

Aspocomp Group Plc, Interim Report, April 18, 2024, at 9:45 a.m. (Finnish time)

Correction: Aspocomp's Interim Report January 1 - March 31, 2024: Net sales and operating result decreased from the comparison period

Intangible assets in the Consolidated Balance sheet corrected

FIRST QUARTER 2024 HIGHLIGHTS

- Net sales EUR 6.2 (8.9) million, decrease of 30%
- Operating result EUR -1.6 (0.3) million, -25.9% (3.8%) of net sales
- Earnings per share EUR -0.24 (0.04)
- Operative cash flow EUR -2.0 (1.6) million
- Orders received EUR 7.5 (13.7) million, decrease of 45%
- Order book at the end of the review period EUR 11.8 (19.1) million, decrease of 38%
- Equity ratio 64.5% (72.9%)

OUTLOOK FOR 2024

Inflation and interest rates, weak economic development, the uncertainties posed by Russia's war of aggression and the situation in the Middle East, and global trade policy tensions will affect the operating environment of Aspocomp and its customers in the 2024 fiscal year. The company estimates that the demand in the Semiconductor segment will gradually recover starting from the first half of 2024, while at the same time unloading high inventory levels in various parts of the value chain. In order for investments to pick up in several of Aspocomp's customer segments, consumer demand must improve, and interest rates decline, among other factors. Demand for Aspocomp's products is expected to recover gradually during 2024.

Aspocomp reiterates the guidance that was published on March 14, 2024. Aspocomp estimates that its net sales for 2024 will increase from 2023 and its operating result will improve from 2023. In 2023, net sales amounted to EUR 32.3 million and the operating result was a loss of EUR 1.7 million.

CEO'S REVIEW

“January-March net sales decreased by 30 percent year-on-year and amounted to EUR 6.2 (8.9) million. Net sales development was depressed especially by weak demand in the semiconductor industry and a weaker product mix than in the comparison period.

Although the decline in net sales in the Semiconductor Industry customer segment was strong in the first quarter, market data indicates that its business cycle has already turned around. For example, according to the Semiconductor Industry Association, which follows the semiconductor industry, global sales of semiconductors grew by 15-16 percent in January-February compared to the reference period of 2023, and the association predicts that growth will continue at a similar level throughout 2024. However, the positive development of the semiconductor market is not immediately reflected in PCB sales, as inventory levels are still high in various parts of Aspocomp's customers' value chain. When inventory levels gradually return to normal, the recovery of the

semiconductor cycle is expected to be gradually in the demand for Aspocomp's products as well. Even in the longer term, the semiconductor industry's growth prospects are strong.

Of the other customer segments, Industrial Electronics developed the best in the first quarter. The active sales work of the Security, Defense and Aerospace customer segment was reflected in net sales, which increased from the comparison period. The Telecommunication customer segment continued to be weighed down by the weak demand situation among end customers.

First-quarter operating result remained a loss, at EUR 1.6 (+0.3) million. The operating result was burdened by a decrease in net sales, the weakened product mix and higher material costs caused by a process failure that continued since the end of last year. The process failure is not expected to affect Aspocomp's financial development in the second quarter of 2024.

Inflation and interest rates, the economic recession, the uncertainties posed by Russia's war of aggression and the situation in the Middle East, and global trade policy tensions will affect the operating environment of Aspocomp and its customers in the 2024 fiscal year. Demand for Aspocomp's products is expected to recover gradually during 2024. We reiterate the guidance that was published on March 14, 2024, that Aspocomp's net sales will increase from 2023 and its operating result improve from 2023. In 2023, net sales amounted to EUR 32.3 million and the operating result was a loss of EUR 1.7 million.

My ten-year journey in Aspocomp's management will come to an end on May 20, 2024, when Manu Skyttä will take the helm as the CEO of the company. I would like to warmly thank the staff, shareholders and our customers for these years."

NET SALES AND EARNINGS

January-March 2024

First-quarter net sales amounted to EUR 6.2 (8.9) million. Net sales decreased year-on-year by 30%. The development of net sales was impacted especially by muted demand in the semiconductor industry and a weaker product mix than in the comparison period.

The Semiconductor Industry customer segment's first-quarter net sales decreased year-on-year by 71% to EUR 1.1 (3.7) million. The customer segment still suffered from high inventory levels in the value chain.

The Industrial Electronics customer segment's first-quarter net sales increased year-on-year by 44% to EUR 1.2 (0.8) million. Net sales increased due to a slight recovery in demand.

The Security, Defense and Aerospace customer segment's first-quarter net sales increased year-on-year by 14% and amounted to EUR 1.6 (1.4) million. The active sales work of Aspocomp was reflected in the increase of requests for offers and orders.

The Automotive customer segment's first-quarter net sales decreased by 10% year-on-year and amounted to EUR 1.8 (2.0) million. The uncertain market situation slowed down deliveries.

The Telecommunication customer segment's first-quarter net sales decreased year-on-year by 41% and amounted to EUR 0.6 (1.1) million. End customers' weakened demand situation limited the growth of the customer segment.

The five largest customers accounted for 58% (61%) of net sales. In geographical terms, 83% (85%) of net sales were generated in Europe and 17% (15%) on other continents.

The operating result for the first quarter amounted to EUR -1.6 (0.3) million and operating result was -25.9% (3.8%) of net sales. The decline in the operating result was due to the decreased net sales caused by muted demand, the weakened product mix and the significant rise in material costs. Material costs were increased by a process disruption that continued from the fourth quarter of 2023.

Net financial expenses amounted to EUR 0.0 (0.0) million. Earnings per share were EUR -0.24 (0.04).

THE GROUP'S KEY FIGURES

	1-3/24	1-3/23	Change	1-12/23
Net sales, M€	6.2	8.9	-30 %	32.3
EBITDA, M€	-1.1	0.8	-235 %	0.3
Operating result, M€	-1.6	0.3	-577 %	-1.7
% of net sales	-26%	4%	-30 <i>ppts</i>	-5%
Pre-tax profit/loss, M€	-1.7	0.3	-643 %	-2.0
% of net sales	-27%	3%	-30 <i>ppts</i>	-6%
Profit/loss for the period, M€	-1.7	0.3	-646 %	-1.6
% of net sales	-27%	3%	-30 <i>ppts</i>	-5%
Earnings per share, €	-0.24	0.04	-700 %	-0.24
Received orders	7.5	13.7	-45 %	21.4
Order book at the end of period	11.8	19.1	-38 %	10.5
Investments, M€	0.2	0.4	-54 %	2.7
% of net sales	3%	4%	-1 <i>ppts</i>	8%
Cash, end of the period	1.3	2.4	-102 %	1.3
Equity / share, €	2.50	3.24	-74 %	2.74
Equity ratio, %	65%	73%	-8 <i>ppts</i>	72%
Gearing, %	17%	2%	14 <i>ppts</i>	3%
Personnel, end of the period	163	156	7 persons	162

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

INVESTMENTS

Investments during the review period amounted to EUR 0.2 (0.4) million. The investments were focused on upgrading the capacity of the Oulu plant, improving automation, and increasing production efficiency.

CASH FLOW AND FINANCING

January-March 2024 cash flow from operations amounted to EUR -2.0 (1.6) million. Cash flow weakened mainly due to the increase in working capital and negative result.

Cash assets amounted to EUR 1.3 (2.4) million at the end of the period. Interest-bearing liabilities amounted to EUR 4.2 (2.8) million. Interest-bearing liabilities increased due to the use of the credit facility. Gearing was 17% (2%). Non-interest-bearing liabilities amounted to EUR 5.2 (5.4) million.

At the end of the period, the Group's equity ratio amounted to 64.5% (72.9%).

The company has a EUR 4.0 (2.0) million credit facility, of which EUR 2.9 million was 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 163 (156) employees. The personnel count on March 31, 2024, was 163 (156). Of them, 107 (99) were blue-collar and 56 (57) white-collar employees.

On January 4, 2024, Aspocomp started change negotiations in Finland. The goal of the negotiations was to improve the company's profitability and competitiveness and to secure future operational capacity in a weakened market situation. The negotiations covered the company's entire personnel in Finland, approximately 150 people. The change negotiations ended on February 16, 2024, and as a result, two employees were dismissed. The company's layoff authorization applies to 40 people. Layoffs can be implemented for the time being if the company's financial or production situation so requires.

CHANGES IN THE MANAGEMENT TEAM

On February 15, 2024, Aspocomp announced that Mr. Manu Skyttä (b. 1975), MSc, Aeronautical Engineering, has been appointed as the company's new President and CEO. Manu Skyttä will assume his duties on May 20, 2024. Mikko Montonen will stay on as the company's President and CEO until May 20, 2024.

On January 8, 2024, Aspocomp announced changes in its Management Team. Aspocomp's Management Team includes as of January 8, 2024, Mikko Montonen, President and CEO, Antti Ojala, CCO and Deputy CEO, Pekka Holopainen, COO, Jouni Kinnunen, CFO, and Mitri Mattila, CTO.

ANNUAL GENERAL MEETING 2023, THE BOARD OF DIRECTORS AND AUTHORIZATIONS GIVEN TO THE BOARD

The decisions of the Annual General Meeting held on April 20, 2023, 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 April 20, 2023.

Aspocomp's Annual General Meeting 2024 will be held on Thursday, April 18 at 10:00 a.m. EEST.

SHARES

The total number of Aspocomp's shares at March 31, 2024 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 273,209 Aspocomp Group Plc. shares were traded on Nasdaq Helsinki during the period from January 1 to March 31, 2024. The aggregate value of the shares exchanged was EUR 907,445. The shares traded at a low of EUR 2.97 and a high of EUR 3.84. The average share price was EUR 3.32. The closing price at March 31, 2024 was EUR 3.23, which translates into market capitalization of EUR 22.8 million.

The company had 4,253 shareholders at the end of the review period. Nominee-registered shares accounted for 1.4% of the total shares.

SHARE-BASED LONG-TERM INCENTIVE SCHEME

The Board of Directors of Aspocomp Group Plc decided on the establishment of a share-based long-term incentive scheme for the company's top management and selected key employees on July 20, 2022. The objectives of the Performance Share Plan (PSP) are to align the interests of Aspocomp's management with those of the company's shareholders and thereby promote shareholder value creation in the long term as well as to commit the management to achieving Aspocomp's strategic targets. The performance period of the first plan, PSP 2022-2024, covers the period from the beginning of July 2022 until the end of the year 2024. Eligible for participation in PSP 2022-2024 are approximately 20 individuals, including the members of Aspocomp's Management Team. The launch of a long-term Performance Share Plan has been announced in a separate stock exchange release on July 20, 2022.

On February 15, 2023, Aspocomp Group Plc's Board of Directors decided on the commencement of a new performance period in the share-based long-term Performance Share Plan (PSP) for the company's senior management and selected key employees. The next plan within the PSP structure, PSP 2023-2025, commenced as of the beginning of 2023 and the share rewards potentially earned thereunder will be paid during H1 2026. The new performance period of the long-term Performance Share Plan has been announced in a separate stock exchange release on February 15, 2023.

SHAREHOLDERS' NOMINATION BOARD

On September 6, 2023, Aspocomp announced the composition of its Shareholders' Nomination Board. Based on the company's list of shareholders dated September 1, 2023, the three largest shareholders were determined, and they appointed the following members to the Nomination Board: Päivi Marttila, appointed by Etola Group and Erkki Etola, Kyösti Kakkonen, appointed by Joensuun Kauppa ja Kone Oy, and Mikko Montonen, the third largest shareholder.

The Nomination Board submits proposals regarding the company's Board members and their fees to the 2024 Annual General Meeting. The proposals were announced as a stock exchange release on

January 17, 2024, and in the AGM notice on March 14, 2024.

ASSESSMENT OF SHORT-TERM BUSINESS RISKS

In accordance with its goal, the company has systematically expanded its services to cover the PCB needs of its customers over the entire life cycle and thereby has successfully balanced out variations in demand and the order book.

Risks affecting the operating environment

Russia's war against Ukraine and the sanctions imposed on Russia in response are not expected to have a significant direct impact on the company. Aspocomp has no business operations and no direct customers or suppliers in Russia or Belarus. However, the changed operating environment may affect our sourcing and logistics chains.

The geopolitical situation has increased the risks related to customers' global supply chains. Weak economic development, inflation and high interest rates cause uncertainty in the operating environment and may affect customer demand and delay customers' investment decisions.

Cyber risks and disruptions in information systems can affect production. Aspocomp's ability to operate may deteriorate due to the production interruptions by suppliers or disruptions in the company's production. Disturbances in the labor market can also affect production and delivery capacity.

Dependence on key customers and variation in the product mix

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. In addition, variations in the product mix can have a major impact on profitability.

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.

ANNUAL GENERAL MEETING 2024

Aspocomp's Annual General Meeting 2024 will be held on Thursday, April 18 at 10:00 a.m. (Finnish time).

PUBLICATION OF FINANCIAL RELEASES FOR 2024

Aspocomp Group Plc's financial information publication schedule for 2024 is:

Half-year report 2024: Thursday, July 18, 2024 at around 9:00 a.m. (Finnish time)
Interim report January-September 2024: Wednesday, October 30, 2024 at around 9:00 a.m. (Finnish time)

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

Espoo, April 18, 2024

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 2023; however, the company complies with the standards and amendments that came into effect as from January 1, 2024.

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.

PROFIT & LOSS STATEMENT

January-March 2024

	1 000 €	1-3/2024	1-3/2023	Change	1-12/2023
Net sales	6,243	100%	8,940	100%	-30% 32,301 100%
Other operating income	2	0%	43	0%	-95% 65 0%
Materials and services	-3,491	-56%	-4,179	-47%	-16% 16,448 -51%
Personnel expenses	-2,595	-42%	-2,433	-27%	7% -9,569 -30%
Other operating costs	-1,270	-20%	-1,547	-17%	-18% -6,065 -19%

Depreciation and amortization	-506	-8%	-485	-5%	4%	-2,026	-6%
Operating result	-1,617	-26%	339	4%	-577%	-1,741	-5%
Financial income and expenses	-44	-1%	-33	0%		-266	-1%
Profit/loss before tax	-1,661	-27%	306	3%	-643%	-2,007	-6%
Change in deferred tax assets*						382	
Income taxes	-3	0%	-1	0%		-12	0%
Profit/loss for the period	-1,663	-27%	305	3%	-646%	-1,637	-5%

Other comprehensive income

Items that will not be reclassified to profit or loss

Remeasurements of defined benefit pension plans

Income tax relating to these items

Items that may be reclassified subsequently to profit or loss:

Currency translation differences

Total other comprehensive income

Total comprehensive income

Earnings per share (EPS)

Basic EPS

Diluted EPS

*The change in deferred tax assets is mainly due to the use of losses confirmed in taxation.

CONSOLIDATED BALANCE SHEET

	1 000 €	3/2024	3/2023	Change	12/2023
Assets					
Non-current assets					
Intangible assets		3,333	3,335	0%	3,348
Tangible assets		5,836	5,809	0%	6,180
Right-of-use assets		478	682	-30%	515
Financial assets at fair value through profit or loss		95	95	0%	95
Deferred income tax assets		4,513	4,196	8%	4,513
Total non-current assets		14,256	14,118	1%	14,652
Current assets					
Inventories		4,835	5,891	-18%	5,247
Short-term receivables		6,064	8,046	-25%	4,972

Cash and bank deposits	1,331	2,351	-43%	1,322
Total current assets	12,229	16,288	-25%	11,541
Total assets	26,485	30,406	-13%	26,193
Equity and liabilities				
Share capital	1,000	1,000	0%	1,000
Reserve for invested non-restricted equity	4,823	4,804	0%	4,842
Remeasurements of defined benefit pension plans	-64	-49	31%	-64
Retained earnings	11,328	16,424	-31%	12,990
Total equity	17,087	22,179	-23%	18,767
Long-term financing loans	531	1,647	-68%	780
Other non-current liabilities	323	358	-10%	323
Deferred income tax liabilities	36	57	-36%	36
Short-term financing loans	3,639	1,183	207%	1,184
Trade and other payables	4,870	4,981	-2%	5,102
Total liabilities	9,399	8,227	14%	7,425
Total equity and liabilities	26,485	30,406	-13%	26,193

CONSOLIDATED CHANGES IN EQUITY

January-March 2024

1000 €	Share capital	Other reserve	Remeasurements of employee benefits	Translation differences	Retained earnings	Total equity
Balance at Jan. 1, 2024	1,000	4,844	-64	-9	12,997	18,767
Comprehensive income						
Comprehensive income for the period					-1,663	-1,663
<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	-1,663	-1,662
Business transactions with owners						
Dividends paid						0
Share-based payment		-19				-19
Business transactions with owners, total	0	-19	0	0	0	-19
Balance at March 31, 2024	1,000	4,825	-64	-8	11,333	17,087

January-March 2023

Balance at Jan. 1, 2023	1,000	4,774	-49	6	16,072	21,803
Comprehensive income						
Comprehensive income for the period					305	305
<i>Other comprehensive income for the period, net of tax</i>						
Translation differences			0	-3		-3
Total comprehensive income for the period	0	0	0	-3	305	301
Business transactions with owners						
Dividends paid					0	0
Share-based payment		30			0	30
Business transactions with owners, total	0	30	0	0	0	30
Balance at March 31, 2023	1,000	4,804	-49	3	16,377	22,134

CONSOLIDATED CASH FLOW STATEMENT
January-March

	1 000 €	1-3/2024	1-3/2023	1-12/2023
Profit for the period		-1,663	305	-1,639
Adjustments		520	521	1,846
Change in working capital		-854	795	5,152
Received interest income		0	1	8
Paid interest expenses		-50	-30	-217
Paid taxes		-3	-1	-23
Cash flow from operating activities		-2,050	1,591	5,128
Investments		-162	-352	-2,655
Proceeds from sale of property, plant and equipment		0	41	56
Cash flow from investing activities		-162	-311	-2,599
Increase in financing		2,450	74	116
Decrease in financing		-208	-248	-991
Decrease in lease liabilities		-36	-143	-266
Dividends paid		0	0	-1,437
Cash flow from financing activities		2,206	-318	-2,577
Change in cash and cash equivalents		-5	961	-49
Cash and cash equivalents at the beginning of period		1,322	1,410	1,410
Effects of exchange rate changes on cash and cash equivalents		14	-20	-39
Cash and cash equivalents at the end of period		1,331	2,351	1,322

KEY INDICATORS

	Q1/2024	Q4/2023	Q3/2023	Q2/2023	2023
Net sales, M€	6.2	5.9	8.1	9.5	32.3
Operating result before depreciation (EBITDA), M€	-1.1	-1.3	-0.2	0.9	0.3
Operating result (EBIT), M€	-1.6	-1.8	-0.7	0.4	-1.7
<i>of net sales, %</i>	-26%	-30%	-9%	4%	-5%
Profit/loss before taxes, M€	-1.7	-1.9	-0.8	0.3	-2.0
<i>of net sales, %</i>	-27%	-32%	-10%	4%	-6%
Net profit/loss for the period, M€	-1.7	-1.5	-0.8	0.3	-1.6
<i>of net sales, %</i>	-27%	-26%	-10%	4%	-5%
Received orders	7.5	2.3	7.1	5.4	21.4
Order book at the end of period	11.8	10.5	14.0	15.0	10.5
Equity ratio, %	65%	72%	66%	68%	72%
Gearing, %	17%	3%	19%	15%	3%
Gross investments in fixed assets, M€	0.2	0.3	1.2	0.8	2.7
<i>of net sales, %</i>	3%	6%	15%	8%	8%
Personnel, end of the quarter	163	162	164	167	162
Earnings/share (EPS), €	-0.24	-0.22	-0.11	0.05	-0.24
Equity/share, €	2.50	2.74	2.96	3.08	2.74

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, %	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$ <i>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.</i>
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 €	3/2024	3/2023	12/2023
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

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 your 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