
Q1

Glaston Corporation
Interim Report
1 January - 31 March 2021

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Glaston's interim report January–March 2021: Good order intake contributed to strong cash flow. EBITA margin improved.

As of 1 January 2021, the company has three reporting segments: Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Display. 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 2021, the company published comparative information according to the new structure. The figures in brackets refer to the comparison period, i.e. the same period in the previous year, unless otherwise stated.

January–March 2021 in brief

- Orders received totaled EUR 47.2 (45.6) million.
- Net sales totaled EUR 40.4 (46.9) million.
- Comparable EBITA was EUR 2.1 (2.0) million, i.e. 5.1 (4.3)% of net sales.
- The operating result (EBIT) was EUR 0.1 (0.1) million.
- The comparable operating result (EBIT) was EUR 0.9 (0.9) million, i.e. 2.3 (2.0)% of net sales.
- Items affecting comparability totaled EUR 0.8 (0.8) million.
- The comparable earnings per share were EUR 0.010 (0.015).
- Cash flow from operating activities was EUR 6.6 (-3.1) million.

GLASTON'S OUTLOOK FOR 2021 UNCHANGED

The strong recovery in orders received in the fourth quarter of 2020 and its continuation in the first quarter of 2021 indicate positive development for both the machines and services business throughout 2021. Glaston started 2021 with a 20% lower order backlog than the previous year, impacting net sales and comparable operating profit for the first half of 2021. The second half of 2021 will benefit from the order intake recovery. Glaston expects the heat treatment and insulating glass technology markets to perform well, but visibility continues to be shorter than normal due to the COVID-19 pandemic and its implications on economic activity, investments and travel restrictions. The demand for automotive glass processing technology is volatile and uncertain due to COVID-19, structural changes in the market and automotive supply chain disruptions.

Based on the expected continued positive market development, Glaston Corporation estimates, that its net sales and comparable EBITA will improve in 2021 from the levels reported for 2020. In 2020, Group net sales totaled EUR 170.1 million and comparable EBITA was EUR 7.7 million.

President & CEO Anders Dahlblom:

“In the first quarter of 2021, Glaston’s markets continued to develop positively and orders received were up 3.5% compared to the corresponding period in 2020, totaling EUR 47.2 million. In particular, the demand for heat treatment equipment increased. As anticipated in the Financial statements bulletin 2020, first-quarter net sales (EUR 40.4 million) were low. This was primarily due to the low number of new orders in the second and third quarters of last year. However, comparable EBITA was slightly above the previous year’s level (EUR 2.1 million) despite lower net sales. Lower fixed costs and integration related synergy benefits contributed to the outcome.

The strength of our current broader product offering, especially for the architectural segment, was clearly demonstrated in the early part of the year as we signed several customer contracts including both heat treatment and insulating glass equipment. The cross-selling is strategically and commercially important and will eventually strengthen our market position further. It also adds value to our customers who can benefit from consolidating their technology solutions and from enhanced service know-how and availability. Showcasing the strategic importance, Glaston disclosed earlier this week a new order with the leading European manufacturer of flat glass for one tempering line, several insulating glass lines, a grinding line, as well as other equipment. The order, booked in received orders for Q2/2021, will reinforce Glaston’s position as the key player in insulating glass technologies.

Our number one priority for this year is the renewal of Glaston’s strategy and the work is well underway. Currently, different growth options are being evaluated and a number of interesting market opportunities have already been identified. The intense analysis will build solid ground for making sound decisions and action plans. Succeeding with customers, engaged employees and shareholder value creation are our key goals. Realizing the full potential of the Bystronic glass integration is another key priority on our agenda. Closely linked to the strategy process, the second phase of integration is underway. The second phase covers the commercial potential for both equipment and services with, for example, the integrated growth strategy for our service businesses. We will communicate the key outcomes of the strategy process in August 2021.

Last year, the importance of safe and healthy living and working environments became increasingly significant. Safety is at the core of Glaston’s operations. Glass tempering and lamination technologies, resulting in stronger and non-hazardous glass, are among our key competencies, and stricter construction laws and regulations lead to increased demand for the technologies in question. Safety is also a strong focus for us internally. We want our employees to work in a safe and healthy work environment and our target is zero accidents at work. A positive sign is that in 2020, accidents were down to 14 compared to 22 in the previous year, and we will continue the improvement work. Improvement work such as occupational safety is one of our key priorities for 2021.

In the review period, Glaston’s markets continued to develop well. In light of increasing customer activity and resumed customer projects, we expect the positive development to continue in 2021, which indicates continued positive order intake for both machines and services businesses, as well as good net sales development.”



Changes in the company's reporting

As of 1 January 2021, the company has three reporting segments: Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Display. 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 2021, the company published comparative information according to the new structure. The figures in brackets refer to the comparison period, i.e. the same period in the previous year, unless otherwise stated.

GLASTON GROUP'S KEY FIGURES

EUR million	1–3/2021	1–3/2020	1–12/2020
Orders received	47.2	45.6	153.5
of which service operations	17.5	15.5	57.1
of which service operations, %	37.0%	34.0%	37.2%
Order book at end of period	68.0	76.4	63.9
Net sales	40.4	46.9	170.1
of which service operations	16.6	16.5	58.1
of which service operations, %	41.1%	35.2%	34.1%
EBITDA	2.0	2.2	7.6
Items affecting comparability	0.8	0.8	3.8
Comparable EBITDA	2.8	3.0	11.3
Comparable EBITDA, %	7.0%	6.4%	6.7%
Comparable EBITA	2.1	2.0	7.7
Comparable EBITA, %	5.1%	4.3%	4.6%
Operating result (EBIT)	0.1	0.1	-0.5
Comparable operating result (EBIT)	0.9	0.9	3.2
Comparable operating result (EBIT), %	2.3%	2.0%	1.9%
Profit/loss before taxes	-0.3	-0.1	-3.3
Profit/loss for the period	-0.7	-0.2	-5.5
Comparable earnings per share, adjusted with share issue, EUR	0.010	0.015	0.013
Number of registered shares at end of period adjusted with share issue (1 000)	84,290	84,290	84,290
Cash flow from operating activities	6.6	-3.1	0.7
Net interest-bearing debt at end of period	28.4	37.2	33.6
Return on investment (ROI), %, (annualized)	0.2%	0.3%	-0.4%
Comparable return on capital employed (ROCE), %, (annualized)	3.1%	3.1%	4.7%
Equity ratio, %	40.0%	40.7%	41.2%
Net gearing, %	41.8%	50.7%	48.8%
Number of employees at end of period	721	752	723

KEY FIGURES OF REPORTING SEGMENTS

Orders received, EUR million

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment	22.8	19.7	56.1
Insulating Glass	19.5	21.2	75.7
Automotive & Display	4.8	4.2	20.2
Segments, total	47.1	45.2	152.1
Unallocated and eliminations	0.1	0.5	1.4
Glaston Group, total	47.2	45.6	153.5

Order book, EUR million

	31.3.2021	31.3.2020	31.12.2020
Heat Treatment	39.4	36.2	31.4
Insulating Glass	23.8	29.7	26.1
Automotive & Display	4.8	10.0	6.5
Segments, total	68.0	75.9	63.9
Unallocated and eliminations	0.0	0.6	0.0
Glaston Group, total	68.0	76.4	63.9

Net sales, EUR million

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment	13.8	19.4	61.6
Insulating Glass	21.3	22.4	81.9
Automotive & Display	5.2	4.2	24.6
Segments, total	40.3	46.0	168.2
Unallocated and eliminations	0.1	1.0	1.9
Glaston Group, total	40.4	46.9	170.1

Comparable EBITA,
EUR million

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment	0.3	0.6	2.0
Insulating Glass	1.8	2.4	7.3
Automotive & Display	0.0	-1.0	-1.6
Segments, total	2.1	2.0	7.6
Unallocated and eliminations	-0.0	0.1	0.1
Glaston Group, total	2.1	2.0	7.7

Comparable operating result
and operating result (EBIT),
EUR million

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment	-0.1	0.2	0.4
Insulating Glass	1.3	1.9	5.2
Automotive & Display	-0.2	-1.2	-2.5
Segments, total	1.0	0.9	3.1
Unallocated and eliminations	-0.0	0.1	0.1
Comparable operating result (EBIT), total	0.9	0.9	3.2
Comparable operating result (EBIT), %	2.3%	2.0%	1.9%
Items affecting comparability	0.8	0.8	3.8
Operating result (EBIT)	0.1	0.1	-0.5
Operating result (EBIT), %	0.3%	0.3%	-0.3%

KEY FIGURES FOR PRODUCT AREAS**Orders received by product area,
EUR million**

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment Technologies	15.0	13.2	34.1
Insulating Glass Technologies	13.4	15.8	53.6
Automotive & Display Technologies	1.3	0.7	7.3
Services	17.5	15.5	57.1
Unallocated and eliminations	0.1	0.5	1.4
Glaston Group, total	47.2	45.6	153.5

**Order book by product area,
EUR million**

	31.3.2021	31.3.2020	31.12.2020
Heat Treatment Technologies	34.2	32.5	26.6
Insulating Glass Technologies	23.8	29.7	26.1
Automotive & Display Technologies	4.4	9.5	6.5
Services	5.7	4.1	4.7
Unallocated and eliminations	0.0	0.6	0.0
Glaston Group, total	68.0	76.4	63.9

**Net sales by product area,
EUR million**

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment Technologies	7.4	12.5	40.2
Insulating Glass Technologies	15.2	17.1	60.3
Automotive & Display Technologies	1.8	0.8	12.5
Services	16.6	16.5	58.1
Unallocated and eliminations	-0.6	0.1	-0.9
Glaston Group, total	40.4	46.9	170.1

This interim report provides estimates on future prospects involving risk and uncertainty factors, and other factors as a result of which the performance, operations, 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

Glaston Corporation is a glass industry technologies and services frontrunner. Glass processed using Glaston's processing machines is supplied to the architectural glass, automotive glass, solar energy and appliance industries. Most of the glass produced with the company's technology is supplied to the construction industry (measured by volume). Glaston operates in a global market, and the company's business is largely linked to trends in global investment demand and therefore to demand for glass and glass processors' capacity utilization rates which, in turn, impact investment needs and demand for services and spare parts.

Glaston Group's market areas are EMEA (Europe, Middle East and Africa), the Americas (North, Central and South America) and Asia-Pacific (China and the rest of the Asia and Pacific area).

According to the International Monetary Fund's (IMF) World Economic Outlook update published in April 2021, global growth is projected at 6% in 2021, which is 0.5 percentage points above the IMF's January 2021 estimate. The upward revision reflects additional fiscal support in a few major economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.¹⁾ The outlook is, however, characterized by a high level of uncertainty and the strength of the recovery is projected to vary significantly across countries and sectors.

Architectural glass

Glaston Group's architectural glass machines market comprises many different market areas and countries, whose stage of development and political situation may vary significantly.

Maintaining the strong development seen in the last quarter of 2020, the architectural business continued to pick up during the first quarter of 2021. Demand for Heat Treatment experienced strong growth and demand for Insulating Glass equipment continued strong as customers proceeded with their investment plans. Very strong market recovery was noted for Heat Treatment upgrades in all regions. In Services operations, the market recovery seen in the last quarter of 2020 continued. However, corona-pandemic-related travel restrictions slowed down the development.

In Glaston's main market area, the EMEA region, the positive progress continued. The Insulating Glass Technologies market remained robust, supported by a healthy architectural market. During the first quarter some long-term projects for high-speed production lines, projects for larger glass units and specialty production, picked up again. The recovery of the Heat Treatment equipment market continued in the first quarter and flat tempering and flat laminating, in particular, performed well. The Services markets remained quite strong, particularly for Heat Treatment upgrade products.

In North America, the first quarter saw stable market recovery and some projects that had been put on hold due to the COVID-19 pandemic were reactivated. The positive development was further enhanced by some states in the US starting to lift corona restrictions, which particularly supported the service business. The first quarter saw increasing demand for Heat Treatment upgrades.

In the first quarter, market activity in China grew with a comeback for high-end insulating glass lines. In addition, the mid-range market for Insulating Glass equipment continued to develop well. A positive development was also noted in the market for flat tempering equipment. In the APAC region, activity in the services operations, in particular, was still low as customers continued to operate at heavily reduced capacity.

Automotive glass

The automotive glass market saw a good start to the year. However, a slowing down was already evident during the quarter as most larger automotive factories had to reduce production due to component supply shortages eventually impacting investment decisions. Demand for new machinery was low in all regions but an increased interest in upgrades and modernizations of existing machinery was noted.

For Automotive services, activity in North America continued to be low due to reduced domestic automobile production. In the EMEA and APAC regions, the recovery of the automotive industry continued.

1) International Monetary Fund: World Economic Outlook Update, April 2021

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

Glaston Group's January–March 2021 orders received totaled EUR 47.2 (45.6) million, up 3.5% compared to the corresponding period in 2020. In particular good recovery in order activity was noted for Heat Treatment glass processing equipment.

Orders received, EUR million	1–3/2021	1–3/2020	1–12/2020
Heat Treatment	22.8	19.7	56.1
Insulating Glass	19.5	21.2	75.7
Automotive & Display	4.8	4.2	20.2
Segments, total	47.1	45.2	152.1
Unallocated and eliminations	0.1	0.5	1.4
Glaston Group, total	47.2	45.6	153.5

Glaston Group's order book stood at EUR 68.0 (76.4) million at the end of the first quarter. The Heat Treatment order book totaled EUR 39.4 (36.2) million, representing 58% of the Group's order book, Insulating Glass EUR 23.8 (29.7) million or 35% and Automotive & Display EUR 4.8 (10.0) million or 7% of the Group's order book.

Order book, EUR million	31.3.2021	31.3.2020
Heat Treatment	39.4	36.2
Insulating Glass	23.8	29.7
Automotive & Display	4.8	10.0
Segments, total	68.0	75.9
Unallocated and eliminations	0.0	0.6
Glaston Group, total	68.0	76.4

Orders received and order book by product area

The orders received in the Heat Treatment Technologies product area grew by 13% compared to the corresponding period in the previous year and totaled EUR 15.0 (13.2) million. Glaston received tempering machine orders from all geographical areas. Demand for insulating glass machines saw a 15% decrease compared to the corresponding period in 2020 and the orders received for the Insulating Glass Technologies product area totaled EUR 13.4 (15.8) million with the Glaston VARIO TPS® 2735 as the best-seller in all regions. The strength of Glaston's versatile product offering was demonstrated with positive development in cross-sales with insulating glass and heat treatment equipment to several customers. Orders received in the Automotive & Display Technologies product area remained on a modest level even though they were slightly higher compared to the corresponding period in 2020. For Display Technologies, Glaston received an order from a strategically important new customer.

The orders received in the Services product area grew compared to the same period in 2020, totaling EUR 17.5 (15.5) million. In Heat Treatment (HT) services, global travel restrictions continued to have a slightly negative impact on the business, especially in the APAC region. Demand for HT upgrades and modernization saw excellent progress as orders received for HT Upgrades more than doubled compared to the corresponding quarter in 2020. In Automotive services, interest in upgrades and modernization increased, as due to the prevailing market uncertainty, customers preferred to update their existing equipment. The Services product area accounted for 37 (34)% of orders received.

Orders received by product area, EUR million	1–3/2021	1–3/2020	1–12/2020
Heat Treatment Technologies	15.0	13.2	34.1
Insulating Glass Technologies	13.4	15.8	53.6
Automotive & Display Technologies	1.3	0.7	7.3
Services	17.5	15.5	57.1
Unallocated and eliminations	0.1	0.5	1.4
Glaston Group, total	47.2	45.6	153.5

Order book by product area, EUR million

	31.3.2021	31.3.2020	31.12.2020
Heat Treatment Technologies	34.2	32.5	26.6
Insulating Glass Technologies	23.8	29.7	26.1
Automotive & Display Technologies	4.4	9.5	6.5
Services	5.7	4.1	4.7
Unallocated and eliminations	0.0	0.6	0.0
Glaston Group, total	68.0	76.4	63.9

Net sales

Glaston Group's January–March 2021 net sales declined from the corresponding period of the previous year and totaled EUR 40.4 (46.9) million. The Heat Treatment segment's net sales were EUR 13.8 (19.4) million and the Insulating Glass segment's net sales were EUR 21.3 (22.4) million. The Automotive & Display segment's net sales were EUR 5.2 (4.2) million. Of total net sales, the Heat Treatment segment accounted for 34%, the Insulating Glass segment for 53% and the Automotive & Display segment for 13%. Geographically, of the company's total first-quarter net sales, the EMEA area accounted for 56%, the Americas for 22%, and Asia and Pacific (APAC) for around 22%.

Net sales, EUR million

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment	13.8	19.4	61.6
Insulating Glass	21.3	22.4	81.9
Automotive & Display	5.2	4.2	24.6
Segments, total	40.3	46.0	168.2
Unallocated and eliminations	0.1	1.0	1.9
Glaston Group, total	40.4	46.9	170.1

Geographical distribution of net sales, EUR million

	1–3/2021	1–3/2020	1–12/2020
Americas	8.9	17.5	44.7
EMEA	22.8	20.9	94.4
APAC	8.8	8.5	30.9
Glaston Group, total	40.4	46.9	170.1

Net sales by product area

First-quarter net sales of the Heat Treatment Technologies product area were well below the level of the corresponding period of the previous year and totaled EUR 7.4 (12.5) million reflecting the weak order intake in the second and third quarters of 2020. Net sales of the Insulating Glass Technologies product area totaled EUR 15.2 (17.1) million. Net sales of the Automotive & Display Technologies product area were improved from previous years low level to EUR 1.8 (0.8) million. The net sales of the Services product area were on the same level as in the corresponding period of the previous year and totaled EUR 16.6 (16.5) million. Services product area net sales accounted for 41.1 (35.2)% of total net sales.

Net sales by product area, EUR million

	1–3/2021	1–3/2020	1–12/2020
Heat Treatment Technologies	7.4	12.5	40.2
Insulating Glass Technologies	15.2	17.1	60.3
Automotive & Display Technologies	1.8	0.8	12.5
Services	16.6	16.5	58.1
Unallocated and eliminations	-0.6	0.1	-0.9
Glaston Group, total	40.4	46.9	170.1

Operating result and profitability

First-quarter 2021 comparable EBITA was EUR 2.1 (2.0) million, i.e. 5.1 (4.3)% of net sales. Profitability development was particularly impacted by the higher share of more profitable services revenue and lower fixed costs. Fixed costs reduced due to the cost-saving measures implemented in 2020, synergy benefits and lower travelling and marketing activity.

Glaston Group's comparable operating result was EUR 0.9 (0.9) million, i.e. 2.3 (2.0)% of net sales. The first-quarter operating result was EUR 0.1 (0.1) million. Items affecting comparability amounting to EUR 0.8 (0.8) million were recognized in the first quarter and were mainly related to restructuring and integration. Financial income and expenses were EUR -0.3 (-0.1) million.

The result before taxes was EUR -0.3 (-0.1) million. The result for the first quarter was EUR -0.7 (-0.2) million and earnings per share were EUR -0.008 (-0.003). The comparable earnings per share were EUR 0.010 (0.015).

Comparable operating result (EBIT) and EBITA

EUR million	1–3/2021	1–3/2020	1–12/2020
Operating result	0.1	0.1	-0.5
Items affecting comparability	0.8	0.8	3.8
Comparable EBIT	0.9	0.9	3.2
Operating result	0.1	0.1	-0.5
Amortization and purchase price allocation	1.1	1.1	4.5
EBITA	1.2	1.2	4.0
Items affecting comparability	0.8	0.8	3.8
Comparable EBITA	2.1	2.0	7.7
% of net sales	5.1 %	4.3 %	4.6 %

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, as well as 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 heat treatment machine services.

Heat Treatment segment's first quarter in brief:

- Market recovery continued with strong order intake
- Net sales impacted by low order intake in second and third quarters of 2020
- In Finland, temporary lay-offs were canceled as of February 2021

HEAT TREATMENT SEGMENT KEY FIGURES

EUR million	1-3/2021	1-3/2020	1-12/2020
Orders received	22.8	19.7	56.1
Order book at end of period	39.4	36.2	31.4
Net sales	13.8	19.4	61.6
Comparable EBITA	0.3	0.6	2.0
Comparable EBITA, %	2.3%	2.9%	3.2%
Comparable operating result (EBIT)	-0.1	0.2	0.4
Comparable operating result (EBIT), %	-0.7%	1.0%	0.6%
Operating result (EBIT)	-0.5	-0.1	-1.2
Operating result (EBIT), %	-3.8%	-0,3 %	-2.0%
Net working capital	-18.9	-11.5	-13.0
Employees at end of period	275	317	293

Orders received and order book

The Heat Treatment segment's first-quarter 2021 saw a strong order intake, up 15% compared to the corresponding period in 2020. Orders totaled EUR 22.8 (19.7) million. The company received several FC and RC series tempering machine orders from North America, China as well as EMEA region countries, including Russia, Italy and Kazakhstan. Additionally, an order was placed for a tempering line to South America. Demand for HT upgrades was strong in all regions with a record high order intake totaling almost EUR 4 million. Demand increased, especially in North America. In the first quarter, the first ever major upgrade order for China was received.

In the South East Asia area, demand was subdued. HT Services activity continued to be low as customers operated at a significantly lower capacity utilization.

The Heat Treatment segment's order book stood at EUR 39.4 (36.2) million at the end of the first quarter. The ongoing travel restrictions continued to pose challenges to machine installations. However, installation work has been adapted to the current circumstances with new ways of completing installations, including detailed travel planning and digital support tools.

Net sales and profitability

The Heat Treatment segment's January–March 2021 net sales decreased by 28% to EUR 13.8 (19.4) million and were mainly impacted by low order intake in the previous quarters. January–March comparable EBITA was EUR 0.3 (0.6) million, i.e. 2.3 (2.9)% of net sales. The segment's fixed costs decreased compared with the corresponding period of the previous year as measures to adjust the cost base were taken in late 2020. Additionally, profit benefited from the COVID-19 related business cost support in Finland.

Production and working capital management

In the first quarter, the utilization rates at the Tampere and Tianjin tempering machine assembly plants were at low levels, reflecting the order intake for the second and thirds quarters of 2020, although improving towards the end of the review period. For the second quarter, a clear increase in capacity utilization rates is expected and capacity increasing measures are ongoing. The Heat Treatment segment's first-quarter net working capital was EUR -18.9 (-11.5) million.

Personnel

At the end of the review period, the Heat Treatment segment employed 275 (317) people, most of them in Finland. Due to the pick-up in order activity, the temporary lay-offs, announced in the autumn of 2020, were canceled as of February 2021.

Insulating Glass reporting segment

The Glaston Insulating Glass segment provides high technology machines for the manufacture of insulating glass, handling equipment and systems, maintenance, upgrade and modernization services, as well as spare parts.

Insulating Glass segment's first quarter in brief:

- Continued good activity in the insulating glass machine market with all market areas performing well
- Factory in Neuhausen-Hamberg running at full capacity
- Order intake indicate a good capacity utilization level for the coming quarters

INSULATING GLASS SEGMENT

KEY FIGURES

EUR million	1-3/2021	1-3/2020	1-12/2020
Orders received	19.5	21.2	75.7
Order book at end of period	23.8	29.7	26.1
Net sales	21.3	22.4	81.9
Comparable EBITA	1.8	2.4	7.3
Comparable EBITA, %	8.3%	10.6%	8.9%
Comparable operating result (EBIT)	1.3	1.9	5.2
Comparable operating result (EBIT), %	5.9%	8.3%	6.4%
Operating result (EBIT)	0.9	1.4	3.6
Operating result (EBIT), %	4.4%	6.3%	4.4%
Net working capital	4.9	4.8	2.1
Employees at end of period	351	322	330

Orders received

The Insulating Glass segment's first-quarter 2021 order intake of EUR 19.5 (21.2) million was strong but declined by 8% compared to the corresponding period in the previous year. Customers showed great interest in special insulating glass manufacturing lines, such as the TPS® (Thermo Plastic Spacer), as well as in high-speed production lines.

Insulating glass machine orders were received from all market areas and demand was particularly buoyant in the EMEA area with postponed projects picking up again. Good progress was made in the Chinese market with growing demand for high-end insulating glass lines, and order intake for equipment in the mid range segment remained at a high level. In North America, the market recovery continued.

The Glaston VARIO TPS® insulating glass line further strengthened its position as the most popular insulating glass line with orders received from Poland, France, China and North America, for example. The Insulating Glass segment's services were affected by travel restrictions and new lockdowns, which had a higher impact on service work compared to previous quarters.

The Insulating Glass segment's order book stood at EUR 23.8 (29.7) million at the end of the period. All of the Insulating Glass segment's deliveries proceeded according to plan during the quarter.

Net sales and profitability

The Insulating Glass reporting segment's first-quarter 2021 net sales decreased compared to the corresponding period in 2020 and were EUR 21.3 (22.4) million. First-quarter comparable EBITA was EUR 1.8 (2.4) million, i.e. 8.3 (10.6)% of net sales. First-quarter 2020 net sales included several high margin projects with full project revenue recognition within one quarter.

Production and working capital management

In the first quarter, the company's insulating glass machine factory in Neuhausen-Hamberg, Germany was fully operational and capacity utilization was at a high level. Due to continued good order intake in the mid-range segment, the capacity utilization rate at the factory in Tianjin, China was high and the factory is preparing for further increased production. The Insulating Glass segment's first-quarter net working capital stood at EUR 4.9 (4.8) million.

Personnel

At the end of the review period, the Insulating Glass segment employed 351 (322) people, most of them in Germany. All corona pandemic-related safety measures continued during the first quarter. In Neuhausen, the training and education of paramedic first aiders for the execution of Corona quick tests was established.

Automotive & Display reporting segment

Glaston's Automotive & Display segment provides glass processing machines and related services to the automotive industry as well as the appliance and display industry.

Automotive & Display segment's first quarter in brief:

- Automotive glass market subdued and impacted by supply chain issues
- Slow-down of new machine orders, positive development for Automotive upgrades

AUTOMOTIVE & DISPLAY SEGMENT

KEY FIGURES

EUR million

	1–3/2021	1–3/2020	1–12/2020
Orders received	4.8	4.2	20.2
Order book at end of period	4.8	10.0	6.5
Net sales	5.2	4.2	24.6
Comparable EBITA	0.0	-1.0	-1.6
Comparable EBITA, %	0.5%	-23.4%	-6.6%
Comparable operating result (EBIT)	-0.2	-1.2	-2.5
Comparable operating result (EBIT), %	-3.6%	-28.6%	-10.1%
Operating result (EBIT)	-0.3	-1.3	-3.0
Operating result (EBIT), %	-4.9%	-31.3%	-12.0%
Net working capital	6.4	8.4	8.4
Employees at end of period	92	104	94

Orders received

After a good start to the year, demand in the Automotive market weakened already during the quarter as most larger automotive factories faced component supply shortages and had to reduce production. The prevailing uncertainty and slowdown in market activity were reflected in ordering activity for new automotive glass machines. An increased interest in Automotive upgrade products and modifications of existing machinery was noted as customers preferred to consolidate and upgrade their existing machinery. Automotive services continued to face challenges due to travel restrictions and lockdowns. Nevertheless, the service business found ways of adapting to the new situation. One strategically important order was received by Display Technologies. In January–March 2021, orders received totaled EUR 4.8 (4.2) million.

The Automotive & Display segment's order book stood at EUR 4.8 (10.0) million at the end of the period.

Net sales and profitability

The Automotive & Display segment's net sales recovered slightly and increased by 25% and were EUR 5.2 (4.2) million. The segment's comparable EBITA was EUR 0.0 (-1.0) million with volume increase, margin improvement and lower fixed costs contributing to the outcome.

Production and working capital management

Due to improved order intake in the last quarter of 2020, the utilization rate of the company's automotive glass machine factory in Bützberg, Switzerland was higher than in the previous quarter. The Automotive & Display segment's first-quarter net working capital was EUR 6.4 (8.4) million.

Personnel

At the end of the review period, the Automotive & Display segment employed 92 (104) people, most of them in Switzerland. Due to the increasing workload, Swiss production personnel returned to normal working hours as of February. Reduced working hours had been applied since autumn 2019.

Financial position, cash flow and financing

At the end of March, Glaston Group's balance sheet total was EUR 212.8 (223.7) million. Intangible assets amounted to EUR 76.3 (78.0) million, of which goodwill was EUR 58.2 (58.3) million. At the end of the period, property, plant and equipment amounted to EUR 22.9 (24.7) million and inventories to EUR 24.8 (40.2) million.

The comparable return on capital employed (ROCE) was 3.1 (3.1)%.

Thanks to strong cash flow the company's net gearing at the end of March was reduced to 41.8 (50.7)% and the equity ratio was 40.0 (40.7)%. Net interest-bearing debt totaled EUR 28.4 (37.2) million. The average maturity of Glaston's long-term debt was 2.2 years at the end of March.

The first-quarter cash flow from operating activities, before the change in working capital, was EUR 0.9 (1.7) million. Cash flow from the change in working capital was EUR 5.7 (-4.8) million which was due to an increase of advances received and trade payables. Cash flow from operating activities was EUR 6.6 (-3.1) million. Cash flow from investing activities was EUR -0.5 (-0.7) million and cash flow from financing activities was EUR -0.3 (7.2) million.

Glaston closely monitors and manages its liquidity and financial position. At the end of the review period, Glaston's liquidity was at a good level. The company's cash and cash equivalents stood at EUR 29.0 (22.9) million. Short-term interest-bearing financial liabilities amounted to EUR 4.3 (3.6) million. The company has unused revolving credit facilities in the amount of EUR 7.5 million and guarantees of EUR 13.8 million. In December 2020, the company agreed with its financing banks to extend the maturity of its senior facilities agreement by one year to the end of March 2023.

Capital expenditure, depreciation and amortization

Glaston Group's January–March gross capital expenditure totaled EUR 0.6 (1.0) million and was primarily related to product development. Depreciation and amortization of property, plant and equipment, and of intangible assets totaled EUR -1.4 (-1.5) million.

Investments in product development, digitalization and innovation

In the review period, Glaston continued to invest in product development with a strong focus on market-driven R&D activities in close cooperation with its customers. Projects and innovations related to a higher level of automation remained firmly at the center of development and positive progress was made. During the quarter, the company completed the first part of the strategically significant FC series tempering machine order from the Dutch glass manufacturer Steinfort Glas. The solution, which enhances and automates the customer's production process, is a significant step towards Glaston's goal of developing a fully automated tempering machine.

In Insulating Glass Technologies, field tests for new products such as MULTI'ARRISSER progresses according to plan with product launches targeted for mid-2021. With the new MULTI'ARRISSER arripping machine, Glaston will be introducing a fast and user-friendly solution for high quality arripping of straight glass edges and continues with its proven cup wheel technology, guaranteeing the best arripping quality at low operating costs. In general, Glaston's cup wheel technology has a 5 to 10 times higher operational life than other systems, which leads to higher productivity.

In January–March, research and product development expenditure, excluding depreciation, totaled EUR 1.5 (1.7) million, of which EUR 0.4 (0.6) million was capitalized. Research and product development expenditure amounted to 3.8 (3.7)% of net sales.

Personnel

Glaston Group had a total of 721 (752) employees on 31 March 2021. The Heat Treatment segment employed 275 (317) people, the Insulating Glass segment 351 (322) people, and the Automotive & Display segment 92 (104) people. Of the Group's personnel, 36%, i.e. 256 employees, worked in Germany, 23%, i.e. 168, worked in Finland, 14% worked elsewhere in the EMEA area, 21% worked in Asia and 6% worked in the Americas.

Due to the pick-up in the Heat Treatment business, the previously agreed temporary lay-offs in Finland were canceled as of February 2021. Reflecting the higher workload, short-time work in Glaston's Automotive business in Switzerland, introduced in autumn 2019, ceased from February onwards.

During January–March 2021, Glaston continued to obtain strict corona safety guidelines. Many of Glaston's employees worked remotely in order to safeguard their health and the health of production personnel. At Glaston Germany, the training of paramedic first aiders was established for the execution of Corona quick tests for the personnel. All of the company's production plants were fully operational.

STRATEGY

Glaston is in the process of reviewing its strategy. The focus areas of the strategy are succeeding with customers, engaged employees and shareholder value creation. Great emphasis is being placed on realistic and carefully selected measures to implement the strategy. The review work started in January and the outcome will be communicated in more detail in August 2021.

Currently, different growth options are being evaluated and a number of interesting market opportunities have already been identified, e.g. increasing demand for insulating glass, the continued growth of the architectural segment globally, particularly in China, as well as developing the service business further. Analyzing Glaston's technology and know-how to match market opportunities, as well as paying attention to the customer experience is currently ongoing.

Operational excellence is a prerequisite for capturing growth opportunities, with key priorities being processes and ways of working related to, for example, machine and service delivery, data management and related infrastructures, sourcing, as well as Health, Safety, Environment and Quality (HSEQ).

Leadership is important to the success of the company's business and the well-being of its employees, and has been included in the strategy agenda. Defining what leadership means to Glaston, and how we as a unified Glaston team will benefit from it are some of the topics that are currently being developed.

In 2019, Glaston identified the most material aspects of its responsibility and defined key responsibility objectives in various areas, including, for example, environmental impacts. The implementation of the responsibility agenda has been embedded in the strategy work to ensure the necessary level of attention and focus.

RESPONSIBILITY

Glaston's purpose is to build a better tomorrow through safer, smarter and more energy-efficient glass solutions. As environmental awareness increases, the demand for more energy-efficient and environmentally sustainable glass solutions is continually growing. As a frontrunner in its industry, Glaston has taken this into account in product development and will continue to focus on this in the future.

Responsibility is part of Glaston's everyday way of operating, and the basis for this is the Code of Conduct approved by the Board of Directors. The Code of Conduct outlines the company's requirements and expectations for responsible and ethical conduct as well as, for example, how the company requires employees to act in their daily work with colleagues and customers, suppliers and other stakeholders. Glaston is committed to complying with the relevant national and international laws, provisions and generally accepted operating practices in all of its activities. In its daily operations, the company is committed to combating bribery and corruption. Further information about the company's responsibility and non-financial information can be found in the company's 2020 Annual Review and Report of the Board of Directors.

GOVERNANCE

Shares and shareholders

Glaston Corporation's share is listed on the Nasdaq Helsinki Small Cap list. The trading code for the share 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 31 March 2021 was EUR 12.7 (12.7) million.

	No. of shares and votes			Share turnover, EUR million	
	Highest	Lowest	Closing	Average price *)	
GLA1V			84,289,911	7.2	
Share price	0.91	0.72	0.85	0.83	
			31.3.2021	31.3.2020	
Market value			71.6	57.1	
Number of shareholders			7,269	7,344	
Foreign ownership, %			27.3	27.2	

*) trading-weighted average

At the end of the review period, Glaston Corporation's largest shareholders were Ahlstrom Capital 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%.

CHANGES TO GLASTON'S GROUP STRUCTURE AND EXECUTIVE MANAGEMENT GROUP

As of 1 January 2021, Glaston made changes to the Group structure as the Emerging Technologies operations, previously part of the Automotive & Emerging Technologies business area, were re-organized and became part of the regional sales structure. As of the same date, Glaston's business areas are Glaston Heat Treatment Technologies, Glaston Insulating Glass Technologies and Glaston Automotive & Display Technologies.

As of 1 February 2021, operations in Glaston's Brazilian subsidiary were discontinued. Currently, customer support and sales are conducted together with external parties.

On 12 March 2021, the appointment of Hannele Anonen as SVP People and Culture and a member of the Executive Management Group was announced. She will take up her position on 1 August 2021 and will report to President & CEO Anders Dahlblom. Taina Tirkkonen, the company's current General Counsel and SVP Human Resources, will continue as the company's General Counsel and a member of the Executive Management Group.

BUSINESS RISKS

Glaston's long-term strategic and operational risks and uncertainties are described in detail in the company's financial statements bulletin for 2020 and in the Report of the Board of Directors.

Uncertainties and factors affecting near future development

In the first quarter of 2021, market activity increased in Glaston's markets despite the still ongoing COVID-19 pandemic. The vaccine rollout with hundreds of millions of people being vaccinated has raised expectations of a turnaround in the pandemic later this year.

Nevertheless, near-term risks continue to be mainly related to the impact of the COVID-19 pandemic such as new variants of the virus, a slow rollout of vaccinations and a shortfall of doses. This could lead to new lock-downs and more stringent travel restrictions, particularly affecting service work and spare parts business, as well as machine installations. Under the prevailing circumstances, a higher-than-normal uncertainty is related to customers' investment behavior.

In addition, the company is actively mitigating the risks related to raw material and component prices and availability as well as logistics cost increases.

EVENTS AFTER THE REPORTING PERIOD

Resolutions taken by the Annual General Meeting

The Annual General Meeting of Glaston Corporation was held on 13 April 2021 in Helsinki. The General Meeting adopted the financial statements and consolidated financial statements for the financial period from 1 January to 31 December 2020 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 2020.

In accordance with the proposal of the Board of Directors, the General Meeting resolved that a return of capital of EUR 0.02 per share be distributed for the financial year ended 31 December 2020. The return of capital will be paid to shareholders who are registered in the Company's register of shareholders, maintained by Euroclear Finland Ltd, on the record date for payment, 15 April 2021. The return of capital will be paid on 23 April 2021.

Adoption of the Remuneration Report for governing bodies

In accordance with the proposal of the Board of Directors, the General Meeting resolved to adopt the Remuneration Report for the governing bodies. The resolution on the adoption of the Remuneration Report is advisory.

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 seven. The General Meeting resolved, in accordance with the proposal of the Shareholders' Nomination Board, to re-elect as members of the Board of Directors the current members of the Board of Directors, Mr. Veli-Matti Reinikkala, Mr. Sebastian Bondestam, Mr. Antti Kaunonen, Ms. Sarlotta Narjus, Mr. Michael Willome and Mr. Tero Telaranta, and to elect Ms. Arja Talma 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. Further information on the members of the Board of Directors is available on Glaston Corporation's website at www.glaston.net.

Remuneration of the members of the Board of Directors

In accordance with the proposal of the Shareholders' Nomination Board, 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 accordance with the proposal by the Nomination Board, the General Meeting resolved that a member of the Board of Directors may, at his/her discretion, choose to receive the annual fixed remuneration partly in company shares and partly in cash so that

approximately 40% of the annual fixed remuneration is paid in Glaston Corporation's shares. The number of shares forming the above remuneration portion, which would be payable in shares, will be determined based on the share value in the stock exchange trading maintained by Nasdaq Helsinki Ltd, calculated as the trade volume weighted average quotation of the share during the one-month period immediately following the date on which the interim report of January-March 2021 of the company is published.

In addition, the General Meeting resolved that in accordance with the proposal of the Shareholders' Nomination Board, 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 their home country 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 in accordance with the proposal of the Shareholders' Nomination Board 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

In accordance with the proposal of the Board of Directors, 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 Authorised Public Accountant Lotta Nurminen. In accordance with the proposal of the Board of Directors, the General Meeting decided that the remuneration of the auditor shall be paid based on a reasonable invoice approved by the Company.

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

In accordance with the proposal of the Board of Directors, the General Meeting authorized the Board of Directors to decide on the repurchase as well as on the acceptance as pledge of the Company's own shares in one or several tranches as follows.

The number of own shares to be repurchased or accepted as pledge shall not exceed 8,000,000 shares, which corresponds to approximately 10% 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 pledge. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

The authorization is effective until 30 June 2022 and it revokes corresponding earlier authorizations.

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

In accordance with the proposal of the Board of Directors, the General Meeting authorized the Board of Directors to resolve 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 consists of up to 8,000,000 shares in the aggregate representing approximately 10% 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 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 besides in cash also by other assets either partially or entirely (contribution in kind).

The authorization is effective until 30 June 2022 and it revokes corresponding earlier authorizations.

Decisions of the organization meeting of the Board of Directors

In its organization meeting held after the Annual General Meeting, the Board of Directors re-elected Veli-Matti Reinikkala as the Chairman of the Board and Sebastian Bondestam as the Deputy Chairman of the Board.

The Board of Directors resolved upon the composition of the Board committees as follows:

Audit Committee

Arja Talma (Chairman), Veli-Matti Reinikkala and Tero Telaranta were elected as members of the Audit Committee of the Board of Directors.

Compensation Committee

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

The Board of Directors has assessed the independence of its members and determined that all members of the Board of Directors are independent of the Company's major shareholders, except for Tero Telaranta. In addition, the Board of Directors estimates that all Board members are independent of the Company. The competence requirements pertaining to the members of the Board committees have been taken into account in electing the members to the committees.

GLASTON'S OUTLOOK FOR 2021

The strong recovery in orders received in the fourth quarter of 2020 and its continuation in the first quarter of 2021 indicate positive development for both the machines and services business throughout 2021. Glaston started 2021 with a 20% lower order backlog than the previous year, impacting net sales and comparable operating profit for the first half of 2021. The second half of 2021 will benefit from the order intake recovery. Glaston expects the heat treatment and insulating glass technology markets to perform well, but visibility continues to be shorter than normal due to the COVID-19 pandemic and its implications on economic activity, investments and travel restrictions. The demand for automotive glass processing technology is volatile and uncertain due to COVID-19, structural changes in the market and automotive supply chain disruptions.

Based on the expected continued positive market development, Glaston Corporation estimates, that its net sales and comparable EBITA will improve in 2021 from the levels reported for 2020. In 2020, Group net sales totaled EUR 170.1 million and comparable EBITA was EUR 7.7 million.

GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY – 31 MARCH 2021

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 2020.

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	1-3/2021	1-3/2020	1-12/2020
Net sales	40.4	46.9	170.1
Other operating income	1.0	0.5	2.3
Expenses	-39.4	-45.2	-164.8
Depreciation, amortization and impairment	-1.4	-1.5	-6.0
Depreciation of right-of-use assets	-0.5	-0.6	-2.1
Operating result	0.1	0.1	-0.5
Financial items, net	-0.3	-0.1	-2.3
Interest expenses on lease liabilities	-0.1	-0.1	-0.5
Result before income taxes	-0.3	-0.1	-3.3
Income taxes	-0.4	-0.1	-2.2
Profit / loss for the period	-0.7	-0.2	-5.5

Earnings per share, EUR	-0.008	-0.003	-0.065
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Operating result, as % of net sales	0.3	0.3	-0.3
Profit / loss for the period, as % of net sales	-1.7	-0.5	-3.2

Items affecting comparability	0.8	0.8	3.8
Comparable operating result	0.9	0.9	3.2
Comparable operating result, as % of net sales	2.3	2.0	1.9

STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	1-3/2021	1-3/2020	1-12/2020
Profit / loss for the period	-0.7	-0.2	-5.5
Other comprehensive income that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	-0.1	0.2	-0.6
Cash flow hedges	0.0	-0.0	-0.3
Income tax on other comprehensive income	-	-0.0	-0.0
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Fair value changes of financial assets measured at fair value through profit or loss	-	0.0	-0.2
Exchange differences on actuarial gains and losses arising from defined benefit plans	-0.0	-0.0	-0.0
Actuarial gains and losses arising from defined benefit plans	-	-	1.6
Taxes on actuarial gains and losses arising from defined benefit plans	-	-	0.3
Other comprehensive income for the reporting period	-0.1	0.2	0.8
Total comprehensive income for the reporting period	-0.8	-0.1	-4.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.3.2021	31.3.2020	31.12.2020
Assets			
Non-current assets			
Goodwill	58.2	58.3	58.3
Other intangible assets	18.1	19.7	18.6
Property, plant and equipment	22.9	24.7	23.1
Right-of-use assets	7.5	8.3	6.9
Financial assets measured at fair value through other comprehensive income	2.8	3.1	2.8
Loan receivables	2.1	2.4	2.1
Deferred tax assets	1.8	1.9	1.6
Total non-current assets	113.3	118.3	113.5
Current assets			
Inventories	24.8	40.2	25.1
Receivables			
Trade and other receivables	20.9	23.4	17.7
Contract assets	24.5	18.7	27.3
Assets for current tax	0.2	0.1	0.4
Total receivables	45.6	42.3	45.4
Cash equivalents	29.0	22.9	23.3
Total current assets	99.4	105.4	93.8
Total assets	212.8	223.7	207.3

EUR million	31.3.2021	31.3.2020	31.12.2020
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Other restricted equity reserves	0.1	-0.0	0.1
Reserve for invested unrestricted equity	109.5	109.5	109.5
Fair value reserve	-0.0	0.2	-0.0
Other unrestricted equity reserves	-0.2	0.0	-0.2
Retained earnings and exchange differences	-53.4	-48.8	-47.7
Net result attributable to owners of the parent	-0.7	-0.2	-5.5
Total equity	68.0	73.4	68.9
Non-current liabilities			
Non-current interest-bearing liabilities	44.4	46.7	44.0
Non-current lease liabilities	7.0	8.0	6.6
Non-current interest-free liabilities and provisions	0.8	2.4	0.8
Deferred tax liabilities	7.8	7.2	7.8
Total non-current liabilities	60.1	64.3	59.2
Current liabilities			
Current interest-bearing liabilities	4.3	3.6	4.6
Current lease liabilities	1.6	1.7	1.6
Current provisions	3.2	3.6	3.5
Trade and other current interest-free payables	74.0	72.4	67.2
Contract liabilities	0.1	4.2	1.4
Liabilities for current tax	1.5	0.4	0.9
Total current liabilities	84.7	86.0	79.2
Total liabilities	144.8	150.3	138.4
Total equity and liabilities	212.8	223.7	207.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million

	1-3/2021	1-3/2020	1-12/2020
Cash flows from operating activities			
Cash flow before change in net working capital	0.9	1.7	3.0
Change in net working capital	5.7	-4.8	-2.3
Net cash flow from operating activities	6.6	-3.1	0.7
Cash flow from investing activities			
Purchases of non-current assets	-0.6	-0.7	-3.4
Proceeds from sale of business	-	-	0.6
Proceeds from sale of other non-current assets	0.1	0.0	0.6
Net cash flow from investing activities	-0.5	-0.7	-2.2
Cash flow before financing	6.2	-3.8	-1.5
Cash flow from financing activities			
Increase in non-current liabilities	-	7.5	7.5
Decrease in non-current liabilities	-	-	-
Changes in loan receivables (increase - / decrease +)	0.0	-	0.1
Increase in short-term liabilities	-	-	-
Decrease in short-term liabilities	-0.3	-0.3	-1.6
Return of capital	-	-	-
Net cash flow from financing activities	-0.3	7.2	5.9
Effect of exchange rate changes	-0.1	-0.3	-1.0
Net change in cash and cash equivalents	5.7	3.0	3.4
Cash and cash equivalents at the beginning of period	23.3	19.9	19.9
Cash and cash equivalents at the end of period	29.0	22.9	23.3
Net change in cash and cash equivalents	5.7	3.0	3.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Reserve for inv. unrestr. equity	Fair value and other reserves	Ret. earnings	Exch. diff.	Total equity
Equity at 1 January, 2020	12.7	109.5	0.3	-52.7	3.6	73.4
Total compr. income for the period	-	-	0.0	-0.3	0.2	-0.2
Share-based plan	-	-	-	-	0.0	0.0
Share-based plan, tax effect	-	-	-	-	-0.0	-0.0
Other changes	-	-	-	-	-	-
Equity at 31 March 2020	12.7	109.5	0.3	-53.0	3.8	73.4

EUR million	Share capital	Reserve for inv. unrestr. equity	Fair value and other reserves	Ret. earnings	Exch. diff.	Total equity
Equity at 1 January, 2021	12.7	109.5	-0.2	-56.8	3.6	68.9
Total compr. income for the period	-	-	0.0	-0.7	-0.1	-0.8
Share-based plan	-	-	-	-	-	-
Share-based plan, tax effect	-	-	-	-	-	-
Other changes	-	-	-	-	-0.1	-0.1
Equity at 31 March 2021	12.7	109.5	-0.2	-57.6	3.4	68.0

KEY RATIOS**31.3.2021 31.3.2020 31.12.2020**

EBITDA, as % of net sales	5.0	4.7	4.4
Comparable EBITDA, as % of net sales	7.0	6.4	6.7
Operating profit (EBIT), as % of net sales	0.3	0.3	-0.3
Comparable operating profit (EBIT), as % of net sales	2.3	2.0	1.9
Comparable EBITA, as % of net sales	5.1	4.3	4.6
Profit / loss for the period, as % of net sales	-1.7	-0.5	-3.2
Gross capital expenditure, EUR million	0.6	1.0	3.4
Gross capital expenditure, as % of net sales	1.6	2.2	2.0
Equity ratio, %	40.0	40.7	41.2
Gearing, %	84.4	81.9	82.6
Net gearing, %	41.8	50.7	48.8
Net interest-bearing debt, EUR million	28.4	37.2	33.6
Capital employed, end of period, EUR million	125.7	133.5	125.8
Return on equity, %	-4.1	-1.3	-7.7
Return on capital employed, %	0.2	0.3	-0.4
Number of personnel, average	716	747	744
Number of personnel, end of period	721	752	723

PER SHARE DATA	31.3.2021	31.3.2020	31.12.2020
Number of registered shares, end of period (1.000)	84 290	84 290	84 290
Number of shares, average (1.000)	84 290	84 290	84 290
EPS, total, basic and diluted, EUR	-0.008	-0.003	-0.065
Adjusted equity attributable to owners of the parent per share, EUR	0.81	0.87	0.82
Return of capital per share, EUR	-	-	0.02
Return of capital yield / share	-	-	2.25
Price per earnings per share (P/E) ratio	-101.5	-234.2	-13.7
Price per equity attributable to owners of the parent per share	1.05	0.78	1.09
Market capitalization of registered shares, EUR million	71.6	57.1	75.0
Share turnover, % (number of shares traded, % of the average registered number of shares)	10.4	7.9	29.2
Number of shares traded, (1.000)	8 743	6 666	24 638
Closing price of the share, EUR	0.85	0.68	0.89
Highest quoted price, EUR	0.91	1.27	1.27
Lowest quoted price, EUR	0.72	0.62	0.58
Volume-weighted average quoted price, EUR	0.83	1.03	0.78

FINANCIAL RISK MANAGEMENT

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 in 2019 from which EUR 35 million is committed credit facilities including EUR 20 million guarantee 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.

EUR million	In use	Unused	Total
Committed credit facilities 31.3.2021	13.7	21.3	35.0
Committed credit facilities 31.12.2020	15.4	19.6	35.0

Net interest bearing debt

EUR million	31.3.2021	31.3.2020	31.12.2020
Loans from financial institutions	44.4	46.7	46.5
Lease liabilities	8.7	9.7	8.2
Other interest-bearing liabilities	4.3	3.7	2.3
Cash	29.0	22.9	23.3
Total	28.4	37.2	33.6

Net gearing, %	41.6	50.7	48.8
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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 year, 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.

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 March 2021 11.0 (15.3 on 31.12.2020) per cent of Group's trade receivables were secured by LCs.

Ageing analysis of trade receivables EUR million	Carrying amount of trade receivables after recognizing allowance account	Not past due	Past due			
			< 30 days	31-180 days	181-360 days	> 360 days
31.3.2021	16.6	10.3	2.3	2.6	0.5	0.8
31.12.2020	14.7	9.8	2.9	1.4	0.4	0.2

SEGMENT INFORMATION

Glaston's reportable segments as of January 1, 2021 are Glaston Heat Treatment, Glaston Insulating Glass and Glaston Automotive & Display. 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.

Orders received

EUR million	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	22.8	19.7	56.1
Insulating Glass	19.5	21.2	75.7
Automotive & Display	4.8	4.2	20.2
Total segments	47.1	45.2	152.1
Unallocated and eliminations	0.1	0.5	1.4
Total Glaston Group	47.2	45.6	153.5

Net sales

EUR million	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	13.8	19.4	61.6
Insulating Glass	21.3	22.4	81.9
Automotive & Display	5.2	4.2	24.6
Total segments	40.3	46.0	168.2
Unallocated and eliminations	0.1	1.0	1.9
Total Glaston Group	40.4	46.9	170.1

Operating result (EBIT)

EUR million	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	-0.5	-0.1	-1.2
Insulating Glass	0.9	1.4	3.6
Automotive & Display	-0.3	-1.3	-3.0
Total segments	0.1	0.1	-0.6
Unallocated and eliminations	-0.0	0.1	0.1
Total Glaston Group	0.1	0.1	-0.5
Operating result %	0.3 %	0.3 %	-0.3 %

Comparable operating result (EBIT)

EUR million	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	-0.1	0.2	0.4
Insulating Glass	1.3	1.9	5.2
Automotive & Display	-0.2	-1.2	-2.5
Total segments	1.0	0.9	3.1
Unallocated and eliminations	-0.0	0.1	0.1
Total Glaston Group	0.9	0.9	3.2
Comparable EBIT %	2.3 %	2.0 %	1.9 %

Comparable EBITA

EUR million	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	0.3	0.6	2.0
Insulating Glass	1.8	2.4	7.3
Automotive & Display	0.0	-1.0	-1.6
Total segments	2.1	2.0	7.6
Unallocated and eliminations	-0.0	0.1	0.1
Total Glaston Group	2.1	2.0	7.7
Comparable EBITA %	5.1 %	4.3 %	4.6 %

Segment assets

EUR million	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	68.1	81.6	69.8
Insulating Glass	79.7	74.5	78.4
Automotive & Display	29.0	36.9	28.6
Total segment assets	176.7	193.0	176.8
Other assets	36.0	30.7	30.4
Total assets	212.8	223.7	207.3

Segment liabilities

EUR million	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	36.8	41.8	33.0
Insulating Glass	33.9	27.0	35.1
Automotive & Display	6.9	12.6	4.0
Total segment liabilities	77.6	81.4	72.1
Other liabilities	66.8	68.9	66.3
Total liabilities	144.5	150.3	138.4

Personnel at the end of the period

	1-3/2021	1-3/2020	1-12/2020
Heat Treatment	275	317	293
Insulating Glass	351	322	330
Automotive & Display	92	104	94
Others	3	9	6
Total personnel at the end of the period	721	752	723

ORDERS RECEIVED, ORDER BOOK, NET SALES AND OPERATING RESULT BY QUARTERS**Orders received**

EUR million	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	22.8	20.7	7.6	8.7	19.7
Insulating Glass	19.5	22.2	21.6	11.5	21.2
Automotive & Display	4.8	8.8	3.8	3.6	4.2
Total segments	47.1	51.6	33.1	23.8	45.2
Unallocated and eliminations	0.1	0.5	0.3	0.2	0.5
Total Glaston Group	47.2	52.1	33.3	24.0	45.6

Order book

EUR million	31.3.2021	31.12.2020	30.9.2020	30.6.2020	31.3.2020
Heat Treatment	39.4	31.4	26.7	29.5	36.2
Insulating Glass	23.8	26.1	18.9	15.7	29.7
Automotive & Display	4.8	6.5	2.1	3.7	10.0
Total segments	68.0	63.9	47.6	48.9	75.9
Unallocated and eliminations	0.0	0.0	0.2	0.2	0.6
Total Glaston Group	68.0	63.9	47.8	49.1	76.4

Net sales

EUR million	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	13.8	14.9	12.6	15.1	19.4
Insulating Glass	21.3	18.0	17.4	24.1	22.4
Automotive & Display	5.2	4.9	5.7	9.5	4.2
Total segments	40.3	37.9	35.6	48.7	46.0
Unallocated and eliminations	0.1	0.4	0.3	0.2	1.0
Total Glaston Group	40.4	38.3	35.9	48.9	46.9

Operating result (EBIT)

EUR million	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	-0.5	-0.6	-0.5	-0.0	-0.1
Insulating Glass	0.9	0.7	0.4	1.0	1.4
Automotive & Display	-0.3	-0.9	-0.4	-0.4	-1.3
Total segments	0.1	-0.8	-0.5	0.6	0.1
Unallocated and eliminations	-0.0	0.1	-0.0	-0.0	0.1
Total Glaston Group	0.1	-0.7	-0.5	0.6	0.1
Operating result %	0.3 %	-1.8 %	-1.4 %	1.1 %	0.3 %

Comparable operating result (EBIT)

EUR million	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	-0.1	0.4	-0.3	0.1	0.2
Insulating Glass	1.3	1.1	0.7	1.5	1.9
Automotive & Display	-0.2	-0.7	-0.2	-0.3	-1.2
Total segments	1.0	0.8	0.2	1.2	0.9
Unallocated and eliminations	-0.0	0.1	-0.1	-0.0	0.1
Total Glaston Group	0.9	0.9	0.2	1.2	0.9
Comparable EBIT %	2.3 %	2.4 %	0.5 %	2.5 %	2.0 %

Comparable EBITA

EUR million	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Heat Treatment	0.3	0.8	0.2	0.5	0.6
Insulating Glass	1.8	1.6	1.2	2.0	2.4
Automotive & Display	0.0	-0.5	-0.0	-0.1	-1.0
Total segments	2.1	1.9	1.4	2.4	2.0
Unallocated and eliminations	-0.0	0.1	-0.1	-0.0	0.1
Total Glaston Group	2.1	2.1	1.3	2.3	2.0
Comparable EBITA %	5.1 %	5.4 %	3.6 %	4.8 %	4.3 %

COMPARABLE OPERATING RESULT EBIT AND EBITA**Items affecting comparability**

EUR million	1-3/2021	1-3/2020	1-12/2020
Re-structuring	0.6	0.8	3.8
Other	0.2	-	-
Items affecting comparability	0.8	0.8	3.8

Comparable operating result (EBIT) and EBITA

EUR million	1-3/2021	1-3/2020	1-12/2020
Operating result	0.1	0.1	-0.5
Items affecting comparability	0.8	0.8	3.8
Comparable EBIT	0.9	0.9	3.2
Operating result	0.1	0.1	-0.5
Amortization and purchase price allocation	1.1	1.1	4.5
EBITA	1.2	1.2	4.0
Items affecting comparability	0.8	0.8	3.8
Comparable EBITA	2.1	2.0	7.7
% of net sales	5.1 %	4.3 %	4.6 %

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

EUR million	1-3/2021	1-3/2020	1-12/2020
Carrying amount at beginning of the period	23.1	25.0	25.0
Additions	0.1	0.2	0.8
Disposals	-0.0	-0.0	-0.4
Depreciation and amortization	-0.5	-0.5	-2.1
Reclassification and other changes	0.0	-0.1	-0.2
Exchange differences	0.1	0.1	-0.1
Carrying amount at end of the period	22.9	24.7	23.1

At the end of March 2021 Glaston had no contractual commitments for the acquisition of property, plant and equipment.

EUR million

Changes in intangible assets	1-3/2021	1-3/2020	1-12/2020
Carrying amount at beginning of the period	76.9	78.1	78.1
Additions	0.5	0.8	2.5
Disposals	-0.0	-	-
Depreciation and amortization	-1.0	-1.0	-3.9
Reclassification and other changes	0.0	0.1	0.2
Exchange differences	-0.2	-0.0	0.0
Carrying amount at end of the period	76.2	78.0	76.9

LEASES IN THE BALANCE SHEET

EUR million

Right-of-use assets	1-3/2021	1-3/2020	1-12/2020
Carrying amount at beginning of the period	6.9	8.4	8.4
Additions	1.0	0.4	0.5
Depreciation expense	-0.4	-0.5	-2.1
Carrying amount at end of the period	7.5	8.3	6.9

EUR million

Lease liabilities	1-3/2021	1-3/2020	1-12/2020
Carrying amount at beginning of the period	8.2	9.9	9.9
Additions	0.9	0.3	0.4
Interest expense	0.1	0.1	0.5
Rental payment	-0.6	-0.7	-2.6
Carrying amount at end of the period	8.7	9.7	8.2

LEASES IN PROFIT AND LOSS STATEMENT

EUR million

	1-3/2021	1-3/2020	1-12/2020
Depreciation of right-of-use assets	-0.5	-0.6	-2.1
Interest expense on lease liabilities	-0.1	-0.1	-0.5
Short-term lease expense	-0.1	-0.1	-0.3
Total amounts recognised in profit or loss	-0.7	-0.7	-2.9

CONTINGENT LIABILITIES

EUR million

	31.3.2021	31.3.2020	31.12.2020
Mortgages and pledges			
On own behalf	511.4	511.4	511.4
Guarantees			
On own behalf	6.8	14.7	9.0
On behalf of others	-	0.1	0.1

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

Glaston Group 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	31.3.2021		31.3.2020		31.12.2020	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forwards						
Currency forward contracts	11.1	-0.3	11.1	0.0	12.3	0.3

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

	2021	2020
1.1.	2.8	2.8
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Reclassification	-	-
31.3.	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 recurring basis.

Fair value hierarchy, fair values

FID million 30	31.3.2021				31.3.2020				31.12.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets												
Listed shares	-	-	-	-	0.3	-	0.0	0.3	- 0.0	-	0.0	0.0
Other long-term investments	-0.0	-	2.8	2.8	-	-	2.8	2.8	-	-	2.8	2.8
Currency forward contracts	-	0.1	-	0.1	-	0.0	-	0.0	-	0.3	-	0.3
Total	-0.0	0.1	2.8	2.9	0.3	0.0	2.8	3.1	-0.0	0.3	2.8	3.2
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+ amortization of purchase price allocations / 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.