

SCANFIL

Scanfil plc
January-March 2022
Interim Report

APRIL 22, 2022



Scanfil Group's interim report for January–March 2022

Strong demand continued under demanding circumstances

January–March

- Turnover totaled EUR 196.6 million (1-3 2021: 163.3), an increase of 20.4%.
- Operating profit was EUR 10.3 (10.0) million, 5.3% (6.1%) of turnover.
- Net profit was EUR 8.0 (7.6) million, an increase of 5.6%
- Earnings per share were EUR 0.12 (0.12)
- EUR 0.19 dividend per share to be paid on 2 May 2022, an increase for 9th consecutive year

Future Outlook for 2022

Due to strong customer demand and continuation of spot-market purchases Scanfil revised its outlook on 14 April 2022. The new outlook is as follows:

Scanfil estimates that its turnover for 2022 will be EUR 750–820 million (previous, issued on 22 February 2022: EUR 710–760 million) and its adjusted operating profit will be EUR 43–48 (unchanged) million.

The outlook involves uncertainty especially arising from the availability and price level of semiconductors and the delivery capability of the supply chain. In addition, the war in Ukraine and COVID-19 might create risks and uncertainties.

Key Figures

	Q1 2022	Q1 2021	Change%	2021
Turnover, EUR million	196.6	163.3	20.4	695.7
Operating Profit, EUR million	10.3	10.0	3.6	39.6
Operating Profit, %	5.3	6.1		5.7
Net Profit, EUR million	8.0	7.6	5.6	29.8
Earnings per Share, EUR	0.12	0.12	5.2	0.46
Return on Equity, %	15.2	16.3		15.2
Equity Ratio, %	45.4	52.1		45.3
Net Gearing, %	36.9	5.9		28.9
Net Cash Flow from Operations, EUR million	-13.6	7.7	-276.6	-12.5
Employees (Average)	3,296	3,225	2.2	3,267

CEO PETTERI JOKITALO:

“The turnover of the first quarter of the year was at the record high level reaching EUR 196.6 million with an increase of 20% compared the year before. In general, customer demand has been strong in all customer segments. To mention some individual customer products with the robust demand parcel locker solutions, elevators, reverse vending machines for collecting drinking containers, lithium battery solutions, and indoor air quality systems.

In addition to strong customer demand, turnover was affected by increased material prices. To secure component availability, we purchased semiconductors at a significantly higher price from the spot market. The excess price we invoiced our customers, but generally without material margin. In the first quarter, we had EUR 17 million in our turnover this above mentioned transitory invoicing in our books. Excluding this revenue, our turnover was EUR 179 million.

The operating profit of EUR 10.3 million was in line with our expectations. Challenges in material availability caused us additional work, an increase in inventories, and decreased the productivity of our resources, especially in our largest electronics factories. We expect operating profit to develop positively towards the end of the year.

Russia’s attack on Ukraine and continuation of the state of war is condemned and a massive catastrophe for the people of Ukraine. War has also generated cost inflation and negatively affected economic growth expectations in Europe. Since the war began, we have replaced our material suppliers in Russia and Ukraine with other suppliers and for now, the war has not had a significant impact on Scanfil’s business.

The COVID-19 epidemic is not over yet. In January-February the number of infections increased in our European factories. In March the situation weakened in China, and authorities have ordered local restrictions

and lock-downs. So far, we have been able to keep our factories running without breaks in production.

Cash flow from operations in the first quarter of the year was EUR 13.6 million negative mainly due to the increase in receivables attributable to higher turnover and material inventory. The increase in inventories was affected by rising customer demand, higher material costs, and a slowdown in inventory turnover, which was caused by the challenges in material availability. Inventory management will remain our focus area in 2022.

Scanfil has a strong financial position enabling the execution of all planned investments. At the end of the period equity ratio was at 45.4% and net gearing at 36.9%.

Our customers are indicating a strong demand for 2022. Key business risks are related to materials, especially in the availability of semiconductors, the continuation of the corona pandemic, particularly in China, and the impacts of war in Ukraine.

We changed our outlook because of the higher than expected spot market purchases and transitory customer invoicing. We expect our spot market purchases to be on a high level at least during the second and the third quarter of the year. The use of spot markets and the transitory invoicing caused by it will decrease when the availability of the components improves and the situation normalizes. We estimated our turnover for 2022 to be EUR 750–820 million. Concerning the adjusted operating profit, we reiterate the original outlook of EUR 43–48 million.

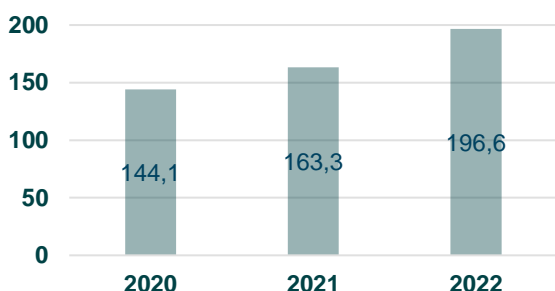
I want to thank our committed personnel for the good work done in these demanding circumstances and our customers for the support and trust”.

Scanfil Group’s Interim Report for 1 January–31 March, 2022

TURNOVER

The Group’s turnover for **January–March** was EUR 196.6 (163.3) million, an increase of 20.4% compared to the previous year. Turnover includes EUR 17.0 million of spot-market purchases and some other costs related to securing customer deliveries. These costs are separately agreed with customers. This revenue is low or no margin to Scanfil.

Turnover, EUR million



TURNOVER BY CUSTOMER SEGMENT

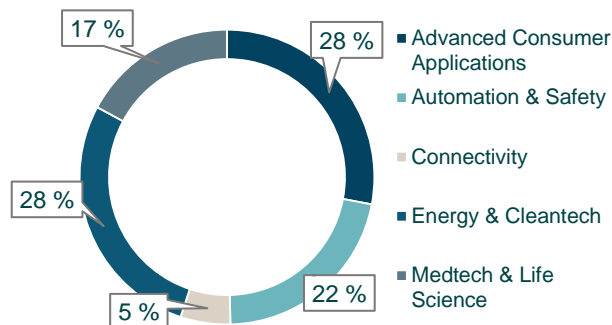
Advanced Consumer Applications: Turnover was EUR 55.0 (42.9) million, an increase of 28.3% compared to January–March in 2021. The key drivers were new customer ramp-ups and good demand in elevator products and hand-over solutions. Separately agreed customer invoicing for the segment was EUR 5.3 million.

Automation & Safety: Turnover was EUR 42.6 (34.5) million, an increase of 23.4%. Demand was good throughout all customers in the segment. Separately agreed customer invoicing for the segment was EUR 2.2 million.

Connectivity: Turnover was EUR 10.8 (8.1) million, an increase of 33.7%. Demand in wireless office and network solutions were good. Separately agreed customer invoicing for the segment was EUR 0.2 million.

Energy & Cleantech: Turnover was EUR 54.6 (40.3) million, an increase of 35.4%. The key drivers behind the strong growth were the good demand for recycling and energy solutions. Separately agreed customer invoicing for the segment was EUR 7.4 million.

Medtech & Life Science: Turnover was EUR 33.7 (29.1) million, an increase of 16.0%. Stable demand continued. Separately agreed customer invoicing for the segment was EUR 1.8 million.



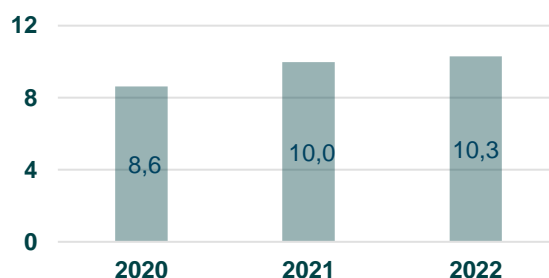
In the first quarter of 2022, the largest customer accounted for about 17% (14%) of turnover and the top ten customers accounted for about 55% (55%) of turnover.

OPERATING PROFIT

The Group’s operating profit for January–March was EUR 10.3 (10.0) million, 5.3% (6.1%) of turnover. The operating profit was positively affected by the continuation of good customer demand. During the period, exchange rate changes had a slight negative impact on material expenses. In addition, material shortages caused lower productivity, especially in the biggest electronic factories.

The operating margin was negatively impacted by the separately agree customer invoicing with low or no margin.

Operating profit, EUR million



NET PROFIT AND EARNINGS

The net profit for the review period was EUR 8.0 (7.6) million. Earnings per share were EUR 0.12 (0.12). Return on investment was 14.0% (17.5%).

The Group’s effective tax rate was 14.1% (18.2%). Scanfil Poland Sp.z o.o submitted an application for an Advance Pricing Agreement (APA) in 2018. The positive decision

has now received by the Polish Ministry of the Finance and EUR 0.4 million deferred tax asset has been booked which lowered the tax rate.

FINANCING AND CAPITAL EXPENDITURE

The Group has a stable financing position. The consolidated balance sheet total was EUR 485.7 (369.9) million at the end of the review period. Cash and cash equivalents totaled EUR 8.0 (28.7) million. Liabilities amounted to EUR 271.8 (178.7) million, of which non-interest-bearing liabilities totaled EUR 184.9 (138.7) million and interest-bearing liabilities totaled EUR 86.9 (40.1) million. Interest-bearing liabilities consisted of EUR 63.1 (21.4) million of financial liabilities and EUR 23.8 (18.7) million of leasing liabilities. The increase in non-interest-bearing liabilities was caused by the increase in accounts payables. The interest-bearing liabilities were increased by the long-term debt of EUR 30.0 million, drawn in November 2021. The Group has EUR 51.7 million of unused credit facilities.

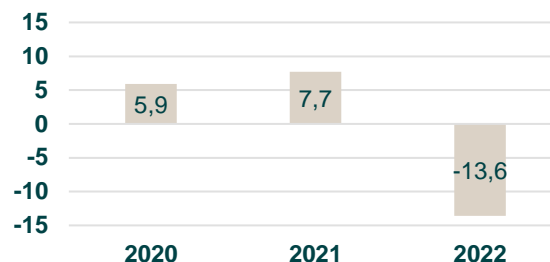
The equity ratio was 45.4% (52.1%), and net gearing was 36.9% (5.9%). Equity per share was EUR 3.29 (2.95).

The Group's financial arrangement includes discharge covenants related to equity ratio and interest-bearing net debt/EBITDA ratio. The terms of the covenants are reviewed quarterly. At the end of the period under review, the terms have been clearly complied with.

The net cash flow from operating activities for the review period **January–March** was EUR -13.6 (7.7) million. Working capital increased by EUR 23.9 (3.9) million due to the turnover growth, and challenges in material availability and increase in material prices. Working capital consisted of the following items: short-term non-interest-bearing receivables increased by EUR 11.1 (14.3) million, inventories increased by EUR 16.8 (14.5) million, and short-term non-interest-bearing liabilities increased by EUR 4.0 (24.9) million.

The net cash flow from investing activities was EUR -3.9 (-1.5) million. The cash flow from financing activities was EUR -0.0 (-3.4) million, including a EUR 3.0 (3.0) million in repayments of long-term loans and change in overdraft facility EUR 3.7 (-) million.

NET CASH FLOW FROM OPERATIONS, EUR million in Q1



Gross investments in January–March totaled EUR 5.6 (1.6) million, which was 2.8% (1.0%) of the turnover. The investments mainly include the acquisition of machinery and equipment. Depreciation including impairments totaled EUR 4.0 (3.8) million.

DECISIONS BY THE ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS' AUTHORISATION

Scanfil plc's Annual General Meeting was held on April 21, 2022, at the premises of Borenius Attorneys Ltd. Due to the COVID-19 pandemic, shareholders and their proxies had to vote in advance and physical attendance at the Meeting was not possible.

The Meeting authorized the Board of Directors to decide on the acquisition of the company's own shares and to decide on share issue and granting option rights, and granting shares and issue special rights entitling to shares.

The Board of Directors' proposals to the General Meeting and the minutes of the Annual General Meeting are available on the company website at www.scanfil.com/agm.

OWN SHARES

On March 31, 2022, the company owned 138,738 of its own shares, representing 0.2% of all shares.

SHARE TRADING AND SHARE PERFORMANCE

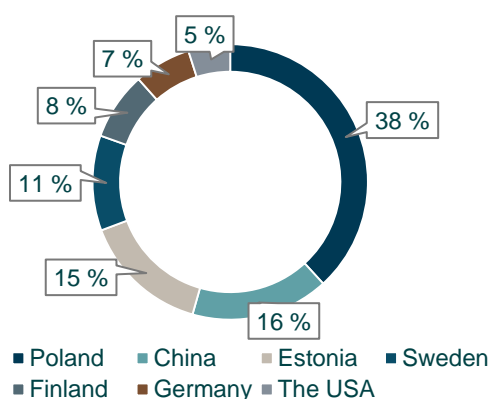
During January–March, a total of 20,000 treasury shares were subscribed under Scanfil Plc's stock options 2016C with EUR 89,600. The whole subscription price for subscriptions made with the stock options was recognized in the company's reserve for invested unrestricted equity. The number of Scanfil shares was 64,959,993 in total as of March 31, 2022.

The highest trading price during January–March was EUR 8.06 and the lowest was EUR 6.12, with the closing

price for the period standing at EUR 7.60. A total of 1,439,450 shares were traded during the period, corresponding to 2.2% of the total number of shares. As of March 31, 2022, the market value of the shares was EUR 493.7 million.

PERSONNEL

At the end of the period under review, the Group employed 3,295 (3,238) people, 3,033 (2,927) of whom worked outside Finland and 262 (311) in Finland. The average number of Group employees during the review period was 3,296 (3,225) people.



CHANGES IN GROUP STRUCTURE

There have been no changes in the Group structure during the reporting period.

FUTURE OUTLOOK

Scanfil estimates (revised on 14 April 2022) that its turnover for 2022 will be EUR 750–820 (previous: 710–760 million), and its adjusted operating profit will be EUR 43–48 (unchanged) million.

The guidance is based on customer forecasts and Scanfil’s normal forecasting process. The outlook

involves uncertainty especially arising from the availability and price level of semiconductors and the delivery capability of the supply chain. In addition, the war in Ukraine and COVID-19 might create risks and uncertainties.

LONG-TERM TARGET

Scanfil is organically aiming for 5%–7% annual turnover growth and 7% operating profit level. Scanfil aims to pay an increasing dividend of approximately 1/3 of the earnings per share.

OPERATIONAL RISKS AND UNCERTAINTIES

Current recognized risks are related to materials, economic uncertainties arising from Russian occupation in Ukraine and COVID-19.

Material risks are mainly related to the availability and prices of semiconductors and metals. Ukraine war and related sanctions on Russia have already increased energy and metal prices. In addition, the inflation caused by these price hikes might have a broader effect on the World economy e.g., in the form of stagflation and a decrease in the international demand for capital goods. COVID-19 situation has improved, but it could still have an effect on Scanfil’s operations directly or indirectly through the supply and subcontractor chain. In addition, Scanfil’s business involves operational risks as well as exchange rate, interest rate and credit risks.

The company’s risks and risk management are described on the company’s website under Corporate Governance and in the notes to the consolidated financial statements.

RECONCILIATION OF ADJUSTED OPERATING PROFIT, NET PROFIT FOR THE PERIOD AND SHAREHOLDERS' EQUITY

	1 - 3 2022	1 - 3 2021	1 - 12 2021
EUR million			
Operating profit	10.3	10.0	39.6
Operating profit, % of turnover	5.3 %	6.1 %	5.7 %
Adjustment items:			
<i>Other operating income</i>			
<i>Expenses</i>			0.7
<i>Depreciation and amortization</i>			
Total adjustment items			
Adjusted operating profit	10.3	10.0	40.3
Adjusted operating profit, % of turnover	5.3 %	6.1 %	5.8 %
Financial income and expenses	-1.0	-0.7	-1.9
Profit before taxes	9.3	9.3	37.7
Income taxes	-1.3	-1.7	-7.9
Adjustment items:			
<i>Income taxes</i>			1.6
Total adjustment items			1.6
Net profit for the period	8.0	7.6	29.8
Earnings per share, EUR	0.12	0.12	0.46
Adjusted net profit for the period	8.0	7.6	32.0
Adjusted earnings per share, EUR			0.50
Equity	213.9	191.2	207.4
Return on equity, %	15.2 %	16.3 %	15.2 %
Adjustment items:			
<i>Net profit for the period</i>			2.3
<i>Impact of the sale of the subsidiary on net asset</i>			
Adjusted equity			209.7
Adjusted return on equity, %			16.3 %

In 2022, there were no adjustment items.

In 2021, an adjustment of EUR 0.7 million was recognized related to the costs of closure of Hamburg subsidiary and a tax adjustment of EUR 1.6 million related to confirmed losses of EUR 8.1 million of Hungarian subsidiary, which was merged into the parent company in 2018. Based on the losses, the parent company made cross-border tax deductions in 2018 and 2019. Finnish tax authorities resolved this matter against Scanfil's interest on September 28, 2021. The company has appealed on Assessment Adjustment Board's decision to Northern Finland's administrative court in January 2022.

KEY INDICATORS

	1 - 3	1 - 3	1 - 12
	2022	2021	2021
Return on equity, %	15.2	16.3	15.2
Return on investment, %	14.0	17.5	15.3
Interest-bearing liabilities, EUR million	86.9	40.1	85.2
Gearing, %	36.9	5.9	28.9
Equity ratio, %	45.4	52.1	45.3
Gross investments, EUR million	5.6	1.6	15.5
% of net turnover	2.8	1.0	2.2
Personnel, average	3 296	3 225	3 267
Earnings per share, EUR	0.12	0.12	0.46
Shareholders' equity per share, EUR	3.29	2.95	3.19
Number of shares at the end of period, 000's			
- not counting own shares	65 099	64 830	64 671
- weighted average	64 819	64 387	64 701

Owing to the nature of the sector, the company's order book covers only a short period of time and does not give an accurate picture of future development.

KEY INDICATORS QUARTERLY

	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20
Turnover, MEUR	196.6	191.7	167.8	172.9	163.3	154.1	141.6	155.6	144.1
Operating profit, MEUR	10.3	9.5	9.5	10.6	10.0	4.3	21.2	10.2	8.6
Operating profit, %	5.3	5.0	5.7	6.1	6.1	6.0	15.0	6.5	6.0
Net income, MEUR	8.0	8.4	5.1	8.6	7.6	3.1	18.0	8.3	7.5

CALCULATION OF KEY INDICATORS

Return on equity, %	$\frac{\text{Net profit for the period} \times 100}{\text{Shareholders' equity (average)}}$
Return on investment, %	$\frac{(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$
Gearing (%)	$\frac{(\text{Interest-bearing liabilities} - \text{cash and other liquid financial assets}) \times 100}{\text{Shareholders' equity}}$
Equity ratio (%)	$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$
Earnings per share	$\frac{\text{Net profit for the period}}{\text{Average adjusted number of shares during the year}}$
Shareholders' equity per share	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period}}$
Market capitalization	Number of shares x last trading price of the financial period
Adjusted item	A non-recurring significant item that deviates from normal business operations, which affects the comparability between different periods

CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	Note	1 - 3 2022	1 - 3 2021	1 - 12 2021
Turnover	1	196.6	163.3	695.7
Other operating income		0.2	0.3	1.2
Changes in inventories of finished goods and work in progress		-0.9	0.8	3.0
Manufacturing for own use				
Expenses		-181.6	-150.7	-644.9
Depreciation and amortization		-4.0	-3.8	-15.4
Operating profit		10.3	10.0	39.6
Financial income and expenses		-1.0	-0.7	-1.9
Profit before taxes		9.3	9.3	37.7
Income taxes		-1.3	-1.7	-7.9
Net profit for the period		8.0	7.6	29.8
Attributable to:				
Equity holders of the parent		8.0	7.6	29.8
Earnings per share for profit attributable to shareholders of the parent:				
undiluted (EUR)		0.12	0.12	0.46
diluted (EUR)		0.12	0.12	0.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1 - 3 2022	1 - 3 2021	1 - 12 2021
Net profit for the period	8.0	7.6	29.8
Items that may later be recognized in profit or loss			
Translation differences	-1.7	0.0	3.7
Cash flow hedges	-0.1	0.0	0.5
Other comprehensive income, net of tax	-1.7	0.1	4.2
Total Comprehensive Income	6.3	7.7	33.9
Attributable to:			
Equity holders of the parent	6.3	7.7	33.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	31.3.2022	31.3.2021	31.12.2021
Assets				
Non-current assets				
Property, plant and equipment	2	50.7	45.7	49.8
Right-of-use asset	2	22.8	17.2	22.2
Goodwill	3	8.1	8.2	8.2
Other intangible assets		12.5	13.7	12.9
Available-for-sale investments		0.5	0.5	0.5
Deferred tax assets		8.3	6.8	8.5
Total non-current assets		102.9	92.1	102.1
Current assets				
Inventories		210.0	117.9	193.4
Trade and other receivables		160.5	128.5	149.0
Advance payments		1.7	0.4	1.3
Current tax		2.5	2.4	2.6
Cash and cash equivalents		8.0	28.7	25.3
Total current assets		382.8	277.9	371.7
Total assets		485.7	369.9	473.8
		31.3.2022	31.3.2021	31.12.2021
Shareholder's equity and liabilities				
Equity attributable to equity holders of the parent				
Share capital		2.0	2.0	2.0
Reserve for invested unrestricted equity fund		33.3	32.4	33.2
Fair value reserve		-0.1	-0.5	-0.1
Other reserves		2.6	2.6	2.6
Translation differences		-4.0	-6.0	-2.4
Retained earnings		180.2	160.7	172.0
Total equity		213.9	191.2	207.4
Non-current liabilities				
Deferred tax liabilities		5.6	5.6	5.3
Provisions	6	0.7	0.6	0.7
Interest bearing liabilities		39.0	15.2	42.1
Lease liability		20.6	15.1	19.9
Total non-current liabilities		65.9	36.5	67.9
Current liabilities				
Trade and other liabilities		175.5	127.0	172.3
Current tax		2.4	1.4	1.4
Provisions	6	0.6	4.1	1.6
Interest bearing liabilities		24.1	6.2	20.0
Lease liability		3.2	3.5	3.2
Total current liabilities		205.9	142.2	198.4
Total liabilities		271.8	178.7	266.4
Total shareholder's equity and liabilities		485.7	369.9	473.8

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

Equity attributable to equity holders of the parent company

EUR million	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
Equity 1.1.2022	2.0	33.2	-0.1	2.6	-2.4	172.0	207.4
Total comprehensive income			-0.1		-1.7	8.0	6.3
Option scheme						0.1	0.1
Share options exercised		0.1					0.1
Equity 31.3.2022	2.0	33.3	-0.1	2.6	-4.0	180.2	213.9

Equity attributable to equity holders of the parent company

EUR million	Share capital	Reserve for invested unrestricted equity fund	Fair value reserve	Reserve fund	Translation differences	Retained earnings	Equity total
Equity 1.1.2021	2.0	31.8	-0.6	2.6	-6.1	153.0	182.9
Total comprehensive income			0.0		0.1	7.6	7.7
Option scheme						0.1	0.1
Share options exercised		0.6					0.6
Equity 31.3.2021	2.0	32.4	-0.5	2.6	-6.0	160.7	191.2

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR million	1.1.-31.3.2022	1.1.-31.3.2021	1.1.-31.12.2021
Cash flow from operating activities			
Net profit	8.0	7.6	29.8
Adjustments for the net profit	5.0	6.8	22.7
Change in net working capital	-23.9	-3.9	-52.7
Paid interests and other financial expenses	-0.4	-0.3	-1.0
Interest received	0.0	0.0	0.0
Taxes paid	-2.4	-2.5	-11.3
Net cash from operating activities	-13.6	7.7	-12.5
Cash flow from investing activities			
Investments in tangible and intangible assets	-4.0	-1.6	-12.9
Sale of tangible and intangible assets	0.1	0.0	0.4
Net cash from investing activities	-3.9	-1.5	-12.5
Cash flow from financing activities			
Related-party investment company shares	0.1	0.6	1.3
Proceeds from long term loans			30.0
Repayment of long-term loans	-3.0	-3.0	-6.0
Proceeds from short term loans	6.8		13.9
Repayment of short-term loans	-3.2	0.0	-0.2
Repayment of lease liabilities	-0.8	-0.9	-3.7
Dividends paid			-11.0
Net cash from financing activities	0.0	-3.4	24.3
Net increase/decrease in cash and cash equivalents	-17.6	2.8	-0.8
Cash and cash equivalents at beginning of period	25.3	25.8	25.8
Changes in exchange rates	0.2	0.1	0.3
Cash and cash equivalents at end of period	8.0	28.7	25.3

Notes to the interim report

ACCOUNTING PRINCIPLES

The Group's interim report has been prepared in compliance with the IAS 34 Interim Financial Reporting standard.

The accounting principles applied in this report correspond with those defined in the Group's 2021 Financial Statement.

All individual figures and totals presented in tables have been rounded, due to which the total sum of individual figures may differ from the sum presented. The key figures have been calculated using precise values.

This interim report release is unaudited.

In its meeting held on April 21, 2022, the Board of Directors of Scanfil plc approved this interim report release for publication.

1. DISAGGREGATION OF REVENUES

EUR million	1 - 3 2022			1 - 3 2021			1 - 12 2021		
	Goods	Services	Total	Goods	Services	Total	Goods	Services	Total
Customer Segments									
Advanced Consumer Applications	53.7	1.3	55.0	40.8	2.1	42.9	197.5	7.1	204.6
Automation & Safety	37.2	5.4	42.6	29.3	5.2	34.5	124.6	20.3	144.9
Connectivity	9.8	1.0	10.8	7.9	0.1	8.1	30.7	2.4	33.0
Energy & Cleantech	52.1	2.5	54.6	39.6	0.7	40.3	177.8	4.3	182.1
Medtec & Life Science	31.5	2.2	33.7	27.0	2.0	29.1	114.9	5.7	120.6
Discontinued	0.0	0.0	0.0	8.5	0.0	8.5	10.5	0.0	10.5
Total	184.3	12.4	196.6	153.2	10.1	163.3	655.9	39.8	695.7

Timing of revenue recognition

Goods and services transferred at a point of time	184.3	10.3	194.6	153.2	9.7	162.9	655.9	37.3	693.2
Services transferred over time		2.0	2.0		0.5	0.5		2.5	2.5
Total	184.3	12.4	196.6	153.2	10.1	163.3	655.9	39.8	695.7

2. CHANGES IN TANGIBLE NON-CURRENT ASSETS

EUR million	1 - 3 2022	1 - 3 2021	1 - 12 2021
Book value at the beginning of the period	72.0	64.5	64.5
Additions	5.5	1.5	23.6
Deductions	0.0		-4.4
Depreciations and decreases in value	-3.4	-3.1	-12.6
Exchange rate differences	-0.6	0.1	0.9
Book value at the end of the period	73.6	63.0	72.0

3. CHANGES IN GOODWILL

	1 - 3 2022	1 - 3 2021	1 - 12 2021
EUR million			
Book value at the beginning of the period	8.1	8.3	8.3
Exchange rate differences	-0.1	-0.1	-0.1
Book value at the end of the period	8.1	8.2	8.2

4. FINANCIAL ASSETS AND LIABILITIES, CARRYING AMOUNT AND FAIR VALUE

	31.3.2022 Book values of balance sheet values	31.3.2022 Fair values of balance sheet values
EUR million		
Non-current assets		
Investments	0.5	0.5
Non-current assets total	0.5	0.5
Current assets		
Trade receivables	143.3	143.3
Derivatives	0.1	0.1
Cash and cash equivalents	0.1	0.1
Current assets total	143.5	143.5
Total financial assets	144.1	144.1
Non-current financial liabilities		
Interest bearing liabilities from financial institutions	39.0	39.0
Non-current financial liabilities total	39.0	39.0
Current financial liabilities		
Interest bearing liabilities from financial institutions	6.2	6.2
Loans withdrawn from the credit limit	17.9	17.9
Trade payables	129.6	129.6
Derivatives	0.3	0.3
Current financial liabilities total	153.9	153.9
Total financial liabilities	192.9	192.9

The valuation of derivatives is based on market data (level 2).

The valuation of investments is based on the acquisition cost (level 3) as the fair value of the shares cannot be determined reliably.

5. OPEN DERIVATIVE CONTRACTS

	31.3.2022	Positive	Negative	Net	Nominal value
EUR million					
Interest rate swaps, protective		0.1		0.1	15.0
Forward exchange contracts, hedge accounting		0.0	-0.3	-0.3	31.2

6. PROVISIONS

	Reclamation and guarantee	Pension	Other	Restructuring provisions	Total
EUR million					
1.1.2022	0.1	0.1	0.5	1.4	2.2
Exchange rate differences	0.0	0.0	0.0		0.0
Additions	0.0	0.0	0.1	0.0	0.1
Used provisions	0.0			-0.9	-0.9
31.3.2022	0.1	0.1	0.6	0.5	1.4

Long term provisions are EUR 0.7 million and short term provisions are EUR 0.6 million.

The reclamation and warranty provision includes the estimated cost of repairing defective products that is related to customer complaints and warranty obligations, and any fees resulting from delayed deliveries. Other provisions are related to a bonus agreed upon locally in Poland to be paid on the basis of service years. It applies to employees who have worked in the company for several years. The restructuring provision includes the costs related to the closure of the Scanfil GmbH's Hamburg factory and includes mainly personnel costs.

7. CONTINGENT LIABILITIES

	31.3.2022	31.3.2021
EUR million		
Pledged guarantees	2.1	0.8

In addition to the above commitments, the following guarantees have been given:

Scanfil plc has given guarantees to Nordea Bank Abp as security for payment of the liabilities which Scanfil Sweden AB has created from time to time towards Nordea Bank Abp on the basis of derivative contracts concluded, as well as to Skandinaviska Enskilda Banken AB replacing the previous liabilities of Scanfil Sweden AB. The maximum liability to Skandinaviska Enskilda Banken AB is EUR 3.6 million.

Scanfil plc has given a guarantee for the lease obligations of its subsidiary Scanfil Inc

Scanfil EMS Oy has given a guarantee to Nordea Bank AB Shanghai Branch of any obligations arising from a loan facility of CNY 137 million between the subsidiary Scanfil (Suzhou) Co., Ltd. and the Nordea Bank AB Shanghai Branch.

Scanfil EMS Oy has given a guarantee of any obligations arising from the subsidiary's delivery contracts with its customers. The guarantee is limited to a maximum of EUR 7.5 million and seven years after the expiry of the last product agreement.

Scanfil Sweden AB has given a guarantee to the lessor as security for the liabilities under the lease contract regarding the premises leased by the Polish subsidiary Scanfil Poland Sp. z o.o.

Scanfil Sweden AB has provided guarantees to Nordea Bank Abp as security for the performance and payment of the obligations under the derivative master agreements entered into between the Group companies Scanfil Åtvidaberg AB, Scanfil Vellinge AB and Nordea Bank Abp.

On behalf of the group companies may be given usual parent company guarantees from time to time as security for the fulfillment of their customer agreement obligations.

EVENTS AFTER THE REVIEW PERIOD

On 14 April 2022 Scanfil revised its outlook for 2022.

SCANFIL PLC

Petteri Jokitalo
CEO

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Scanfil is an international manufacturing partner and system supplier for the electronics industry with over 45 years of experience in demanding manufacturing. Scanfil provides its customers with an extensive array of services, ranging from product design to product manufacturing, material procurement and logistics solutions. Vertically integrated production and a comprehensive supply chain are the foundation of Scanfil's competitive advantages: speed, flexibility and reliability.

Typical Scanfil products are modules or integrated products for e.g. self-service application, automation systems, wireless connectivity modules, climate control systems, collection and sorting systems, analyzers and environmental measurement solutions. Scanfil services are used by numerous international automation, safety, energy, cleantech and health service providers, as well as companies operating in the field of urbanization. Scanfil's network of factories consists of nine production units in Europe, Asia and North America.

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