



Q3

Glaston Corporation
Interim report
1 July – 30 September 2020



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Glaston's interim report January–September 2020:

Positive development in Insulating Glass Technologies, Heat Treatment Technologies and Services slower than expected

Glaston Corporation's acquisition of Bystronic glass was completed on 1 April 2019. The comparison data in this interim report for the period 1 January – 31 March 2019 do not include figures for Bystronic glass. Glaston Corporation has prepared unaudited pro forma financial information to illustrate the impact of the Bystronic glass acquisition, on the Group's operational result and financial position and to improve the comparability of financial information. The unaudited pro forma financial information for 1 January – 30 September 2019 and 1 January – 31 December 2019 in this interim report is presented as if the acquisition would have already been completed on 1 January 2019. Pro forma financial information has been titled Pro forma information in the parts of the interim report in which the information is presented.

As of 1 January 2020, the company has three reporting segments: Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Emerging Technologies. Services business is included in the reporting segments. Machine and Services sales, order intake and order book are also reported separately as additional, product area, information. On 18 March 2020, the company published comparative information according to the new structure.

July–September 2020 in brief

- Orders received totaled EUR 33.3 (45.6) million
- Net sales totaled EUR 35.9 (54.5) million
- Comparable EBITA was EUR 1.3 (3.1) million, i.e. 3.6 (5.7)% of net sales
- The operating result (EBIT) was EUR -0.5 (-0.0) million
- The comparable operating result (EBIT) was EUR 0.2 (2.0) million, i.e. 0.5 (3.6)% of net sales
- Items affecting comparability totaled EUR -0.7 (-2.0) million
- Comparable earnings per share were EUR -0.013 (0.015)
- Cash flow from operating activities was EUR 0.6 (5.7) million

January– September 2020 in brief

- Orders received totaled EUR 102.9 (113.0, pro forma 135.4) million
- Net sales totaled EUR 131.8 (133.7, pro forma 157.3) million
- Comparable EBITA was EUR 5.7 (7.3, pro forma 9.6) million, i.e. 4.3 (5.5, pro forma 6.1)% of net sales
- The operating result (EBIT) was EUR 0.2 (-0.3, pro forma 1.2) million
- The comparable operating result (EBIT) was EUR 2.3 (4.6, pro forma 6.1) million, i.e. 1.8 (3.4, pro forma 3.9)% of net sales
- Items affecting comparability totaled EUR -2.1 (-4.9, pro forma -4.9) million
- Comparable earnings per share were EUR -0.013 (0.014)
- Cash flow from operating activities was EUR -2.8 (2.1) million

GLASTON'S OUTLOOK FOR 2020 REMAINS UNCHANGED

Glaston Corporation estimates that comparable EBITA for 2020 will decline from the 2019 level. The company's current assessment is that fourth-quarter orders will improve from the third quarter but remain below the previous year's levels. The lower than 2019 order intake and lower than normal volume in services business impacts the development of net sales and earnings in 2020. The uncertainty surrounding the assessment remains, and the situation might change quickly depending on the development of the COVID-19 pandemic and the general economic climate.

ACTING PRESIDENT & CEO SASU KOIVUMÄKI:**Multifaceted quarter: The Insulating Glass segment performed well, Heat Treatment and Services slower than expected – profitability satisfactory under the circumstances**

“Glaston’s third quarter development was multifaceted. The Insulating Glass (IG) business performed well with a faster than expected recovery in Europe, and several larger projects were picked up after the slow development in the previous quarter. Insulating Glass equipment and services order intake grew by 3% from the corresponding period last year, which gives the IG business a very good start to 2021. On the other hand, the market for Heat Treatment (HT) equipment and services remained very challenging. There is a significant difference in demand between the HT and the IG equipment markets. In the commercial building market, which is the main market for HT, forecasts are weak whereas the residential building market, important for IG, continues to grow. Consequently, we see a clear need to adapt our Heat Treatment business to current market demand. The Automotive business remains challenging due to overcapacity in the market. The short-time work implemented last year continues, and we are monitoring the situation very closely. During the quarter, we saw an increase in our Services business from the very low previous quarter, although recovery was slower than expected, mainly due to the remaining cross-border travel restrictions and restrictions on customer factory visits.

As a result of the low order intake in the previous quarters and the postponement of a number of orders, our net sales decreased in all segments. Third-quarter Group net sales totaled EUR 35.9 million. Our profitability was clearly impacted by low sales volumes in both HT and Automotive equipment and services but overall remained at a satisfactory level, supported by our rapid measures and synergy benefits. Demand for HT spare parts and service work was low, but demand for IG services was at a good level. Due to the current crisis, the Emerging Technologies (ET) market continued to be slow in the third quarter, but ET continued to develop its selected consulting projects together with its partners.

With the broadest and most versatile glass processing product and services portfolio, combined with innovation leadership, Glaston has a strong position in the market. In order to remain at the forefront of development we have continued to put significant efforts in 2020 into the continuous development of our core technology portfolio and R&D. The latest showcase of this work is Glaston’s cup wheel technology for glass edge arripping of architectural glass which was presented at the virtual Glasstec fair in mid-October. Demand for arripped glass is driven by stricter safety regulations and higher quality requirements.

Mitigating COVID-19 related near-term business disruptions continues to be high on our agenda and we are ready to reinstate measures to safeguard the health and safety of our employees and to safeguard the company’s financial stability quickly if necessary. We continue to constantly monitor the development of the situation, our orders and order book as well as the company’s cash flow and liquidity.”



“We see a clear need to adapt our Heat Treatment business to current market demand.”

Changes in reporting

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As of 1 January 2020, the company has three reporting segments: Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Emerging Technologies. Services business is included in the reporting segments. Machine and Services sales, order intake and order book are also reported separately as additional, product area, information. On 18 March 2020, the company published comparative information according to the new structure.

GLASTON GROUP'S KEY FIGURES

EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Orders received	33.3	45.6	102.9	113.0	162.2	135.4	184.6
of which service operations	14.2	17.3	39.6	42.6	58.5	52.6	68.3
of which service operations, %	42.5 %	38.0 %	38.4 %	37.7 %	36.1 %	38.8 %	37.0 %
Order book at end of period			47.8	79.1	79.5	79.1	79.5
Net sales	35.9	54.5	131.8	133.7	181.0	157.3	204.6
of which service operations	13.3	17.6	41.0	40.2	57.1	50.2	67.1
of which service operations, %	36.9 %	32.3 %	31.1 %	30.1 %	31.6 %	31.9 %	32.8 %
EBITDA	1.5	2.3	6.3	5.6	6.9	8.2	9.5
Items affecting comparability	0.7	2.0	2.1	4.9	7.2	4.9	7.2
Comparable EBITDA	2.2	4.4	8.4	10.6	14.1	13.1	16.7
Comparable EBITDA, %	6.0 %	8.0 %	6.4 %	7.9 %	7.8 %	8.4 %	8.2 %
Comparable EBITA	1.3	3.1	5.7	7.3	9.7	9.6	12.1
Comparable EBITA, %	3.6 %	5.7 %	4.3 %	5.5 %	5.4 %	6.1 %	5.9 %
Operating result (EBIT)	-0.5	0.0	0.2	-0.3	-1.3	1.2	0.3
Comparable operating result (EBIT)	0.2	2.0	2.3	4.6	5.9	6.1	7.5
Comparable operating result (EBIT), %	0.5 %	3.6 %	1.8 %	3.4 %	3.3 %	3.9 %	3.7 %
Profit/loss before taxes	-1.4	-0.4	-1.9	-2.6	-4.4	4.9	3.8
Profit/loss for the period	-1.8	-1.0	-3.2	-4.0	-6.4	4.0	3.1
Comparable earnings per share, adjusted with share issue, EUR	-0.013	0.015	-0.013	0.014	0.011		
Number of registered shares at end of period adjusted with share issue (1 000)	84 290	84 290	84 290	84 290	84 290		
Cash flow from operating activities	0.6	5.7	-2.8	2.1	10.8		
Net interest-bearing debt at end of period			37.2	41.0	33.0		
Return on investment (ROI), %, (annualized)			0.1 %	-0.5 %	-1.3 %		
Comparable return on capital employed (ROCE), %, (annualized)			3.4 %	6.1 %	8.7 %		
Equity ratio, %			41.4 %	40.0 %	41.6 %		
Net gearing, %			53.5 %	53.0 %	45.0 %		
Number of employees at end of period			740	792	790		

KEY FIGURES FOR REPORTING SEGMENTS

Orders received, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment	7.6	15.9	36.1	53.1	76.0	53.1	76.0
Insulating Glass	21.6	21.1	54.3	42.4	60.4	54.7	72.6
Automotive & Emerging Technologies	3.8	5.7	11.6	12.0	19.7	21.9	29.6
Segments, total	33.1	42.7	102.0	107.5	156.1	129.7	178.3
Unallocated and eliminations	0.3	2.9	0.9	5.6	6.1	5.8	6.3
Glaston Group, total	33.3	45.6	102.9	113.0	162.2	135.4	184.6

Order book, EUR million	30.9.2020	30.9.2019	31.12.2019	Pro forma 30.9.2019	Pro forma 31.12.2019
Heat Treatment	25.2	34.2	35.1	34.2	35.1
Insulating Glass	18.9	28.3	31.2	28.3	31.2
Automotive & Emerging Technologies	3.6	15.2	12.5	15.2	12.5
Segments, total	47.6	77.7	78.8	77.7	78.8
Unallocated and eliminations	0.2	1.4	0.7	1.4	0.7
Glaston Group, total	47.8	79.1	79.5	79.1	79.5

Net sales, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment	12.6	20.1	46.7	61.8	82.6	61.8	82.6
Insulating Glass	17.4	21.4	63.9	44.3	58.8	59.4	73.9
Automotive & Emerging Technologies	5.7	11.2	19.7	23.6	35.5	32.1	44.0
Segments, total	35.6	52.7	130.3	129.7	176.9	153.3	200.5
Unallocated and eliminations	0.3	1.8	1.5	4.0	4.1	4.0	4.0
Glaston Group, total	35.9	54.5	131.8	133.7	181.0	157.3	204.6

Comparable EBITA, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment	0.2	1.3	1.5	2.2	3.4	2.2	3.4
Insulating Glass	1.2	0.7	5.6	3.1	4.7	4.5	6.2
Automotive & Emerging Technologies	-0.1	1.2	-1.5	1.9	1.7	2.8	2.6
Segments, total	1.4	3.2	5.7	7.2	9.8	9.5	12.1
Unallocated and eliminations	-0.1	-0.1	-0.0	0.1	-0.1	0.1	-0.1
Glaston Group, total	1.3	3.1	5.7	7.3	9.7	9.6	12.1

Comparable operating result and operating result (EBIT), EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment	-0.2	1.0	0.4	1.1	1.9	1.1	1.9
Insulating Glass	0.7	-0.1	4.1	1.7	2.6	2.6	3.5
Automotive & Emerging Technologies	-0.3	1.2	-2.1	1.7	1.5	2.4	2.1
Segments, total	0.2	2.0	2.3	4.5	6.0	6.1	7.6
Unallocated and eliminations	-0.1	-0.1	-0.0	0.1	-0.1	0.0	-0.1
Comparable operating result (EBIT), total	0.2	2.0	2.3	4.6	5.9	6.1	7.5
Comparable operating result (EBIT), %	0.5 %	3.6 %	1.8 %	3.4 %	3.3 %	3.9 %	3.7 %
Items affecting comparability	-0.7	-2.0	-2.1	-4.9	-7.2	-4.9	-7.2
Operating result (EBIT)	-0.5	-0.0	0.2	-0.3	-1.3	1.2	0.3
Operating result (EBIT), %	-1.4 %	-0.0 %	0.1 %	-0.3 %	-0.7 %	0.8 %	0.1 %

KEY FIGURES FOR PRODUCT AREAS

Orders received by product area, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment Technologies	2.5	9.1	21.2	32.1	48.5	32.1	48.3
Insulating Glass Technologies	15.7	15.0	38.2	29.8	42.4	36.6	49.3
Automotive & Emerging Technologies (machines)	0.7	1.3	3.1	2.7	6.6	8.4	12.3
Services	14.2	17.3	39.6	42.6	58.5	52.6	68.3
Unallocated and eliminations	0.3	2.9	0.9	5.8	6.2	5.8	6.3
Glaston Group, total	33.3	45.6	102.9	113.0	162.2	135.4	184.6

Order book by product area, EUR million	30.9.2020	30.9.2019	31.12.2019	Pro forma 30.9.2019	Pro forma 31.12.2019
Heat Treatment Technologies	21.8	29.5	31.2	29.5	31.2
Insulating Glass Technologies	18.9	28.3	31.2	28.3	31.2
Automotive & Emerging Technologies (machines)	3.6	15.2	12.5	15.2	12.5
Services	3.3	4.7	3.9	4.7	3.9
Unallocated and eliminations	0.2	1.4	0.7	1.4	0.7
Glaston Group, total	47.8	79.1	79.5	79.1	79.5

Net sales by product area, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment Technologies	8.6	13.2	31.6	42.7	56.1	42.7	56.1
Insulating Glass Technologies	11.8	15.4	48.2	32.8	41.8	42.3	51.4
Automotive & Emerging Technologies (machines)	2.6	6.7	11.4	15.1	23.2	19.2	27.2
Services	13.3	17.6	41.0	40.2	57.1	50.2	67.1
Unallocated and eliminations	-0.2	1.6	-0.4	2.9	2.8	2.9	2.8
Glaston Group, total	35.9	54.5	131.8	133.7	181.0	157.3	204.6

This third-quarter interim report provides estimates on future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operation, or achievements of Glaston may substantially deviate from the estimates. Forward-looking statements relating to future prospects are subject to risks, uncertainties and assumptions, the implementation of which depends on the future business environment and other circumstances, such as the development of the COVID-19 pandemic.

OPERATING ENVIRONMENT

According to the International Monetary Fund's (IMF) World Economic Outlook update published in October, the world economy will contract by 4.4% in 2020, which indicates a slightly less severe contraction than forecast in June 2020 (previous forecast - 4.9%). This is based on better than anticipated second-quarter GDP outturns, mainly in advanced economies, in which activity began to improve sooner than expected after lockdowns were eased in May and June, as well as indicators of a stronger recovery in the third quarter. Global growth is projected at 5.2 % in 2021, which is slightly lower than forecast in June (previous forecast 5.4%), reflecting the more moderate downturn projected for 2020 and based on expectations of the continuation of persistent social distancing. Contraction is expected to be severe in 2020 in several of Glaston's important target countries, such as the USA and several Euro zone countries, but good recovery is expected in 2021.

Construction forecasts also indicate a strong decline in 2020, with the most severe decline in the first half of the year. Green investments to retrofit buildings to increase energy conservation could spur capital spending in sectors such as construction and increase demand for energy-efficient materials such as insulated glazing and different smart glass solutions, while speeding the transition to lower-carbon growth. The European Union's agreement to target 30% of the Next Generation Recovery Fund to climate-change-related spending is a step in this direction.

Due to pandemic there are significant uncertainties related to the forecast.

Architectural glass

During the third quarter, the amount of customer enquiries increased and was at a high level, but the general uncertainty both in the Insulating Glass and the Heat Treatment equipment markets remained high. In the Heat Treatment market in particular, customers report fierce competition in the area of tempered glass due to overcapacity, less opportunities to differentiate from the competition and as a result, low profitability. Demand for laminated products is good and is expected to grow due to more stringent safety regulations in several regions

In Glaston's main market area, EMEA, market uncertainty remains high and varies significantly by country. In Germany, market development was positive and, thus far, the construction sector has not been heavily impacted by the pandemic. In other European countries such as Spain, France, and the UK, the pandemic has had a very negative impact on the construction sector and the outlook remains bleak. Regarding Glaston's main markets, activity in the Insulating Glass equipment market recovered significantly during the third quarter and was very high considering the exceptional circumstances. Customer operations picked up and business normalized after the holiday season, particularly in Germany. The Heat Treatment equipment market remained very challenging with low activity throughout the quarter. There was demand for services in Central Europe but lockdowns continued in the Middle East.

In North America, market activity started to recover slowly after all investments were frozen during the second quarter. The residential building market continues to grow after a brisk downturn in the first half of 2020. The uncertainty in the commercial building glass market has increased, whereas the residential market has been more resilient. The services market picked up and there was increased demand for equipment upgrades. COVID-19 is still impacting the US economy, particularly in the Southern states. The presidential elections are delaying the decision making process of a number of customers.

In the third quarter market activity in China continued to recover, but competition remained very strong and even escalated from the previously high levels. Concerns about the current trade politics between the US and China put some projects on hold. The market situation varied across South-East Asia with the lockdowns of most countries' being lifted during the third quarter, but cross-border travel remained limited, impacting market activity.

Automotive glass

Activity in the automotive glass market resumed globally in the third quarter and demand for new equipment, and particularly services increased. The automotive services market normalized in Europe, but the new equipment market was very slow due to overcapacity as a result of lower demand and high investments in previous years. In the APAC region automotive production was back to the previous year's level. Slight recovery is also seen in North America. In the short term, market activity and investment readiness is expected to remain at a low level.

¹ International Monetary Fund: World Economic Outlook Update, October 2020

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

Glaston Group's July–September 2020 orders received grew from the previous quarter but decreased by 27% from the corresponding period in 2019. Third-quarter order intake totaled EUR 33.3 (45.6) million. Recovery in order activity was slower than anticipated in some areas as the uncertainty in the market continued and weakened demand, particularly for Heat Treatment and Automotive glass processing equipment.

Glaston Group's January–September 2020 orders received amounted to EUR 102.9 million (113.0, pro forma 135.4).

Orders received, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment	7.6	15.9	36.1	53.1	76.0	53.1	76.0
Insulating Glass	21.6	21.1	54.3	42.4	60.4	54.7	72.6
Automotive & Emerging Technologies	3.8	5.7	11.6	12.0	19.7	21.9	29.6
Segments, total	33.1	42.7	102.0	107.5	156.1	129.7	178.3
Unallocated and eliminations	0.3	2.9	0.9	5.6	6.1	5.8	6.3
Glaston Group, total	33.3	45.6	102.9	113.0	162.2	135.4	184.6

Glaston Group's order book decreased by 40%, and totaled EUR 47.8 (79.1) million at the end of the third quarter. The Heat Treatment order book totaled EUR 25.2 (34.2) million, representing 53% of the business segments' order book, Insulating Glass EUR 18.9 (28.3) million or 40% and Automotive & Emerging Technologies EUR 3.6 (15.2) million or 7% of the business segments' order book.

Order book, EUR million	30.9.2020	30.9.2019	31.12.2019	Pro forma 30.9.2019	Pro forma 31.12.2019
Heat Treatment	25.2	34.2	35.1	34.2	35.1
Insulating Glass	18.9	28.3	31.2	28.3	31.2
Automotive & Emerging Technologies	3.6	15.2	12.5	15.2	12.5
Segments, total	47.6	77.7	78.8	77.7	78.8
Unallocated and eliminations	0.2	1.4	0.7	1.4	0.7
Glaston Group, total	47.8	79.1	79.5	79.1	79.5

Order received and order book by product area

Glaston Group's July–September 2020 orders received in the Heat Treatment Technologies product area was at a very low level and totaled EUR 2.5 (9.1) million. Demand for Insulating glass equipment was strong and order intake grew by 5% to EUR 15.7 (15.0) million. Demand in the Automotive & Emerging Technologies product area was very low and only one display glass equipment order was received during the quarter. Orders received in the Services product area recovered from the previous quarter but recovery was slower than anticipated, particularly in the Heat Treatment services, in which cross-border travel restrictions, continued lock downs and the limited use of equipment impacted the demand for both field services and spare parts. Demand for HT upgrades and modernization recovered from the very low level in the previous quarter. Demand for IG Services was strong. The weak demand in the automotive glass machine services market and particularly in spare parts continued. Orders received for the Services product area totaled EUR 14.2 (17.3) million. The Services product area accounted for 43 (38)% of orders received.

Orders received by product area, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment Technologies	2.5	9.1	21.2	32.1	48.5	32.1	48.3
Insulating Glass Technologies	15.7	15.0	38.2	29.8	42.4	36.6	49.3
Automotive & Emerging Technologies (machines)	0.7	1.3	3.1	2.7	6.6	8.4	12.3
Services	14.2	17.3	39.6	42.6	58.5	52.6	68.3
Unallocated and eliminations	0.3	2.9	0.9	5.8	6.2	5.8	6.3
Glaston Group, total	33.3	45.6	102.9	113.0	162.2	135.4	184.6

Order book by product area, EUR million	30.9.2020	30.9.2019	31.12.2019	Pro forma 30.9.2019	Pro forma 31.12.2019
Heat Treatment Technologies	21.8	29.5	31.2	29.5	31.2
Insulating Glass Technologies	18.9	28.3	31.2	28.3	31.2
Automotive & Emerging Technologies (machines)	3.6	15.2	12.5	15.2	12.5
Services	3.3	4.7	3.9	4.7	3.9
Unallocated and eliminations	0.2	1.4	0.7	1.4	0.7
Glaston Group, total	47.8	79.1	79.5	79.1	79.5

Net sales

Net sales, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment	12.6	20.1	46.7	61.8	82.6	61.8	82.6
Insulating Glass	17.4	21.4	63.9	44.3	58.8	59.4	73.9
Automotive & Emerging Technologies	5.7	11.2	19.7	23.6	35.5	32.1	44.0
Segments, total	35.6	52.7	130.3	129.7	176.9	153.3	200.5
Unallocated and eliminations	0.3	1.8	1.5	4.0	4.1	4.0	4.0
Glaston Group, total	35.9	54.5	131.8	133.7	181.0	157.3	204.6

Geographical distribution of net sales, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Americas	7.7	22.1	35.2	50.4	66.5	54.8	71.0
EMEA	23.7	24.4	74.0	57.4	76.5	71.0	89.9
APAC	4.5	8.2	22.6	26.1	38.0	31.7	43.7
Glaston Group, total	35.9	54.5	131.8	133.7	181.0	157.3	204.6

Glaston Group's July–September 2020 net sales totaled EUR 35.9 (54.5) million. The Heat Treatment segment's net sales decreased by 37% and totaled EUR 12.6 (20.1) million, mainly due to the lower preceding quarters' machines and upgrades order intake and a clear decline in spare parts and field service revenue. Net sales in the Insulating Glass segment decreased by 19% to EUR 17.4 (21.4) million mainly reflecting the low equipment order intake in the second quarter. Net sales in the Automotive & Emerging Technologies segment's totaled EUR 5.7 (11.2) million with continued low project activity and a clear decline in the services business. Of total net sales, the Heat Treatment segment accounted for 35%, the Insulating Glass segment 48% and the Automotive & Emerging Technologies segment 15%. Geographically the EMEA region accounted for 66%, the Americas for 21% and Asia and Pacific (APAC) for around 13% of the company's total third-quarter net sales.

Glaston Group's January–September 2020 net sales totaled EUR 131.8 (133.7, pro forma 157.3) million. Net sales in the Heat Treatment segment decreased by 24% and totaled EUR 46.7 (61.8) million. Net sales in the Insulating Glass segment clearly grew and totaled EUR 63.9 (44.3, pro forma 59.4) million. Net sales in the Automotive & Emerging Technologies segment decreased and totaled EUR 19.7 (23.6, pro forma 32.1) million.

Net sales by product area

Net sales by product area, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Heat Treatment Technologies	8.6	13.2	31.6	42.7	56.1	42.7	56.1
Insulating Glass Technologies	11.8	15.4	48.2	32.8	41.8	42.3	51.4
Automotive & Emerging Technologies (machines)	2.6	6.7	11.4	15.1		19.2	27.2
Services	13.3	17.6	41.0	40.2	57.1	50.2	67.1
Unallocated and eliminations	-0.2	1.6	-0.4	2.9	2.8	2.9	2.8
Glaston Group, total	35.9	54.5	131.8	133.7	181.0	157.3	204.6

Glaston Group's July–September 2020 net sales in the Heat Treatment Technologies product area decreased by 35% and totaled EUR 8.6 (13.2) million. Net sales in the Insulating Glass Technologies product area decreased by 24% and totaled EUR 11.8 (15.4) million. Net sales in the Automotive & Emerging Technologies product area totaled EUR 2.6 (6.7) million. Net sales of the Services product area increased from the previous quarter but decreased by 25% from the corresponding period of the previous year, driven by weak development in HT and Automotive Services sales, whereas IG services remained stable. Net sales of the Services product area totaled EUR 13.3 (17.6) million. Net sales in the Services product area accounted for 37 (32)% of total net sales.

Operating result and profitability

Glaston Group's July–September 2020 comparable EBITA was EUR 1.3 (3.1) million. i.e. 3.6 (5.7)% of net sales. Profitability was clearly impacted by low sales volumes both in new equipment and Services in the Heat Treatment and Automotive & ET segments. Although sales volumes were lower, profitability in the Insulating Glass segment was positively impacted by improved margins. Significantly lower fixed costs had a positive impact on Group profitability. Glaston Group's comparable operating result was EUR 0.2 (2.0) million, i.e. 0.5 (3.6)% of net sales. The third-quarter operating result was EUR -0.5 (-0.0) million. Mainly integration-related items affecting comparability amounting to EUR -0.7 (-2.0) million were recognized in the third quarter. PPAs and depreciation of intangible assets totaled EUR -1.1 (-1.1) million. Financial income and expenses amounted to EUR -0.8 (-0.4) million. The result before taxes was EUR -1.4 (-0.4) million. The result for the third quarter was EUR -1.8 (-1.0) million and earnings per share were EUR -0.021 (-0.015). The comparable earnings per share were EUR -0.013 (0.015).

Glaston Group's January–September 2020 comparable EBITA amounted to EUR 5.7 (7.3, pro forma 9.6) million, i.e. 4.3 (5.5, pro forma 6.1)% of net sales. The comparable operating result was EUR 2.3 (4.6, pro forma 6.1) million, i.e. 1.8 (3.4, pro forma 3.9)% of net sales. The Group's operating result was EUR 0.2 (-0.3, pro forma 1.2) million. Items affecting comparability totaled EUR -2.1 (-4.9) million in January–September 2020. Financial income and expenses amounted to EUR -1.7 (-2.0) million. The result before taxes was EUR -1.9 (-2.6) million. The result for the review period was EUR -3.2 (-4.0) million. January–September 2020 earnings per share were EUR -0.039 (-0.058) and comparable earnings per share were EUR -0.013 (0.014), excluding items affecting comparability of the operating result, but including 2019 financing arrangement expenses.

Operating result and profitability Comparable EBITA, EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019	Pro forma 1–9/2019	Pro forma 1–12/2019
Operating result (EBIT)	-0.5	-0.0	0.2	-0.3	-1.3	1.2	0.3
Items affecting comparability	-0.7	-2.0	-2.1	-4.9	-7.2	-4.9	-7.2
Comparable operating result (EBIT)	0.2	2.0	2.3	4.6	5.9	6.1	7.5
Depreciation of intangible assets and PPA	1.1	1.1	3.4	2.7	3.8	3.4	4.5
Comparable EBITA	1.3	3.1	5.7	7.3	9.7	9.6	12.1
% of net sales	3.6 %	5.7 %	4.3 %	5.5 %	5.4 %	6.1 %	5.9 %

FINANCIAL DEVELOPMENT OF THE REPORTING SEGMENTS

Heat Treatment reporting segment

Glaston's Heat Treatment segment includes a wide and technologically advanced range of heat treatment machines, maintenance, upgrade and modernization services, and spare parts for glass flat tempering, bending, bending tempering and laminating. Glaston also offers digital services, such as glass processing machine remote monitoring and fault analysis services, and consulting and engineering services for new areas of glass technology. The Heat Treatment segment includes the Heat Treatment Technologies product area and the heat treatment machine services.

Heat Treatment segment's third quarter in brief:

- Development slower than expected, weak order intake development
- Net sales impacted by low order intake in previous quarter, earlier postponements of deliveries and low services volume
- Further measures starting to adapt the Heat Treatment capacity to the weak demand

HEAT TREATMENT SEGMENT KEY FIGURES MEUR						Pro forma 1-9/2019	Pro forma 1-12/2019
	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019		
Orders received	7.6	15.9	36.1	53.1	76.0	53.1	76.0
Order book at end of period			25.2	34.2	35.1	34.2	35.1
Net sales	12.6	20.1	46.7	61.8	82.6	61.8	82.6
Comparable EBITA	0.2	1.3	1.5	2.2	3.4	2.2	3.4
Comparable EBITA, %	1.8 %	6.3 %	3.3 %	3.6 %	4.1 %	3.6 %	4.1 %
Comparable operating result (EBIT)	-0.2	1.0	0.4	1.1	1.9	1.1	1.9
Comparable operating result (EBIT), %	-1.4 %	4.7 %	0.8 %	1.8 %	2.3 %	1.8 %	2.3 %
Operating result (EBIT)	-0.4	-0.3	-0.3	-0.7	-0.9	-0.7	-0.9
Operating result (EBIT), %	-3.4 %	-1.3 %	-0.5 %	-1.1 %	-1.1 %	-1.1 %	-1.1 %
Net working capital			-9.9	-7.6	-11.3		
Employees at end of period			307	338	333		

Orders received and order book

While the Heat Treatment market remained challenging in the EMEA region, slow recovery started in North America during the quarter. In China ordering activity recovered but price competition escalated even from the previously high levels. Activity in the rest of the APAC region remained slow. The Heat Treatment segment's third-quarter 2020 orders received decreased and totaled EUR 7.6 (15.9) million. The segment's most significant orders came from Ireland, North America, and China. Demand for Heat Treatment equipment upgrades increased from the previous quarter's very low level, resulting in upgrade orders from among others Canada, US, and UK. Orders received in January–September 2020 totaled EUR 36.1 (53.1) million.

The Heat Treatment segment's order book stood at EUR 25.2 (34.2) million at the end of the third quarter. Some order deliveries and installations, scheduled for the third quarter, were postponed. However, as customers gradually started ramping up operations at the end of the second the quarter, most of the deliveries and installations gradually resumed. There were no order cancellations during the third quarter.

Net sales and profitability

July–September 2020 net sales in the Heat Treatment segment decreased by 37% to EUR 12.6 (20.1) million. Net sales were mainly impacted by low order intake in the previous quarters, postponements of deliveries as well as low services volumes. The July–September 2020 comparable EBITA decreased to EUR 0.2 (1.3) million, i.e. 1.8 (6.3)% of net sales. The decrease in fixed costs partially offset the negative impact of the low volumes in both services and new equipment.

January–September 2020 net sales in the Heat Treatment segment totaled EUR 46.7 (61.8) million. Comparable EBITA amounted to EUR 1.5 (2.2) million, corresponding to 3.3 (3.6)% of net sales.

Production and working capital management

The Tampere tempering machine assembly production facility was fully operational during the third quarter and the capacity utilization rate in assembly was at a good level. In other operations, capacity has been adjusted by temporary layoffs. Operations at the factory in Tianjin were at a good level. The Heat Treatment segment's third-quarter net working capital developed positively from the previous quarter and was EUR -9.9 (-7.6) million.

Personnel

At the end of the review period, the Heat Treatment segment employed 307 (338) people, most of them in Finland. During the third quarter the temporary layoffs continued. Measures to adapt the Heat Treatment business to a longer downturn in the market are starting.

Insulating Glass reporting segment

Glaston's Insulating Glass segment provides services, machines, systems and software for the cutting, grinding, drilling, processing and insulation of flat glass for the global architectural glass market. The Insulating Glass segment consists of insulating glass machine business as well as related services and spare parts business.

Insulating Glass segment's third quarter in brief:

- Orders received grew 3% and comprised several important orders. The European Insulating glass equipment market normalized, Asia and Americas were still impacted by the pandemic and some recovery was seen in North America
- Insulating Glass equipment net sales were below the corresponding period in the previous year, due to lower than normal order intake particularly in the second quarter, IG services net sales were close to the previous year's level
- Production running at full capacity and recent order intake indicate a good capacity usage level for the first part of 2021

INSULATING GLASS SEGMENT

KEY FIGURES

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019	Pro forma 1-9/2019	Pro forma 1-12/2019
Orders received	21.6	21.1	54.3	42.4	60.4	54.7	72.6
Order book at end of period			18.9	28.3	31.2	28.3	31.2
Net sales	17.4	21.4	63.9	44.3	58.8	59.4	73.9
Comparable EBITA	1.2	0.7	5.6	3.1	4.7	4.5	6.2
Comparable EBITA, %	7.2 %	3.0 %	8.8 %	7.0 %	8.0 %	7.6 %	8.3 %
Comparable operating result (EBIT)	0.7	-0.1	4.1	1.7	2.6	2.6	3.5
Comparable operating result (EBIT), %	4.2 %	-0.3 %	6.4 %	3.8 %	4.4 %	4.4 %	4.8 %
Operating result (EBIT)	0.4	-0.7	2.9	0.4	0.4	1.4	1.3
Operating result (EBIT), %	2.4 %	-3.1 %	4.5 %	1.0 %	0.7 %	2.3 %	1.8 %
Net working capital			3.6	3.5	0.9		
Employees at end of period			330	317	344		

Orders received and order book

The European Insulating glass equipment market normalized, and activity was at a good level, particularly in Germany, Asia and the Americas were still impacted by the pandemic but some recovery was also seen in North America. As a result, the IG segment received several important Insulating glass equipment orders from Central Europe, mainly Germany, and from the US. The Insulating Glass segment's third-quarter 2020 orders received grew by 3% and totaled EUR 21.6 (21.1) million. Insulating Glass Services development was good under the circumstances and was stable, close to the 2019 comparison period level. Orders received in January–September 2020 totaled EUR 54.3 (42.4, pro forma 54.7) million.

Net sales and profitability

Third-quarter 2020 net sales in the Insulating Glass segment decreased compared to the corresponding period in 2019, and totaled EUR 17.4 (21.4) million. Third-quarter comparable EBITA improved significantly and was EUR 1.2 (0.7) i.e. 7.2 (3.0)% of net sales. The profitability improvement was mainly attributable to margin improvement. January–September 2020 net sales in the Insulating Glass segment's totaled EUR 63.9 (44.3, pro forma 59.4) million. Comparable EBITA amounted to EUR 5.6 (3.1, pro forma 4.5) million, corresponding to 8.8 (7.0)% of net sales.

Production and working capital management

The company's insulating glass machine factory in Neuhausen-Hamberg, Germany was fully operational and capacity utilization was at a very high level during the third quarter. The Insulating Glass segment's third-quarter net working capital was stable compared to previous year at EUR 3.6 (3.5) million.

Personnel

At the end of the review period, the Insulating Glass segment employed 330 people, most of them in Germany. COVID-19 measures continue, and health and safety rules are strictly observed. All employees are currently working onsite, but the organization is monitoring the situation closely and ready to implement remote work whenever necessary.

Automotive & Emerging Technologies reporting segment

Glaston's Automotive & Emerging Technologies segment provides glass processing machines and related services to the automotive industry as well as the appliance and display industry. In addition, the company provides its services to emerging glass technologies and value-adding glass products, such as smart glass.

Automotive & Emerging Technologies segment's third quarter in brief:

- The automotive production restarted all over the world in the third quarter, and some increase in demand from the second quarter, particularly for services, was seen.
- The low activity in Emerging Technologies market continued due to current market uncertainty
- All projects planned for the third quarter as well as some previously delayed from the previous quarter were delivered.
- Although the Automotive market activity is expected to remain low, slight recovery seen in fourth quarter.

AUTOMOTIVE & EMERGING TECHNOLOGIES

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019	Pro forma 1-9/2019	Pro forma 1-12/2019
Orders received	3.8	5.7	11.6	12.0	19.7	21.9	29.6
Order book at end of period			3.6	15.2	12.5	15.2	12.5
Net sales	5.7	11.2	19.7	23.6	35.5	32.1	44.0
Comparable EBITA	-0.1	1.2	-1.5	1.9	1.7	2.8	2.6
Comparable EBITA, %	-1.8 %	10.9 %	-7.4 %	8.0 %	4.8 %	8.6 %	5.9 %
Comparable operating result (EBIT)	-0.3	1.2	-2.1	1.7	1.5	2.4	2.1
Comparable operating result (EBIT), %	-5.6 %	10.3 %	-10.7 %	7.4 %	4.1 %	7.5 %	4.8 %
Operating result (EBIT)	-0.4	1.1	-2.4	1.6	1.2	2.3	1.8
Operating result (EBIT), %	-7.8 %	10.1 %	-12.3 %	6.9 %	3.4 %	7.1 %	4.2 %
Net working capital			8.1	11.2	7.0		
Employees at end of period			95	122	103		

Orders received

Market activity for Automotive Services recovered in Europe during the third quarter, but activity in the new equipment market remained subdued due to lower automotive demand and high levels of investments in previous years. Machinery order intake was very low and service activities continued to suffer in the Automotive & Emerging Technologies segment which totaled EUR 3.8 (5.7) million.

The Emerging Technologies (ET) market remained slow in the third quarter. The ET business continued to develop existing innovation projects in its portfolio. Heliotrope continues to work towards a commercially viable product, after which discussions about the commercial launch of the product can be started with targeted customers.

Automotive & Emerging Technologies segment's orders received in January–September 2020 totaled EUR 11.6 (12.0, pro forma 21.9) million.

Net sales and profitability

July–September 2020 net sales in the Automotive & Emerging Technologies segment were EUR 5.7 (11.2) million. Automotive Technologies net sales declined clearly reflecting the low machine order intake in the previous quarters. Also, net sales in Automotive Services decreased clearly. The segment's comparable EBITA amounted to EUR -0.1 (1.2) million, impacted by the low volume. Fixed costs declined as a result of cost-saving measures. January–September 2020 net sales in the Automotive & Emerging Technologies totaled EUR 19.7 (23.6, pro forma 32.1) million. Comparable EBITA amounted to EUR -1.5 (1.9, pro forma 2.8) million, corresponding to -7.4% (8.0)% of net sales.

Production and working capital management

The utilization rate of the company's automotive glass machine factory in Bützberg, Switzerland was at a low level and its operations were adjusted accordingly. The Automotive & Emerging Technologies segment's third-quarter net working capital was EUR 8.1 (11.2) million.

Personnel

At the end of the review period, the Automotive & Emerging Technologies segment employed 95 (122) people, most of them in Switzerland. Due to the downturn in the automotive industry, as well as pandemic-related restrictions, the working hours of Swiss production personnel were adjusted, and reduced working hours continued during the third quarter and covered most of Swiss employees.

Financial position, cash flow and financing

At the end of September, Glaston Group's balance sheet total was EUR 202.2 (224.8) million. Intangible assets amounted to EUR 77.3 (77.6) million, of which goodwill was EUR 58.3 (57.9) million. At the end of the period property, plant and equipment amounted to EUR 23.6 (25.3) million and inventories to EUR 25.3 (47.5) million.

The comparable return on capital employed (ROCE) was 3.4 (6.1, and at the end of December 2019 8.7)%.

At the end of September, the company's net gearing was 53.5 (53.0)% and the equity ratio was 41.4 (40.0)%. Net interest-bearing debt totaled EUR 37.2 (41.0) million. At the end of September, the average maturity of Glaston's long-term debt was 2.2 years. The financial covenants used in the company's financing agreement are gearing (net debt/equity) and leverage (net debt/EBITDA).

Third-quarter cash flow from operating activities, before the change in net working capital, was EUR -1.2 (2.4) million. Cash flow from the change in working capital was EUR 1.8 (3.4) million and cash flow from operating activities was EUR 0.6 (5.7) million. Cash flow from investing activities was EUR -0.6 (-1.0) million and cash flow from financing activities was EUR -0.1 (-33.7) million.

Glaston closely monitors and manages its liquidity and financial position. At the end of the third quarter 2020, cash and cash equivalents totaled EUR 20.3 (13.9) million. Additionally, Glaston has committed revolving credit facilities, which enable further debt financing in the amount of EUR 7.5 million and guarantees of EUR 11.5 million. As a measure to ensure the adherence to the terms of its external financing Glaston agreed with its financing banks in August on increased covenant levels and postponement of debt repayments for the remainder of 2020.

Capital expenditure, depreciation and amortization

Glaston Group's January–September gross capital expenditure totaled EUR 2.6 (60.6) million and was primarily related to product development. The high comparison figure is related to the acquisition of Bystronic glass. Depreciation and amortization of property, plant, and equipment, and of intangible assets, totaled EUR -4.5 (-3.9) million.

Investments in product development, digitalization and innovation

In the review period, Glaston continued investing in product development and emerging glass technologies in line with the company's growth strategy. New digital and IoT-based products that facilitate the transition to fully automated glass processing continue to be at the forefront of product development. Due to the prevailing coronavirus situation, it has been decided to postpone a number of product development projects. Projects and innovations related to digitalization remain firmly at the centre of development and the coronavirus pandemic has further highlighted the importance of digital and remote services.

In January–September 2020, research, and product development expenditure, excluding depreciation, totaled EUR 4.5 (4.9) million, of which EUR 1.3 (1.2) million was capitalized. Research and product development expenditure amounted to 3.4 (3.7)% of net sales.

Personnel

As of 30 September 2020, Glaston Group had a total of 740 employees. At the end of September, The Heat Treatment segment employed 307 people, the Insulating Glass segment 330 people, and the Automotive & Emerging Technologies segment 95 people. Of the Group's personnel 34%, i.e. 248 employees, worked in Germany, 24%, i.e. 179, worked in Finland, while 14% worked elsewhere in the EMEA area, 20% worked in Asia and 8% in the Americas. In both the Finnish and Swiss units as well as in a number of sales and services entities, employee-related adjustment measures continued during the third quarter.

In the first quarter 2020, Glaston Corporation completed a cooperation process in which temporary lay-offs of up to 90 days per employee were agreed for all personnel in Finland. In June, it was agreed that the temporary lay-offs would continue throughout the year and would be implemented in stages according to workload. The company is continuing its measures and consultations to reduce working hours in Switzerland and other locations have been continued.

During the third quarter many of Glaston's employees worked remotely in order to safeguard their own health and the health of production personnel. At the end of May employees gradually started returning to the offices, with strict rules to prevent the spread of the virus. All of the company's production plants were fully operational during the quarter.

RESPONSIBILITY

Responsibility is part of Glaston's everyday operations, and the basis for this is its Code of Conduct. The Code of Conduct is reviewed on an annual basis, and the latest update was approved by the Board of Directors during the third quarter. The document outlines the company's requirements and expectations for responsible and ethical conduct as well as how the company requires employees to behave in their daily work with colleagues and customers, suppliers and other stakeholders, for example. Glaston is committed to complying with the relevant national and international laws, provisions and generally excepted operating

practices in all of its activities. In its daily operations, the company is committed to combating bribery and corruption. Further information on the company's responsibility and non-financial information can be found in the company's 2019 Annual Review and Report of the Board of Directors.

SHARES AND SHAREHOLDERS

Glaston Corporation's shares are listed on the Nasdaq Helsinki Small Cap list. The trading code is GLA1V and the ISIN code is FI4000369657. Each share entitles its holder to one vote and voting right. Glaston Corporation's share capital on 30 September 2020 was EUR 12.7 (12.7) million.

1.1-30.9.2020	No. of shares and votes			Share turnover. EUR million
GLA1V			84 289 911	13.8
	Highest	Lowest	Closing	Average price *)
Share price	1.27	0.60	0.69	0.83
			30.9.2020	30.9.2019
Market value			58.0	98.2
Number of shareholders			7,471	6,991
Foreign ownership. %			27.3	27.3

*) trade weighted average

At the end of the review period, Glaston Corporation's largest shareholders were AC Invest Eight B.V. 26.4%, Hymy Lahtinen Oy 12.2%, Varma Mutual Pension Insurance Company 7.5%, Ilmarinen Mutual Pension Insurance Company 7.3% and OP-Finland Small Firms Mutual Fund 6.1%.

GOVERNANCE

Annual General Meeting 2020

The Annual General Meeting of Glaston Corporation was held on 28 May 2020 in Helsinki, in accordance with the temporary legislation given by the Finnish Government on 24 May 2020, which enabled holding the meeting by remote participation during the COVID-19 pandemic. The General Meeting adopted the financial statements and consolidated financial statements for the financial period from 1 January to 31 December 2019 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year from 1 January to 31 December 2019.

In accordance with the proposal of the Board of Directors, the General Meeting resolved that no dividend or return of capital will be distributed based on the balance sheet adopted for the financial year ended on 31 December 2019.

Adoption of the Remuneration Policy for governing bodies

The General Meeting decided to adopt the Remuneration Policy for the governing bodies.

Composition of the Board of Directors

The number of the members of the Board of Directors was resolved to be seven. The General Meeting resolved to re-elect as members of the Board of Directors the current members of the Board of Directors, Mr. Teuvo Salminen, Mr. Sebastian Bondestam, Mr. Antti Kaunonen, Ms. Sarlotta Narjus, Mr. Kai Mäenpää and Mr. Tero Telaranta, and to elect Mr. Michael Willome as a new member of the Board of Directors. The Board of Directors was elected for a term continuing until the close of the next Annual General Meeting.

Remuneration of the members of the Board of Directors

The General Meeting resolved that the annual and meeting fees of the members of the Board of Directors as well as fees paid for Committee work remain unchanged. The Chairman of the Board of Directors is paid an annual fee of EUR 60 000, the Deputy Chairman an annual fee of EUR 40 000 and the other members of the Board of Directors an annual fee of EUR 30 000. In addition, the General Meeting resolved that meeting fees shall be paid for each meeting of the Board of Directors that a Member of the Board has attended, so that the Chairman of the Board is paid EUR 800 for meetings held in the Chairman's home country and EUR 1,500 for meetings held elsewhere and the other Members of the Board are paid EUR 500 for meetings held in the home country of the respective member and EUR 1,000 for meetings held elsewhere. For per capsulum Board Meetings, half of the normal meeting fee will be paid. Furthermore, it was resolved that each Member of the Board will be compensated for travel and accommodation costs and direct expenses arising from their work for the Board of Directors in line with the Company's normal practice.

In addition, the General Meeting resolved that the meeting fee for the Compensation and Audit Committees remain unchanged and that all members of the Audit and Compensation Committees will be paid a meeting fee of EUR 500 for each meeting.

attended. In addition to the meeting fee, the Chairman of the Audit Committee will be paid an annual fee of EUR 10 000 and the Chairman of the Compensation Committee will be paid an annual fee of EUR 7 500.

Auditor

The General Meeting elected the authorized public accounting firm KPMG Oy Ab as the Company's auditor. The auditing firm has announced that the auditor in charge of the audit is Authorized Public Accountant Lotta Nurminen. The General Meeting resolved that the remuneration of the auditor is paid based on the reasonable invoice approved by the Company.

Authorization to decide on the repurchase as well as on the acceptance as pledge of the company's own shares

The Board of Directors was authorized to decide on the repurchase as well as on the acceptance as pledge of the Company's own shares in one or several tranches. The number of own shares to be repurchased or accepted as pledge shall not exceed 8 000 000 shares, which corresponds to approximately 10 per cent of all registered shares in the Company, subject to the provisions of the Finnish Companies' Act on the maximum amount of shares owned by or pledged to the company or its subsidiaries. Only the unrestricted equity of the Company can be used to repurchase own shares on the basis of the authorization.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or at a price otherwise formed on the market.

The Board of Directors decides how own shares will be repurchased or accepted as a pledge. Own shares can be repurchased in other ways than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization is effective until 30 June 2021 and revokes any corresponding previous authorizations.

Authorization to decide on the issuance of shares as well as the issuance of options and other rights entitling to shares

The Board of Directors was authorized to resolve on one or more issuances of shares which contain the right to issue new shares or dispose of the shares in the possession of the Company and to issue options or other rights entitling to shares pursuant to Chapter 10 of the Finnish Companies Act. The authorization comprises up to 8,000,000 shares in the aggregate representing approximately 10 per cent of the current number of shares in the Company. The authorization does not exclude the Board of Directors' right to decide on a directed issue of shares. The authorization can be used for material arrangements from the Company's point of view, such as financing or implementing business arrangements or investments or for other such purposes determined by the Board of Directors in which case there would be a weighty financial reason for issuing shares, options or other rights and possibly directing a share issue would exist. The Board of Directors was authorized to resolve on all terms and conditions of the issuance of shares, options and other rights entitling to shares as referred to in Chapter 10 of the Companies Act, including the payment period, grounds for the determination of the subscription price and subscription price or allocation of shares, option or other rights free of charge or that the subscription price may be paid separately in cash also with other assets either partially or entirely (contribution in kind).

The authorization is effective until 30 June 2021 and it revokes corresponding earlier authorizations.

Amendments of the Articles of Association

The General Meeting resolved to amend the Articles 4, 9 and 13 of the Articles of Association of the Company. The amendments and updated Articles of Association can be found on the company's website in the investors section.

Organization of the Board of Directors

Convening after the Annual General Meeting, the Board of Directors of Glaston Corporation re-elected Teuvo Salminen as the Chairman of the Board and Sebastian Bondestam as the Deputy Chairman of the Board.

In addition, the compositions of the Board committees were resolved to be as follows:

Audit Committee

Teuvo Salminen (Chairman) and Tero Telaranta were elected as members of the Audit Committee of the Board of Directors.

Compensation Committee

Sebastian Bondestam (Chairman), Sarlotta Narjus, and Antti Kaunonen were elected as members of the Compensation Committee of the Board of Directors.

Extraordinary General Meeting 2020

Glaston Corporation's Extraordinary General Meeting, convened by the Board of Directors, was held on 4 September 2020 in Helsinki.

Composition of the Board of Directors

In accordance with the proposal of the Shareholders' Nomination Board, the number of the members of the Board of Directors was resolved to be eight. The Extraordinary General Meeting decided, in accordance with the proposal of the Shareholders' Nomination Board, to elect Mr. Veli-Matti Reinikkala as a new member of the Board of Directors, in addition to the current members of the Board of Directors, until closing of the Annual General Meeting 2021.

Organizational and Executive Management changes

On 14 August 2020, Glaston's Board of Directors announced the appointment of M.Sc. (Econ.) Anders Dahlblom (born 1974) as President and CEO of Glaston Corporation. Anders Dahlblom joins Glaston from Owens Corning where he has worked since 2019 as VP and Managing Director of the European Insulation business unit. Prior to this position he has held the position as Managing Director (2018) and CFO (2006–2017) at Paroc Group, among other positions. It is estimated that Anders Dahlblom will assume his new position at the beginning of January 2021. Sasu Koivumäki has served as the company's acting CEO from the beginning of June 2020 and will continue in this role until Anders Dahlblom takes office. Following this, Sasu Koivumäki will continue in his position as COO, Head of Sales & Integration, Deputy to the CEO as well as a member of the Executive Management Group. Former President and CEO Arto Metsänen (born 1956) will retire from the company on 1 January 2021 and stepped down as CEO on 1 June 2020.

On 30 September 2020, Glaston Corporation's Executive Management Group comprised Sasu Koivumäki, acting President & CEO; Päivi Lindqvist, CFO; Juha Liettyä, SVP Glaston Heat Treatment Technologies; Dietmar Walz, SVP Glaston Insulating Glass Technologies; Robert Prange, SVP Glaston Automotive and Emerging Technologies; Artturi Mäki, SVP Services; Taina Tirkkonen, General Counsel and SVP Human Resources.

Glaston Corporation's shareholders' Nomination Board

Glaston Corporation's shareholders' Nomination Board comprised the four largest shareholders registered in the shareholders' register of the company as of the first working day in September in the relevant year and of the Chairman of the Company's Board of Directors, who serves as an advisory member of the Nomination Board. Based on the ownership on 1 September 2020, the following members were nominated to Glaston's Nomination Board:

Lasse Heinonen (AC Invest Eight B.V.)
Jaakko Kurikka (Hymy Lahtinen Oy)
Pekka Pajamo (Varma Mutual Pension Insurance Company)
Esko Torsti (Ilmarinen Mutual Pension Insurance Company)

Teuvo Salminen, Chairman of the Company's Board of Directors, serves as an advisory member of the Nomination Board. In its organizing meeting on 21 September 2020, the Nomination Board elected Lasse Heinonen amongst its members as Chairman.

BUSINESS RISKS AND NEAR FUTURE UNCERTAINTIES

Glaston's long-term strategic and operational risks and uncertainties are described in detail in the company's financial statements bulletin for 2019 and in the Report of the Board of Directors. Near term risks continue to be mainly related to the impacts of the COVID-19 pandemic which are described in detail below. No major changes in the near term risks have occurred since the previous quarter.

Summary of the impact of COVID-19, related near-term risks and uncertainties and risk mitigation

The economic crisis caused by the COVID-19 pandemic has had a significant impact on Glaston. The uncertainty related to the situation prevails and there are several potential development scenarios. This third quarter interim report provides future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operation, or achievements of Glaston may substantially deviate from the estimates. The situation is changing quickly with renewed upticks in COVID-19 infections in places where infection levels have been reduced significantly, re-openings have been revoked, and shutdowns are being reinstated. The second wave of infections could become more severe than the first wave and last much longer than assumed, requiring more stringent and longer lasting containment measures than estimated.

Mitigating the COVID-19 pandemic-related near-term business disruptions has been a key priority throughout the year and Glaston has taken prompt action to safeguard the health and safety of its employees and the company's financial stability.

Thanks to all the preventive measures that were already introduced at an early stage, Glaston has been able to maintain all production operations throughout the pandemic. Glaston continues to monitor the situation very closely.

The negative impact of COVID-19 on both Glaston and its customers continued during the third quarter, and orders were significantly lower than in the corresponding period in 2019. However, the IG market clearly picked up compared to the second quarter but the Heat Treatment and Services markets did not recover as quickly as had been anticipated. Third-quarter net sales were negatively impacted by the postponement of some equipment deliveries and low order intake in the previous quarter. Travel restrictions as well as customer production facility limitations also impacted the Services business sales. The recent easing of travel restrictions gradually started to have positive impact on the Services business at the end of the previous quarter but recovery was not as fast as had been anticipated. Regarding ordering activity in all three segments, Glaston's current assessment is that the market will continue to recover in the fourth quarter, and the total volume of orders received is expected to improve from the third quarter.

The pandemic and related restrictions have impacted the possibility of conducting face-to-face sales meetings and organizing events. Most trade fairs, including the entire industry's most important bi-annual event Glasstec in Düsseldorf, have been postponed until 2021. A smaller virtual Glasstec fair was organized at the time when the original fair should have taken place. While traditional sales and marketing events are an efficient means of showcasing and demonstrating new products and deepening customer relations, Glaston has also used the current situation as an opportunity to renew and remodel its sales and marketing efforts.

Glaston estimates that comparable EBITA for 2020 will decline from the 2019 level. In order to address costs and mitigate the negative market impacts, Glaston is continuing to implement additional measures, such as temporary layoffs of employees in various locations and strict cost management. Glaston's fixed costs were significantly lower in the review period, compared to the corresponding period in 2019, due to organizational streamlining, temporary lay-offs, and additional synergy benefits from the Bystronic glass integration. Marketing costs and travelling expenses were also lower than normal and will remain so throughout the year.

Efforts have been taken to strengthen receivables collection throughout the spring, and credit risk and realized credit losses have not increased. Credit risks are mitigated through stringent customer payment terms with significant customer advances. Orders are only registered in the order book upon receipt of a customer advance. No orders in the order book have been cancelled. Glaston is maintaining an ongoing dialogue with customers in order to continuously follow-up and mitigate the situation. Glaston is closely monitoring and managing its liquidity and financial position.

If the COVID-19 pandemic depresses the global economy for a longer period, the willingness of Glaston's customers to invest in new equipment could decrease and if the operating conditions of the services business are not restored, the company's liquidity could suffer. Should the company's earnings and financial position be considerably impacted, the covenants of the financing agreement may be breached, which could lead to increased financing costs. Glaston manages risks through cost savings and risk management, as well as through proactive discussions with providers of finance. As a measure to ensure adherence to the terms of its external financing Glaston agreed with its financing banks in August on increased covenant levels and postponement of debt repayments for the remainder of 2020.

GLASTON'S OUTLOOK FOR 2020 REMAINS UNCHANGED

Glaston Corporation estimates that comparable EBITA for 2020 will decline from the 2019 level. The company's current assessment is that fourth-quarter orders will improve from the third quarter but remain below the previous year's levels. The lower than 2019 order intake and slower than normal volume in services business impacts the development of net sales and earnings in 2020. The uncertainty surrounding the assessment remains, and the situation might change quickly depending on the development of the COVID-19 pandemic and the general economic climate.

GLASTON CORPORATION

INTERIM REPORT AND NOTES 1 JANUARY – 30 SEPTEMBER 2020

This interim report has been prepared in accordance with IAS 34. The interim report has been prepared in accordance with the same accounting principles as the annual financial statements for 2019.

Quarterly information and interim reports are not audited.

As a result of rounding differences, the figures presented in the tables may not add up to the total.

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Net sales	35.9	54.5	131.8	133.7	181.0
Other operating income	0.5	0.5	1.7	1.2	1.8
Expenses	-35.0	-52.7	-127.2	-129.3	-176.0
Depreciation, amortization and impairment	-1.5	-1.6	-4.5	-3.9	-5.6
Depreciation of right-of-use assets	-0.5	-0.8	-1.6	-2.1	-2.6
Operating result	-0.5	0.0	0.2	-0.3	-1.3
Financial items, net	-0.8	-0.4	-1.7	-2.0	-2.6
Interest expenses on lease liabilities	-0.1	-0.0	-0.4	-0.2	-0.5
Result before income taxes	-1.4	-0.4	-1.9	-2.6	-4.4
Income taxes	-0.4	-0.6	-1.4	-1.4	-2.0
Profit / loss for the period	-1.8	-1.0	-3.2	-4.0	-6.4
Attributable to:					
Owners of the parent	-1.8	-1.0	-3.2	-4.0	-6.4
Non-controlling interest	-	0.0	-	-0.0	-0.0
Total	-1.8	-1.0	-3.2	-4.0	-6.4
Earnings per share, EUR	-0.021	-0.015	-0.039	-0.058	-0.089
Earnings per share, EUR, basic and diluted	-0.021	-0.015	-0.039	-0.058	-0.089
Operating result, as % of net sales	-1.4	0.1	0.1	-0.3	-0.7
Profit / loss for the period, as % of net sales	-5.0	-1.8	-2.5	-3.0	-3.5
Items affecting comparability	-0.7	-2.0	-2.1	-4.9	-7.2
Comparable operating result	0.2	2.0	2.3	4.6	5.9
Comparable operating result, as % of net sales	0.5	3.7	1.8	3.4	3.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Profit / loss for the period	-1.8	-1.0	-3.2	-4.0	-6.4
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	-0.5	0.4	-0.4	0.2	-0.4
Fair value changes of financial assets measured at fair value through profit or loss	0.0	0.0	0.0	0.1	0.1
Cash flow hedges	-0.2	-0.3	-0.3	-0.3	0.0
Income tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0
Other comprehensive income that will not be reclassified subsequently to profit or loss:					
Exchange differences on actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	0.0	0.0
Actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	-0.2	-1.2
Taxes on actuarial gains and losses arising from defined benefit plans	0.0	-	0.0	-	0.3
Other comprehensive income for the reporting period	-0.7	0.1	-0.7	-0.2	-1.2
Total comprehensive income for the reporting period	-2.5	-0.9	-3.9	-4.2	-7.6
Attributable to:					
Owners of the parent	-2.5	-0.9	-3.9	-4.2	-7.6
Non-controlling interest	-	0.0	-	0.0	0.0
Total comprehensive income for the reporting period	-2.5	-0.9	-3.9	-4.2	-7.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million

	30.9.2020	30.9.2019	31.12.2019
Assets			
Non-current assets			
Goodwill	58.3	57.9	58.3
Other intangible assets	19.0	19.7	19.7
Property, plant and equipment	23.6	25.3	25.0
Right-of-use assets	7.2	10.4	8.4
Financial assets measured at fair value through other comprehensive income	3.1	3.1	3.1
Loan receivables	2.2	3.0	2.5
Deferred tax assets	1.7	1.3	1.3
Total non-current assets	115.1	120.5	118.4
Current assets			
Inventories	25.3	47.5	42.6
Receivables			
Trade and other receivables	16.1	30.5	23.0
Contract assets	25.2	12.3	12.6
Assets for current tax	0.3	0.2	0.2
Total receivables	41.5	42.9	35.8
Cash equivalents	20.3	13.9	19.9
Total current assets	87.1	104.4	98.3
Total assets	202.2	224.8	216.7

EUR million	30.9.2020	30.9.2019	31.12.2019
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Other restricted equity reserves	0.0	0.1	0.0
Reserve for invested unrestricted equity	109.5	110.1	109.5
Fair value reserve	0.2	0.2	0.2
Other unrestricted equity reserves	-0.3	-0.3	0.0
Retained earnings and exchange differences	-49.3	-41.4	-42.7
Net result attributable to owners of the parent	-3.2	-4.0	-6.4
Equity attributable to owners of the parent	69.6	77.4	73.4
Non-controlling interest	-	-0.0	-0.0
Total equity	69.6	77.4	73.4
Non-current liabilities			
Non-current interest-bearing liabilities	44.4	41.5	39.3
Non-current lease liabilities	6.9	10.1	8.2
Non-current interest-free liabilities and provisions	2.1	0.9	2.4
Deferred tax liabilities	8.3	6.6	6.7
Total non-current liabilities	61.7	59.1	56.6
Current liabilities			
Current interest-bearing liabilities	4.6	1.6	3.6
Current lease liabilities	1.6	1.7	1.7
Current provisions	3.6	5.2	3.9
Trade and other current interest-free payables	58.9	67.2	72.2
Contract liabilities	1.9	12.1	4.8
Liabilities for current tax	0.2	0.3	0.4
Total current liabilities	70.9	88.3	86.6
Total liabilities	132.6	147.4	143.2
Total equity and liabilities	202.2	224.8	216.7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Cash flows from operating activities					
Cash flow before change in net working capital	-1.2	2.4	3.2	0.3	2.3
Change in net working capital	1.8	3.4	-6.0	1.8	8.6
Net cash flow from operating activities	0.6	5.7	-2.8	2.1	10.8
Cash flow from investing activities					
Acquisition of subsidiaries less cash at the date of acquisition	-	-	-	-51.2	-51.7
Purchase of loan receivables of subsidiaries acquired	-	-	-	-16.9	-16.9
Other purchases of non-current assets	-0.6	-1.0	-2.6	-3.0	-4.6
Proceeds from sale of business	-	-0.0	0.2	0.2	0.6
Proceeds from sale of other non-current assets	0.0	0.0	0.3	-0.0	0.1
Net cash flow from investing activities	-0.6	-1.0	-2.2	-70.9	-72.5
Cash flow before financing	0.0	4.7	-4.9	-68.8	-61.6
Cash flow from financing activities					
Share issue, net	-	-1.6	-	46.4	45.8
Increase in non-current liabilities	-	-	7.5	40.1	40.1
Decrease in non-current liabilities	-	0.2	-	-5.0	-5.0

Changes in loan receivables (increase - / decrease +)	-0.0	-	-0.0	-	-
Increase in short-term liabilities	-	-	-	33.0	33.0
Decrease in short-term liabilities	-0.1	-32.3	-1.4	-37.6	-37.6
Return of capital	-	-	-	-1.2	-1.2
Net cash flow from financing activities	-0.1	-33.7	6.1	75.6	75.1
Effect of exchange rate changes	-0.2	-0.5	-0.7	-0.7	-1.5
Net change in cash and cash equivalents	-0.3	-29.5	0.5	6.1	12.0
Cash and cash equivalents at the beginning of period	20.6	43.4	19.9	7.9	7.9
Cash and cash equivalents at the end of period	20.3	13.9	20.3	13.9	19.9
Net change in cash and cash equivalents	-0.3	-29.5	0.5	6.1	12.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treasury shares	Fair value and other reserves	Ret. earnings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2019	12.7	25.3	39.6	-3.3	0.2	-42.1	3.9	36.3	0.1	36.4
Total compr. income for the period	-	-	-	-	-0.2	-4.1	0.2	-4.2	-0.0	-4.2
Share issue	-	-	46.4	-	-	-	-	46.4	-	46.4
Change in treasury shares	-	-	-	3.3	-	-3.2	-	0.1	-	0.1
Change in non-controlling interest	-	-	-	-	-	-	-	-	-0.1	-0.1
Return of capital	-	-	-1.2	-	-	-	-	-1.2	-	-1.2
Dissolution of share premium account	-	-25.3	25.3	-	-	-	-	-	-	-
Equity at 30 September 2019	12.7	0.0	110.1	-	-0.0	-49.4	4.1	77.4	0.0	77.4

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treasury shares	Fair value and other reserves	Ret. earnings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2020	12.7	-	109.5	-	0.3	-53.3	4.2	73.4	-	73.4
Total compr. income for the period	-	-	-	-	-0.3	-3.3	-0.3	-3.9	-	-3.9
Share-based plan	-	-	-	-	-	-	0.1	0.1	-	0.1
Share-based plan, tax effect	-	-	-	-	-	-	-0.0	-0.0	-	-0.0
Other changes	-	-	-	-	-	-	0.1	0.1	-	0.1
Equity at 30 September 2020	12.7	-	109.5	-	-0.0	-56.5	4.0	69.6	-	69.6

KEY RATIOS	30.9.2020	30.9.2019	31.12.2019
EBITDA, as % of net sales	4.8	4.2	3.8
Comparable EBITDA, as % of net sales	6.4	7.8	7.8
Operating profit (EBIT), as % of net sales	0.1	-0.3	-0.7
Comparable operating profit (EBIT), as % of net sales	1.8	3.4	3.3
Comparable EBITA, as % of net sales	4.3	5.5	5.4
Profit / loss for the period, as % of net sales	-2.5	-3.0	-3.5
Gross capital expenditure, EUR million	2.6	60.6	63.1
Gross capital expenditure, as % of net sales	2.0	45.3	34.8
Equity ratio, %	41.4	40.0	41.6
Gearing, %	82.7	71.0	72.0
Net gearing, %	53.5	53.0	45.0
Net interest-bearing debt, EUR million	37.2	41.0	33.0
Capital employed, end of period, EUR million	127.2	132.4	126.3
Return on equity, %, annualized	-6.1	-9.3	-11.6
Return on capital employed, %, annualized	0.1	-0.5	-1.3
Number of personnel, average	747	652	689
Number of personnel, end of period	740	792	790

PER SHARE DATA	30.9.2020	30.9.2019	31.12.2019
Number of registered shares, end of period, adjusted with share issue (1.000) (1)	84 290	84 290	84 290
Number of shares, average, adjusted with share issue, treasury shares excluded (1.000) (1)	84 290	67 954	72 072
EPS, total, basic and diluted, adjusted with share issue, EUR (1 Adjusted equity attributable to owners of the parent per share, EUR (1	-0.039	-0.058	-0.089
Price per earnings per share (P/E) ratio (1	0.83	0.92	0.87
Price per equity attributable to owners of the parent per share (1	-17.9	-20.1	-14.2
Market capitalization of registered shares, excl. treasury shares, EUR million (1	0.84	1.27	1.44
Share turnover, % (number of shares traded, % of the average registered number of shares) (1	58.0	98.2	105.8
Number of shares traded, (1.000) (1	19.7	10.5	15.1
Closing price of the share, EUR (1	16 608	7 152	10 878
Highest quoted price, EUR (1	0.69	1.17	1.26
Lowest quoted price, EUR (1	1.27	1.82	1.82
Volume-weighted average quoted price, EUR (1	0.60	1.05	1.05
	0.83	1.32	1.25

⁽¹⁾ A Reverse share split was implemented on 1 March 2019. A Rights issue was implemented during the second quarter in 2019. The number of shares and the share price and key ratios based on these for the comparative period have been restated accordingly.

INFORMATION ABOUT THE IMPACT OF COVID-19 IN THE FINANCIAL REPORTING

Glaston has updated the information given in the financial statements on 31 Dec 2019 related to liquidity risk and credit risk management due to increased economic uncertainty caused by the coronavirus situation.

Liquidity risk

Liquidity risk is managed through effective use of advance payments in order to reduce the amount of working capital tied up in the operations. A special focus is set on the working capital management and the development is monitored regularly. Short- and long-term cash planning is part of group companies' operational activity together with the Group Treasury. As a measurement for the liquidity risk are the Group's liquid funds and unused credit facilities. Group Treasury reports the Group's liquidity position regularly to the management and to the Board of Directors of Glaston Corporation

The Group's funding is mainly organized by using the approximately EUR 75 million facilities agreement signed 2019 from which EUR 35 million is committed credit facilities including EUR 20 million guarantee facility.

In March the company drew a EUR 7.5 million long-term loan using a revolving credit facility.

The covenants in use are net interest-bearing debt to equity (gearing ratio) and interest-bearing debt to EBITDA (leverage). Group treasury is responsible for monitoring the covenants and reports the situation regularly to management and the Board of Directors of Glaston Corporation. All covenant terms during the financial year have been met.

Glaston closely monitors and manages its liquidity and financial position. At the end of the third quarter 2020, cash and cash equivalents totaled EUR 20.3 million. As a measure to ensure the adherence to the terms of its external financing Glaston has agreed with its financing banks on increased covenant levels and postponement of debt repayments for the remaining of 2020.

EUR million	In use	Unused	Total
Committed credit facilities 30.9.2020	21.3	13.7	35.0
Committed credit facilities 31.12.2019	10.6	24.4	35.0

Interest-bearing net liabilities			
EUR million	30.9.2020	30.9.2019	31.12.2019
Loans from financial institutions	49.0	43.2	43.0
Lease liabilities	8.5	11.8	9.9
Other interest-bearing liabilities	-	-	-
Cash	20.3	13.9	19.9
Total	37.2	41.0	33.0
Net gearing, %	53.5	53.0	45.0

Credit risk

The impact of the COVID-19 pandemic on credit risk is reviewed in companies on a monthly basis and there has been no significant change in uncertain receivables. Efforts have been taken to strengthen receivables collection throughout the spring, and credit risk and realized credit losses have not significantly increased. Credit risks are mitigated through stringent customer payment terms with significant customer advances. Orders are registered in the order book only upon receipt of customer advance. No orders in the order book have been cancelled.

The estimate made for doubtful receivables is based on a review of all trade receivables outstanding on the reporting date as well as on an assessment of the impairment of financial assets based on expected credit losses. The gross amount of impaired trade receivables at the end of the reporting period was EUR 2.6 (3.7 on 31.12.2019) million, and the impairment loss of these receivables was EUR 1.3 (2.4 on 31.12.2019) million.

Risk management is performed together with the business management with the objective to avoid major credit risk concentrations and to verify, that sufficient guarantees and collaterals are received. The Group reduces its credit risk by using letters of credit and various types of guarantees received from the customers to secure the receivables. In addition, the Group uses advance payments to reduce risk and to accelerate fund inflows.

At the end of September 2020 8.0 (12.1 on 31.12.2019) per cent of Group's trade receivables were secured by LCs.

Ageing analysis of trade receivables			Past due			
EUR million						
	Carrying amount of trade receivables after recognizing allowance account	Not past due	< 30 days	31-180 days	181-360 days	> 360 days
30.9.2020	12.3	8.1	2.2	1.1	0.5	0.3
31.12.2019	18.5	12.4	2.8	1.7	0.7	0.8

IMPAIRMENT TESTING OF GOODWILL

Glaston has updated the impairment tests in the 2019 annual financial statements due to the increase in financial uncertainty caused by the coronavirus situation and the impact of the changed market situation. The recoverable amount of a cash-generating unit is defined as the value in use obtained by discounting its estimated future cash flows.

Impairment tests were updated in June 2020 and assumptions used are still valid in 30 September 2020. Based on the impairment test, there was no need to record an impairment loss and the recoverable amount exceeded the carrying amount of the tested assets 30 percent in the Heat Treatment Machines business, 66 percent in the Services business, 65 percent in the Insulating Glass Technologies business, and 20 percent in the Automotive Glass Technologies business.

Cash generating unit	1.1.2020	30.9.2020
Heat Treatment Machines	4.1	4.1
Heat Treatment Services	26.5	26.5
Insulating Glass Technologies	19.4	19.4
Automotive & Emerging Technologies	8.3	8.3
Total	58.3	58.3

The most significant assumptions used in value in use calculations in 2020	Heat Treatment Machines	HT Services	Insulating Glass Technologies	Automotive Glass Tehcnologies
Pre-tax discount rate	11.37%	11.80%	11.56%	10.59%
Long-term growth rate	1.00%	1.00%	1.00%	1.00%

A change in an assumption which, other things being equal, would cause the recoverable amount to equal the carrying amount

Post-tax discount rate	Value assigned to the assumption	Value Change
Heat Treatment Machines	9.59%	13.10%
Services	9.22%	14.50%
Insulating Glass technologies	9.00%	13.90%
Automotive Glass tehcnologies	8.84%	10.30%
Long-term growth rate	Value assigned to the assumption	Value Change
Heat Treatment Machines	1.00%	-3.20%
Services	1.00%	-7.60%
Insulating Glass technologies	1.00%	-6.80%
Automotive Glass tehcnologies	1.00%	-1.00%

SEGMENT INFORMATION

Glaston's reportable segments as of January 1, 2020 are Glaston Heat Treatment, Glaston Insulating Glass, Glaston Automotive & Emerging Technologies. The reportable segments comply with the group's accounting and valuation principles. In inter-segment transactions, Glaston complies with the same commercial terms and conditions as in its third party transactions.

The reportable segments consist of operating segments, which have been aggregated in accordance with the criteria of IFRS 8.12. Operating segments have been aggregated, when the nature of the products and services is similar, the nature of the production process is similar as well as the type or class of customers. Glaston Group's business consists of the manufacture and sale of glass processing machines as well as the service operations for these machines. There is a high level of integration between glass machines and maintenance. Their customers are the same, as is their market development, which is linked to the general development of the global market.

Glaston's highest operative decision maker (CODM, Chief Operating Decision Maker) is Glaston Corporation's President & CEO, supported by the Executive Management Group. The President & CEO assesses the Group's financial position and its overall development.

Order intake

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	7.6	15.9	36.1	53.1	76.0
Insulating Glass	21.6	21.1	54.3	42.4	60.4
Automotive & Emerging Technologies	3.8	5.7	11.6	12.0	19.7
Total segments	33.1	42.7	102.0	107.5	156.1
Unallocated and eliminations	0.3	2.9	0.9	5.6	6.1
Total Glaston Group	33.3	45.6	102.9	113.0	162.2

Net sales

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	12.6	20.1	46.7	61.8	82.6
Insulating Glass	17.4	21.4	63.9	44.3	58.8
Automotive & Emerging Technologies	5.7	11.2	19.7	23.6	35.5
Total segments	35.6	52.7	130.3	129.7	176.9
Unallocated and eliminations	0.3	1.8	1.5	4.0	4.1
Total Glaston Group	35.9	54.5	131.8	133.7	181.0

Operating result (EBIT)

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	-0.4	-0.3	-0.3	-0.7	-0.9
Insulating Glass	0.4	-0.7	2.9	0.4	0.4
Automotive & Emerging Technologies	-0.4	1.1	-2.4	1.6	1.2
Total segments	-0.5	0.2	0.2	1.4	0.7
Unallocated and eliminations	-0.1	-0.2	-0.0	-1.8	-2.0
Total Glaston Group	-0.5	-0.0	0.2	-0.3	-1.3
Operating result %	-1.4 %	-0.0 %	0.1 %	-0.3 %	-0.7 %

Comparable operating result (EBIT)

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	-0.2	1.0	0.4	1.1	1.9
Insulating Glass	0.7	-0.1	4.1	1.7	2.6
Automotive & Emerging Technologies	-0.3	1.2	-2.1	1.7	1.5
Total segments	0.2	2.0	2.3	4.5	6.0
Unallocated and eliminations	-0.1	-0.1	-0.0	0.1	-0.1
Total Glaston Group	0.2	2.0	2.3	4.6	5.9
Comparable EBIT %	0.5 %	3.6 %	1.8 %	3.4 %	3.3 %

Comparable EBITA

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	0.2	1.3	1.5	2.2	3.4
Insulating Glass	1.2	0.7	5.6	3.1	4.7
Automotive & Emerging Technologies	-0.1	1.2	-1.5	1.9	1.7
Total segments	1.4	3.2	5.7	7.2	9.8
Unallocated and eliminations	-0.1	-0.1	-0.0	0.1	-0.1
Total Glaston Group	1.3	3.1	5.7	7.3	9.7
Comparable EBITA %	3.6 %	5.7 %	4.3 %	5.5 %	5.4 %

Segment assets

EUR million

	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	69.6	85.3	81.0
Insulating Glass	75.3	71.1	72.5
Automotive & Emerging Technologies	29.5	46.5	36.2
Total segment assets	174.4	202.9	189.7
Other assets	27.8	21.9	27.0
Total assets	202.2	224.8	216.7

Segment liabilities

EUR million

	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	29.2	38.9	40.1
Insulating Glass	30.1	24.9	28.6
Automotive & Emerging Technologies	6.2	17.8	13.3
Total segment liabilities	65.5	81.5	82.0
Other liabilities	67.0	65.9	61.2
Total liabilities	132.6	147.4	143.2

Personnel at the end of the period

	1-9/2020	1-9/2019	1-12/2019
Heat Treatment	307	338	333
Insulating Glass	330	317	344
Automotive & Emerging Technologies	95	122	103
Others	8	15	10
Total personnel at the end of the period	740	792	790

ORDER INTAKE, ORDER BOOK, NET SALES AND OPERATING RESULT BY QUARTERS

Order intake

EUR million

	7-9/2020	4-6/2020	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	7.6	8.7	19.7	23.0	15.9	16.2	20.9
Insulating Glass	21.6	11.5	21.2	18.0	21.1	21.3	-
Automotive & Emerging Technologies	3.8	3.6	4.2	7.7	5.7	5.5	0.6
Total segments	33.1	23.8	45.2	48.7	42.7	43.0	21.5
Unallocated and eliminations	0.3	0.2	0.5	0.5	2.9	1.5	1.3
Total Glaston Group	33.3	24.0	45.6	49.2	45.6	44.5	22.9

Order book

EUR million

	30.9.2020	30.6.2020	31.3.2020	31.12.2019	30.9.2019	30.6.2019	31.3.2019
Heat Treatment	25.2	28.0	34.7	35.1	34.2	30.0	41.6
Insulating Glass	18.9	15.7	29.7	31.2	28.3	27.9	-
Automotive & Emerging Technologies	3.6	5.2	11.5	12.5	15.2	20.4	0.8
Total segments	47.6	48.9	75.9	78.8	77.7	78.4	42.4
Unallocated and eliminations	0.2	0.2	0.6	0.7	1.4	0.5	0.4
Total Glaston Group	47.8	49.1	76.4	79.5	79.1	78.9	42.8

*Order book 31.3.2020 has changed

Net sales

EUR million

	7-9/2020	4-6/2020	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	12.6	14.9	19.2	20.8	20.1	22.1	19.6
Insulating Glass	17.4	24.1	22.4	14.5	21.4	22.9	-
Automotive & Emerging Technologies	5.7	9.7	4.3	11.9	11.2	12.3	0.0
Total segments	35.6	48.7	46.0	47.2	52.7	57.3	19.7
Unallocated and eliminations	0.3	0.2	1.0	0.1	1.8	1.1	1.1
Total Glaston Group	35.9	48.9	46.9	47.3	54.5	58.4	20.8

Operating result (EBIT)

EUR million

	7-9/2020	4-6/2020	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	-0.4	0.1	0.1	-0.3	-0.3	-0.4	-0.0
Insulating Glass	0.4	1.0	1.4	-0.0	-0.7	1.1	-
Automotive & Emerging Technologies	-0.4	-0.6	-1.4	-0.4	1.1	0.5	-0.0
Total segments	-0.5	0.6	0.1	-0.8	0.2	1.3	-0.0
Unallocated and eliminations	-0.0	-0.0	0.1	-0.1	-0.2	-0.8	-0.8
Total Glaston Group	-0.5	0.6	0.1	-0.9	-0.0	0.4	-0.8
Operating result %	-1.4%	1.1%	0.3%	-1.8%	-0.0%	0.7%	-3.6%

Comparable EBIT

EUR million

	7-9/2020	4-6/2020	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	-0.2	0.2	0.3	0.8	1.0	-0.2	0.4
Insulating Glass	0.7	1.5	1.9	0.9	-0.1	1.8	-
Automotive & Emerging Technologies	-0.3	-0.5	-1.3	-0.3	1.2	1.0	-0.4
Total segments	0.2	1.2	0.9	1.5	2.0	2.5	0.0
Unallocated and eliminations	-0.1	-0.0	0.1	-0.1	-0.1	0.0	0.1
Total Glaston Group	0.2	1.2	0.9	1.3	2.0	2.5	0.1
Comparable EBIT %	0.5%	2.5%	2.0%	2.8%	3.6%	4.3%	0.4%

Comparable EBITA

EUR million

	7-9/2020	4-6/2020	1-3/2020	10-12/2019	7-9/2019	4-6/2019	1-3/2019
Heat Treatment	0.2	0.6	0.7	1.2	1.3	0.1	0.9
Insulating Glass	1.2	2.0	2.4	1.6	0.7	2.4	-
Automotive & Emerging Technologies	-0.1	-0.3	-1.1	-0.2	1.2	1.0	-0.4
Total segments	1.4	2.4	2.0	2.6	3.2	3.6	0.5
Unallocated and eliminations	-0.1	-0.0	0.1	-0.1	-0.1	0.0	0.1
Total Glaston Group	1.3	2.3	2.0	2.5	3.1	3.6	0.6
Comparable EBITA %	3.6%	4.8%	4.3%	5.2%	5.7%	6.2%	2.7%

COMPARABLE EBIT AND EBITA**Items affecting comparability**

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Re-structuring	-0.7	-1.6	-2.1	-4.5	-6.2
Others	-	-0.4	-	-0.4	-1.0
Items affecting comparability	-0.7	-2.0	-2.1	-4.9	-7.2

Comparable operating result (EBIT) and EBITA

EUR million

	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Operating result	-0.5	-0.0	0.2	-0.3	-1.3
Items affecting comparability	0.7	2.0	2.1	4.9	7.2
Comparable EBIT	0.2	2.0	2.3	4.6	5.9
Operating result	-0.5	-0.0	0.2	-0.3	-1.3
Amortization and purchase price allocation	1.1	1.1	3.4	2.7	3.8
EBITA	0.6	1.1	3.5	2.4	2.5
Items affecting comparability	0.7	2.0	2.1	4.9	7.2
Comparable EBITA	1.3	3.1	5.7	7.3	9.7
% of net sales	3.6%	5.7%	4.3%	5.5%	5.4%

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**Changes in property, plant and equipment**

EUR million	1-9/2020	1-9/2019	1-12/2019
Carrying amount at beginning of the period	25.0	7.7	7.7
Additions	0.6	1.7	2.1
Additions, business acquisitions	-	40.1	40.1
Disposals	-0.3	-0.0	0.1
Depreciation and amortization	-1.6	-1.5	-2.2
Depreciation and amortization, business acquisitions	-	-22.6	-22.6
Impairment and reversals of impairment	-	-	-0.1
Reclassification and other changes	-0.1	-0.2	-0.1
Transfers to available-for-sale assets	-	-	-0.2
Exchange differences	-0.1	0.0	0.0
Carrying amount at end of the period	23.6	25.2	25.0

At the end of September 2020 Glaston had not contractual commitments for the acquisition of property, plant and equipment.

Changes in intangible assets

EUR million	1-9/2020	1-9/2019	1-12/2019
Carrying amount at beginning of the period	78.1	36.3	36.3
Additions	2.1	1.4	2.3
Additions, business acquisitions	-	47.5	47.9
Disposals	-	-0.0	-0.0
Depreciation and amortization	-2.9	-2.4	-3.4
Depreciation and amortization, business acquisitions	-	-5.2	-5.2
Reclassification and other changes	0.1	0.0	0.1
Exchange differences	0.0	0.0	0.0
Carrying amount at end of the period	77.3	77.5	78.1

LEASES IN THE BALANCE SHEET**Right-of-use assets**

EUR million	1-9/2020	1-9/2019	1-12/2019
Carrying amount at beginning of the period	8.4	8.0	8.0
Additions	0.3	5.4	4.0
Depreciation expense	-1.6	-3.1	-3.6
Carrying amount at end of the period	7.2	10.4	8.4

Lease liabilities

EUR million	1-9/2020	1-9/2019	1-12/2019
Carrying amount at beginning of the period	9.9	9.0	9.0
Additions	0.2	4.5	3.1
Interest expense	0.4	0.2	0.5
Rental payment	-2.0	-2.0	-2.7
Carrying amount at end of the period	8.5	11.8	9.9

LEASES IN PROFIT AND LOSS STATEMENT

EUR million	1-9/2020	1-9/2019	1-12/2019
Depreciation of right-of-use assets	-1.6	-2.1	-2.6
Interest expense on lease liabilities	-0.4	-0.2	-0.5
Short-term lease expense	-0.2	-0.1	-0.2
Total amounts recognised in profit or loss	-2.2	-2.4	-3.3

CONTINGENT LIABILITIES

EUR million	30.9.2020	30.9.2019	31.12.2019
Mortgages and pledges			
On own behalf	511.4	166.9	511,4
Guarantees			
On own behalf	10.5	10.6	12.4
On behalf of others	0.2	0.1	0.1

Mortgages and pledges include EUR 23.9 million shares in group companies.

Glaston Group has international operations and can be a defendant or plaintiff in a number of legal proceedings incidental to those operations. The Group does not expect the outcome of any unmentioned legal proceedings currently pending, either individually or in the aggregate, to have material adverse effect upon the Group's consolidated financial position or results of operations.

DERIVATIVE INSTRUMENTS

EUR million	30.9.2020		30.9.2019		31.12.2019	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forwards						
Currency forward contracts	9.8	0.3	11.5	0.3	12.0	0.0

Glaston hedge foreign currency-denominated sales and cash flows of binding orders received with currency forwards. In fulfilling the conditions of hedge accounting, cash flow hedge accounting under IFRS 9 is applied with respect to currency derivatives.

Derivative instruments are used only for hedging purposes. Nominal values of derivative instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group. The fair values are based on market valuation on the date of reporting.

FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments at fair value include derivatives. Other financial instruments at fair value through profit or loss can include mainly Glaston's current investments, which are classified as held for trading i.e. which have been acquired or incurred principally for the purpose of selling them in the near future.

Fair values of publicly traded derivatives are calculated based on quoted market rates at the end of the reporting period (fair value hierarchy level 1). All Glaston's derivatives are publicly traded.

Financial assets measured at fair value through other comprehensive income include listed investments are measured at the market price at the end of the reporting period (fair value hierarchy level 2). Investments, for which fair values cannot be measured reliably, such as unlisted equities, are reported at cost or at cost less impairment (fair value hierarchy level 3).

Fair value measurement hierarchy:

Level 1 = quoted prices in active markets

Level 2 = other than quoted prices included within Level 1 that are observable either directly or indirectly

Level 3 = not based on observable market data. Fair value equals cost or cost less impairment

During the reporting period there were no transfers between levels 1 and 2 of the fair value hierarchy. During the reporting period there were no changes in the valuation techniques of levels 2 or 3 of the fair value hierarchy.

Fair value measurement hierarchy, Level 3. changes during the reporting period

	2020	2019
1.1.	2.8	2.8
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Reclassification	-	-
30.9.	2.8	2.8

Financial instruments measured at fair value and included in level 3 of fair value hierarchy, had no effect on the profit or loss of the reporting period or on other comprehensive income. These financial instruments are not measured at fair value on re-curring basis.

Fair value hierarchy, fair values

EUR million	30.9.2020				30.9.2019				31.12.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Listed shares	0.2	-	0.0	0.2	0.2	-	0.0	0.2	0.2	-	0.0	0.2
Other long-term investments	-	-	2.8	2.8	-	-	2.8	2.8	-	-	2.8	2.8
Currency forward contracts	-	0.3	-	0.3	-	0.3	-	0.3	-	0.0	-	0.0
Total	0.2	0.3	2.8	3.4	0.2	0.3	2.8	3.4	0.2	0.0	2.8	3.1
Liabilities												
Currency forward contracts	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

DEFINITIONS OF KEY RATIOS

Per share data

Earnings per share (EPS):

Net result attributable to owners of the parent / Adjusted average number of shares

Dividend per share*:

Dividends paid / Adjusted number of issued shares at end of the period

Dividend payout ratio*:

(Dividend per share x 100) / Earnings per share

Dividend yield per share*:

(Dividend per share x 100) / Share price at end of the period

Equity attributable to owners of the parent per share:

Equity attributable to owners of the parent at end of the period / Adjusted number of shares at end of the period

Average trading price:

Shares traded (EUR) / Shares traded (volume)

Price per earnings per share (P/E):

Share price at end of the period / Earnings per share (EPS)

Price per equity attributable to owners of the parent per share:

Share price at end of the period / Equity attributable to owners of the parent per share

Share turnover:

The proportion of number of shares traded during the period to weighted average number of shares

Market capitalization:

Number of shares at end of the period x share price at end of the period

Number of shares at period end:

Number of issued shares - treasury shares

*The definition is also applied with return of capital

Financial ratios

EBITDA:

Profit / loss before depreciation, amortization and impairment

Operating result (EBIT):

Profit / loss after depreciation, amortization and impairment

Cash and cash equivalents:

Cash + other financial assets (includes cash and cash equivalents at amortized cost)

Net interest-bearing debt:

Interest-bearing liabilities (includes interest-bearing liabilities at amortized cost) - cash and cash equivalents

Financial expenses:

Interest expenses of financial liabilities + fees of financing arrangements + foreign currency differences of financial liabilities

Equity ratio. %:

Equity (Equity attributable to owners of the parent + non-controlling interest) x 100 / Total assets - advance payments received

Gearing, %:

(Interest-bearing liabilities x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Net gearing, %:

(Net interest-bearing debt x 100) / Equity (Equity attributable to owners of the parent + non-controlling interest)

Return on capital employed, % (ROCE):

(Profit / loss before taxes + financial expenses x 100) / Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

Return on equity, % (ROE):

Profit / loss for the reporting period x 100 / Equity (Equity attributable to owners of the parent + non-controlling interest), average of 1 January and end of the reporting period

Alternative performance measures

Comparable EBIT:

Operating result after depreciation, amortization and impairment, +/- items affecting comparability

Comparable EBITDA:

Operating result before depreciation, amortization and impairment, +/- items affecting comparability

Comparable EBITA:

Operating result before amortization, impairment of intangible assets and purchase price allocation +/- items affecting comparability

Comparable return on capital employed, % (Comparable ROCE):

(Profit / loss before taxes + amortization of purchase price allocations +/- items affecting comparability + financial expenses x 100) / Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

Comparable earnings per share (Comparable EPS):

Net result attributable to owners of the parent +/- items affecting comparability / Adjusted average number of shares

Items affecting comparability:

Items affecting comparability are adjusted for non-business transactions or changes in valuation items when they arise from restructuring, acquisitions and disposals, related integration and separation costs, sale or impairment of assets. These may include staff reductions, rationalization of the product range, restructuring of the production structure, and reduction of premises.

Impairment losses on goodwill, gains or losses on disposals due to changes in the group structure, exceptionally large gains or losses on tangible and intangible assets, exceptional compensations for damages and legal proceedings are restated as an item affecting comparability.

Accounting policies

The Glaston Group's interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34. The interim report has followed the same IFRS accounting principles as in the previous consolidated financial statements.

NOTE 1**GLASTON AND BYSTRONIC GLASS PRO FORMA 2019 COMPARATIVE FIGURES**

The following unaudited pro forma financial information has been presented to illustrate how the Bystronic glass acquisition and related financing arrangements would have had a hypothetical impact on the company's result if it had materialized on 1 January 2019. Pro forma information is presented separately for the group level and segments.

Pro forma financial information has been prepared in accordance with the IFRS standards introduced in the EU and with the accounting principles used by Glaston in the consolidated financial statements.

CONDENSED PRO FORMA STATEMENT OF PROFIT OR LOSS

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Net sales	131.8	157.3	204.6
Other operating income	1.7	1.4	2.1
Expenses	-127.2	-150.5	-197.1
Depreciation, amortization and impairment	-4.5	-4.8	-6.5
Depreciation of right-of-use assets	-1.6	-2.3	-2.8
Operating result	0.2	1.2	0.3
Financial items, net	-1.7	-2.1	-2.7
Interest expenses on lease liabilities	-0.4	-0.2	-0.5
Result before income taxes	-1.9	-0.1	-3.0
Income taxes	-1.4	-2.0	-2.7
Profit / loss for the period	-3.2	-1.4	-5.6

Average number of shares, issues adjusted (1000)	84 290	67 954	72 072
Earnings per share	-0.039	-0.020	-0.078

Order intake

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Heat Treatment	36.1	53.1	76.0
Insulating Glass	54.3	54.7	72.6
Automotive & Emerging Technologies	11.6	21.9	29.6
Total segments	102.0	129.7	178.3
Unallocated and eliminations	0.9	5.8	6.3
Total Glaston Group	102.9	135.4	184.6

Net sales

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Heat Treatment	46.7	61.8	82.6
Insulating Glass	63.9	59.4	73.9
Automotive & Emerging Technologies	19.7	32.1	44.0
Total segments	130.3	153.3	200.5
Unallocated and eliminations	1.5	4.0	4.0
Total Glaston Group	131.8	157.3	204.6

Operating result (EBIT)

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Heat Treatment	-0.3	-0.7	-0.9
Insulating Glass	2.9	1.4	1.3
Automotive & Emerging Technologies	-2.4	2.3	1.8
Total segments	0.2	3.0	2.2
Unallocated and eliminations	-0.0	-1.8	-2.0
Total Glaston Group	0.2	1.2	0.3

Comparable EBIT

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Heat Treatment	0.4	1.1	1.9
Insulating Glass	4.1	2.6	3.5
Automotive & Emerging Technologies	-2.1	2.4	2.1
Total segments	2.3	6.1	7.6
Unallocated and eliminations	-0.0	-0.0	-0.1
Total Glaston Group	2.3	6.1	7.5

Comparable EBITA

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Heat Treatment	1.5	2.2	3.4
Insulating Glass	5.6	4.5	6.2
Automotive & Emerging Technologies	-1.5	2.8	2.6
Total segments	5.7	9.5	12.1
Unallocated and eliminations	-0.0	0.1	-0.1
Total Glaston Group	5.7	9.6	12.1

PRO FORMA ORDER INTAKE, ORDER BOOK, NET SALES AND OPERATING RESULT BY QUARTERS**Order intake**

EUR million	Actual 7-9/2020	Actual 4-6/2020	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	7.6	8.7	19.7	23.0	15.9	16.2	20.9
Insulating Glass	21.6	11.5	21.2	18.0	21.1	21.3	12.3
Automotive & Emerging Technologies	3.8	3.6	4.2	7.7	5.7	5.5	10.7
Total segments	33.1	23.8	45.2	48.7	42.7	43.0	43.9
Unallocated and eliminations	0.3	0.2	0.5	0.5	2.9	1.5	1.3
Total Glaston Group	33.3	24.0	45.6	49.2	45.6	44.5	45.3

Order book

EUR million	Actual 30.9.2020	Actual 30.6.2020	Actual 31.3.2020	Actual 31.12.2019	Actual 30.9.2019	Actual 30.6.2019	Pro forma 31.3.2019
Heat Treatment	25.2	28.0	34.7	35.1	34.2	30.0	41.6
Insulating Glass	18.9	15.7	29.7	31.2	28.3	27.9	32.3
Automotive & Emerging Technologies	3.6	5.2	11.5	12.5	15.2	20.4	30.0
Total segments	47.6	48.9	75.9	78.8	77.7	78.4	103.8
Unallocated and eliminations	0.2	0.2	0.6	0.7	1.4	0.5	0.4
Total Glaston Group	47.8	49.1	76.4	79.5	79.1	78.9	104.2

* Order book 31.3.2020 has changed

Net sales

EUR million	Actual 7-9/2020	Actual 4-6/2020	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	12.6	14.9	19.2	20.8	20.1	22.1	19.6
Insulating Glass	17.4	24.1	22.4	14.5	21.4	22.9	15.1
Automotive & Emerging Technologies	5.7	9.7	4.3	11.9	11.2	12.3	8.5
Total segments	35.6	48.7	46.0	47.2	52.7	57.3	43.2
Unallocated and eliminations	0.3	0.2	1.0	0.1	1.8	1.1	1.1
Total Glaston Group	35.9	48.9	46.9	47.3	54.5	58.4	44.3

Operating result (EBIT)

EUR million	Actual 7-9/2020	Actual 4-6/2020	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	-0.4	0.1	0.1	-0.3	-0.3	-0.4	-0.0
Insulating Glass	0.4	1.0	1.4	-0.0	-0.7	1.1	0.9
Automotive & Emerging Technologies	-0.4	-0.6	-1.4	-0.4	1.1	0.5	0.7
Total segments	-0.5	0.6	0.1	-0.8	0.2	1.3	1.6
Unallocated and eliminations	-0.1	-0.0	0.1	-0.1	-0.2	-0.8	-0.8
Total Glaston Group	-0.5	0.6	0.1	-0.9	-0.0	0.4	0.8

Comparable EBIT

EUR million	Actual 7-9/2020	Actual 4-6/2020	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	-0.2	0.2	0.3	0.8	1.0	-0.2	0.2
Insulating Glass	0.7	1.5	1.9	0.9	-0.1	1.8	0.9
Automotive & Emerging Technologies	-0.3	-0.5	-1.3	-0.3	1.2	1.0	0.4
Total segments	0.2	1.2	0.9	1.5	2.0	2.5	1.6
Unallocated and eliminations	-0.1	-0.0	0.1	-0.1	-0.1	0.0	-0.0
Total Glaston Group	0.2	1.2	0.9	1.3	2.0	2.5	1.6

Comparable EBITA

EUR million	Actual 7-9/2020	Actual 4-6/2020	Actual 1-3/2020	Actual 10-12/2019	Actual 7-9/2019	Actual 4-6/2019	Pro forma 1-3/2019
Heat Treatment	0.2	0.6	0.7	1.2	1.3	0.1	0.7
Insulating Glass	1.2	2.0	2.4	1.6	0.7	2.4	1.4
Automotive & Emerging Technologies	-0.1	-0.3	-1.1	-0.2	1.2	1.0	0.6
Total segments	1.4	2.4	2.0	2.6	3.2	3.6	2.7
Unallocated and eliminations	-0.1	-0.0	0.1	-0.1	-0.1	0.0	0.1
Total Glaston Group	1.3	2.3	2.0	2.5	3.1	3.6	2.8

PRO FORMA COMPARABLE OPERATING RESULT (EBIT) AND EBITA**Items affecting comparability**

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Re-structuring	-2.1	-4.5	-6.2
Others	-	-0.4	-1.0
Items affecting comparability	-2.1	-4.9	-7.2

EUR million	Actual 1-9/2020	Pro forma 1-9/2019	Pro forma 1-12/2019
Operating result	0.2	1.2	0.3
Items affecting comparability	2.1	4.9	7.2
Comparable EBIT	2.3	6.1	7.5
Amortization and purchase price allocation	3.4	3.4	4.5
Comparable EBITA	5.7	9.6	12.1
% of net sales	4.3 %	6.1 %	5.9 %