 (86) were blue-collar and 51 (53) white-collar

employees.

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

The Annual General Meeting of Aspocomp Group Plc held on April 13, 2021 adopted the annual accounts and the consolidated annual accounts as well as granted the members of the Board of Directors and the CEO discharge from liability regarding the financial period 2020. The Annual General Meeting approved the Remuneration Report for the governing bodies 2020.

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided to authorize the Board of Directors to decide, at its discretion, on the distribution of up to EUR 0.07 per share from retained earnings and / or return on invested equity in one or more tranches. The authorization is valid until the beginning of the next Annual General Meeting. The company will publish any Board decision on the distribution of funds separately and at the same time confirms the relevant reconciliation and payment dates. The Annual General Meeting decided that no dividend shall be distributed by a decision of the Annual General Meeting.

The Annual General Meeting decided to set the number of Board members at four (4) and re-elected the current members of the Board Ms. Päivi Marttila and Ms. Kaarina Muurinen and elected Mr. Jukka Huuskonen and Mr. Anssi Korhonen as new members to 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. Mikko Nieminen, 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, the vice chairman of the Board of Directors be paid EUR 20,000 and the other members will be paid EUR 15,000 each in remuneration for their term of office. The Annual General Meeting further decided that EUR 1,000 will be paid as remuneration per meeting to the chairman and that the other members be paid EUR 500 per meeting of the Board and its committees. 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 684,144 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 June 9, 2020 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, 2022.

The minutes of the Annual General Meeting are available on the company's website at www.aspocomp.com/agm starting from April 27, 2021 at the latest.

THE BOARD OF DIRECTORS' ORGANIZATION MEETING

In its organization meeting held after the Annual General Meeting, the Board of Directors of Aspocomp Group Plc re-elected Ms. Päivi Marttila as Chairman of the Board and Ms. Kaarina Muurinen as Vice Chairman.

The Board of Directors did not establish an Audit Committee, the Board itself performs the duties of the Audit Committee.

The Board of Directors has at its meeting evaluated the independence of the Board members in compliance with the recommendations of the Finnish Corporate Governance Code. It is the view of the Board of Directors that all Board members are independent of the company's major shareholders. The Board of Directors has also assessed that all the Board members are independent of the company.

SHARES

The total number of Aspocomp's shares at March 31, 2021 was 6,841,440 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.

A total of 493,731 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to March 31, 2021. The aggregate value of the shares exchanged was EUR 2,018,571. The shares traded at a low of EUR 3.83 and a high of EUR 4.28. The average share price was EUR 4.09. The closing price at March 31, 2021 was EUR 4.01, which translates into market capitalization of EUR 27.4 million.

The company had 3,835 shareholders at the end of the review period. Nominee-registered shares accounted for 2.4 percent of the total shares.

ASSESSMENT OF SHORT-TERM BUSINESS RISKS

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.

Impact of the COVID-19 pandemic on the electronics supply chain

The COVID-19 pandemic and the restrictions it has caused are having a major impact on the supply chains of the entire electronics industry. At the same time, the COVID-19 pandemic may affect the

availability of parts and components required by electronic assemblers, which would weaken demand.

Dependence on key customers

Aspocomp's customer base is concentrated; approximately half of sales are generated by five 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.

PUBLICATION OF FINANCIAL RELEASES FOR 2021

Aspocomp Group Plc.'s financial information publication schedule for 2021 is:

Half-year report for January-June 2021: Thursday, August 12, 2021

Interim report January-September 2021: Thursday, November 4, 2021

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

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

Espoo, April 27, 2021

ASPOCOMP GROUP PLC
Board of Directors

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.

ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICES

The reported operations include the Group's parent company, Aspocomp Group Plc. All figures

presented for the review period are unaudited. This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting), following the same accounting principles as in the annual financial statements for 2020; however, the company complies with the standards and amendments that came into effect as from January 1, 2021.

R&D

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.

New and revised standards adopted by the Group

Amendments to IAS 1 and IAS 8 Definition of Material

The IASB has issued the following new or revised standards and interpretations that the Group has not yet applied. The Group adopts them from the effective date of each standard and interpretation, or, if the effective date is other than the first day of the financial year, from the beginning of the financial year following the effective date.

The IASB has amended IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to use a uniform definition of materiality throughout IRFSs and the Conceptual Framework for Financial Reporting, clarifying when information is material and includes guidance on irrelevant information.

In particular, the amendments clarify:

- that the reference to obscuring information applies to situations where the effect is similar to the omission or misstatement of that information and that the entity assesses materiality in the light of the financial statements as a whole; and
- that “primary users of financial statements for general use” means those to whom the financial statements are addressed and include “many current and potential investors, lenders and other creditors” who are largely required to meet their financial information needs through publicly available financial statements.

Any other IFRS or IFRIC interpretation already issued but not yet effective is not expected to have a material impact on the Group.

PROFIT & LOSS STATEMENT	January-March 2021							
	1 000 €	1-3/2021		1-3/2020		Change	1-12/2020	
Net sales	6,238	100%	6,735	100%	-7%	25,635	100%	
Other operating income	21	0%	2	0%	1051%	83	0%	
Materials and services	-3,129	-50%	-3,464	-51%	-10%	-11,971	-47%	
Personnel expenses	-2,178	-35%	-2,020	-30%	8%	-7,856	-31%	
Other operating costs	-1,009	-16%	-1,295	-19%	-22%	-4,380	-17%	
Depreciation and amortization	-440	-7%	-385	-6%	14%	-1,643	-6%	

Operating result	-497	-8%	-428	-6%	16%	-131	-1%
Financial income and expenses	42	1%	-19	0%		-294	-1%
Profit/loss before tax	-455	-7%	-447	-7%	2%	-426	-2%
Income taxes	-1	0%	-1	0%		327	1%
Profit/loss for the period	-456	-7%	-448	-7%	2%	-98	0%

Other comprehensive income

Items that will not be reclassified to profit or loss

Remeasurements of defined benefit pension

plans 6 0%

Income tax relating these items -1 0%

Items that may be reclassified subsequently to profit or loss:

Currency translation differences 1 0% 0 0% 0 0%

Total other comprehensive income 1 0% 0 0% 5 0%

Total comprehensive income -456 -7% -448 -7% 2% -93 0%

Earnings per share (EPS)

Basic EPS -0.07 € -0.07 € 0% -0.01 €

Diluted EPS -0.07 € -0.07 € 0% -0.01 €

CONSOLIDATED BALANCE SHEET

	1 000 €	3/2021	3/2020	Change	12/2020
Assets					
Non-current assets					
Intangible assets		3,229	3,261	-1%	3,247
Tangible assets		5,907	5,787	2%	5,916
Right-of-use assets		971	1,196	-19%	1,029
Financial assets at fair value through profit or loss		95	15	537%	95
Deferred income tax assets		5,043	4,673	8%	5,043
Total non-current assets		15,246	14,932	2%	15,330
Current assets					
Inventories		2,809	3,317	-15%	2,932
Short-term receivables		6,675	8,130	-18%	5,891
Cash and bank deposits		1,890	1,467	29%	2,801
Total current assets		11,374	12,914	-12%	11,623
Total assets		26,619	27,846	-4%	26,953

Equity and liabilities

Share capital	1,000	1,000	0%	1,000
Reserve for invested non-restricted equity	4,713	4,681	1%	4,705
Remeasurements of defined benefit pension plans	-7	-12	-42%	-7
Retained earnings	10,994	12,127	-9%	11,450
Total equity	16,700	17,796	-6%	17,148
Long-term financing loans	3,984	3,824	4%	4,245
Other non-current liabilities	340	355	-4%	340
Deferred income tax liabilities	19	25	-26%	19
Short-term financing loans	1,363	1,425	-4%	1,408
Trade and other payables	4,214	4,422	-5%	3,794
Total liabilities	9,920	10,051	-1%	9,806
Total equity and liabilities	26,619	27,846	-4%	26,953

CONSOLIDATED CHANGES IN EQUITY**January-March 2021**

1000 €	Share capital	Other reserve	Remeasurements of employee benefits	Translation differences	Retained earnings	Total equity
Balance at Jan. 1, 2021	1,000	4,705	-7	2	11,448	17,148
Comprehensive income						
Comprehensive income for the period					-456	-456
<i>Other comprehensive income for the period, net of tax</i>						
Translation differences				1		1
Total comprehensive income for the period	0	0	0	1	-456	-456
Business transactions with owners						
Dividends paid						0
Share-based payment		8				8
Business transactions with owners, total	0	8	0	0	0	8
Balance at March 31, 2021	1,000	4,713	-7	3	10,991	16,700

January-March 2020

Balance at Jan. 1, 2020	1,000	4,534	-12	2	12,572	18,096
Comprehensive income						
Comprehensive income for the period					-448	-448
<i>Other comprehensive income for the period, net of tax</i>						
Translation differences			0	0		0
Total comprehensive income for the period	0	0	0	0	-448	-448
Business transactions with owners						
Dividends paid					0	0
Share-based payment		147			0	147
Business transactions with owners, total	0	147	0	0	0	147
Balance at March 31, 2020	1,000	4,681	-12	2	12,125	17,796

CONSOLIDATED CASH FLOW STATEMENT

January-March

	1 000 €	1-3/2021	1-3/2020	1-12/2020
Profit for the period		-456	-448	-98
Adjustments		389	382	1,775
Change in working capital		28	504	2,303
Received interest income		0	0	0
Paid interest expenses		-36	-20	-292
Paid taxes		-1	-1	-14
Cash flow from operating activities		-77	417	3,674
Investments		-595	-972	-1,986
Proceeds from sale of property, plant and equipment		19	0	28
Cash flow from investing activities		-577	-972	-1,959
Increase in financing		0	0	3,000
Decrease in financing		-248	-424	-2,852
Decrease in lease liabilities		-87	-103	-380
Stock options exercised		0	139	139
Dividends paid		0	0	-1,026
Cash flow from financing activities		-335	-388	-1,119
Change in cash and cash equivalents		-989	-943	596
Cash and cash equivalents at the beginning of period		2,801	2,382	2,382
Effects of exchange rate changes on cash and cash equivalents		78	28	-177
Cash and cash equivalents at the end of period		1,890	1,467	2,801

KEY INDICATORS

	Q1/2021	Q4/2020	Q3/2020	Q2/2020	2020
Net sales, M€	6.2	5.9	5.9	7.1	25.6
Operating result before depreciation (EBITDA), M€	-0.1	0.4	0.5	0.6	1.5
Operating result (EBIT), M€	-0.5	0.0	0.1	0.3	-0.1
<i>of net sales, %</i>	-8%	-1%	2%	4%	-1%
Profit/loss before taxes, M€	-0.5	-0.2	0.0	0.2	-0.4
<i>of net sales, %</i>	-7%	-3%	0%	3%	-2%
Net profit/loss for the period, M€	-0.5	0.1	0.0	0.2	-0.1
<i>of net sales, %</i>	-7%	2%	0%	3%	0%
Equity ratio, %	63%	64%	63%	62%	64%
Gearing, %	21%	17%	14%	14%	17%
Gross investments in fixed assets, M€	0.6	0.4	0.3	0.3	2.0
<i>of net sales, %</i>	10%	6%	6%	5%	8%
Personnel, end of the quarter	134	138	142	144	138
Earnings/share (EPS), €	-0.07	0.02	0.00	0.03	-0.01
Equity/share, €	2.44	2.51	2.48	2.63	2.51

The Alternative Performance Measures (APM) used by the Group

Aspocomp presents in its financial reporting alternative performance measures, which describe the 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
	<i>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.</i>
Operating result	= Earnings before income taxes and financial income and expenses presented in the IFRS consolidated income statement.
	<i>The operating result indicates the financial profitability of operations and their development.</i>
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, %	= $\frac{\text{Net interest-bearing liabilities}}{\text{Total assets - advances received}} \times 100$

Total equity

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 + received interest income - paid interest expenses - paid taxes

CONTINGENT LIABILITIES

	1 000 €	3/2021	3/2020	12/2020
Business mortgage		6,000	6,000	6,000
Collateral note		1,200	1,200	1,200
Guaranteed contingent liability towards the Finnish Customs		35	35	35
Total		7,235	7,235	7,235

All figures are unaudited.

Further information

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

Aspocomp - heart of technology

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