PLC UUTECHNIC GROUP OYJ

REVIEW OF FINANCIAL STATEMENTS

FOR 1 JANUARY –
31 DECEMBER 2019

PLC UUTECHNIC GROUP OYJ REVIEW OF FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2019

DIVESTMENTS COMPLETED – FOCUS ON MIXING TECHNOLOGY

Plc Uutechnic Group Oyj announced on February 20 that it renews its brand and visual identity and shortens its Group name into three letters: UTG. Where appropriate, industry reference can be used, which will be UTG Mixing Group. The official name of the parent company is Plc Uutechnic Group Oyj and its subsidiaries Uutechnic Oy and Stelzer Rührtechnik International GmbH. The new brand and visual identity will be fully released during the first half of the year.

YEAR 2019 IN BRIEF

UTG Mixing Group's turnover from continuing operations from the period 1.1.-31.12.2019 was EUR 16,8 million (16,5 million) and its operating profit was EUR 0,9 million (2,0 million). The profit for the whole fiscal year including discontinuing operations was EUR 1,0 million (0,6 million). The balance sheet of the Group strengthened with the Sale of AP-Tela significantly. UTG Mixing Group's continuing operations received new orders EUR 16,3 million (17,8 million) and the order book was at the end of the year EUR 6,2 million (6,7 million). The earnings per share from the Group's continuing operations was EUR 0,02 (0,03).

Discontinuing operations

As announced on June 3, 2019 Plc Uutechnic Group Oyj sold the share capital of AP-Tela Oy in Kokkola with the price of EUR 3,5 million. AP-Tela Oy has been consolidated into the Group until June 3, 2019 and will be reported in the discontinued operations. The figures from the reference period have been changed accordingly. The discontinuing figures from the reference period include also Japrotek Oy Ab, sold in 2018.

In the preparation of the financial statements, an error was detected in the figures reported in the half year report on the allocation of deferred taxes to discontinued operations. Deferred tax liability allocation to discontinued operations was EUR 294 thousand too low. After the correction the result from discontinued operations improved EUR 294 thousand to -30 thousand. The correction had EUR 294 positive effect to the Group's equity and to the profit for the fiscal year on 30.6.2019. The correction effected also to the Key figures. The corrected half year report of the Group is published as an attachment to this financial statement release.

July-December in brief

The turnover from continuing operations from July – December was EUR 9,0 million (9,2 million) and the operating profit was EUR 0,9 million (1,3 million). New orders were EUR 6,7 million (8,1 million) and the order book stood at EUR 6,2 million (6.7 million).

Key figures 1000 EUR	**2019 1-12**	**2018 1-12**	**2019 7-12**	**2018 7-12**	**2019 1-6**	**2018 1-6**
Turnover, continuing operations	16 849	16 545	9 043	9 177	7 806	7 368
Operating profit/loss, continuing operations	881	2 045	840	1 345	41	700
% of turnover	5,2	12,4	9,3	14,7	0,5	9,5
Profit/loss, continuing opeartions	1 077	1 791	1 204	1 265	-127	526
Profit/loss, discontinuing operations	-33	-1 218	-3	741	-30	-1 959
Profit/loss for the period	1044	573	1 201	2006	-157	-1433
Order book, continuing operations	6 214	6 671	6 214	6 671	8 529	7 640
New orders, continuing operations	16 273	17 846	6 658	8 072	9 615	9 774

In income statement AP-Tela Oy is classified as discontinued operations. The reference period has been changed accordingly. The discontinued operations from the reference period include also Japrotek Oy Ab, sold in 2018.

CEO JOUKO PERÄAHO:

During 2019, we took crucial steps to focus on our special expertise and core business: Mixing technology. In June 2019, we sold all of the shares in Kokkola-based AP-Tela Oy to a Finnish industry company. Now, all of the functions and the entire personnel of UTG Mixing Group share the same focus, which makes the management and development of the Group's strategy and operations in the desired direction more natural.

As we focused on mixing technology, we condensed our name to three letters: UTG. We also encapsulated UTG our brand promise and revised our visual identity, which will be officially published during the first half of 2020. We already use the new logos and colours in this annual report. "Partnership built to last – and perform" is our brand promise to all of our stakeholders. We want to build long-term successful cooperation with our customers.

Financial development is based on our new structure

The turnover of our continuing operations remained almost at the level of the previous year, but operating profit decreased significantly. In spite of the challenging market situation, new orders decreased by only 9,6% compared to previous year. The biggest challenges regarding profit were caused by the uneven distribution of orders between units and increased proportional administrative costs following the divestment. The main focus in orders was in Central Europe, and the Scandinavian market was clearly softer. There were still obvious differences between the profit-making capabilities of the units in 2019, but we expect the differences to shrink along the introduction of the unified operating model. We already succeeded in distributing the workload between our units with partially harmonized operations.

During the second half of 2019, we built organic growth by allocating resources to it internally and recruiting new employees. We also revised our brand and business systems. The measures will still be visible as cost factors at least in 2020. However, we have already achieved the desired business structure and launched investments in seeking organic and inorganic growth.

Onward leaning on digitalization

Focusing on mixing technology complies with our strategy of migrating to providing increasingly in-depth technological expertise. In the mixing technology business, we sell know-how and solve our customers' process engineering challenges. As a technology company, we are able to make use of significant synergy benefits between our Finnish and German units in product development, design, sales and manufacturing. We can now optimise our new digital business systems for the mixing technology business. Digitalization will continue to be in very important role when we develop our future businesses.

With regard to technological expertise, we are competing with the world's biggest agitator suppliers. Our aim is to offer our global top expertise locally to our customers. We want to know our customers' processes and needs in depth and build durable and successful partnerships.

Our most important asset is the right people. Motivated professionals genuinely willing to serve our customers and committed to solving their challenges in the long term is our success factor. Our top experts make decisions locally in the customer interface to respond to the individual needs of our customers.

Our business is built on several foundations. Our customers operate in most main industrial segments, and agitators are needed in almost all process industry facilities. Global macrotrends with effects on our operations include the growing demand for e.g. industrial food production, renewable energy and battery materials.

We have a clear business roadmap ahead of us

We have returned to our roots and focused on our core business as a larger, more international and more capable group than we initially were. We have a clear business roadmap ahead of us and share a vision of the objectives and methods for reaching them. Our aim is profitable growth organically and through potential mergers and acquisitions.

Expectations of slow economic growth in 2020 are repeated in different growth outlooks for the global economy. Our customers' market situation has effects on their investment needs. Yet our own operations have a significant impact on our market share, turnover and performance. Our own business portfolio is largely complete, laying down a solid foundation for generating UTG's future growth.

Our global technology expertise and ability to serve locally provide us with good opportunities for profitable growth this decade. I would like to thank our customers and other partners for their trust in us, and our personnel for their motivation and commitment as we continue our long-term work this year.

STRATEGY FOR YEARS 2020 - 2022

UTG Mixing Group's strategy is to improve profitability as well as profitable growth, both organically and inorganically, by focusing on mixing technology of liquid-based processes.

Our vision: Good is not enough. We want to be the best, so we are constantly trying to evolve.

Our brand promise is: Partnership built to last- and perform.

The basic idea is several companies one group and one culture. We provide competitive mixing solutions focusing on customers' needs to minimize life-cycle costs. We always serve the customer in the best possible way by bringing our global capabilities locally close to the customer. Our reputation is measured by the quality of our latest work.

We seek profitable organic growth from four main lines, of which:

- the first is to improve the profitability of existing plants by reducing material costs, increasing efficiency and minimizing fixed costs.
- The second main line is to increase production capacity without significant investment and recruitment of office staff. We will also increase capacity by optimizing the locations where different products are manufactured and, if necessary, by adjusting production capacity between units. In addition, we optimize our own manufacturing and subcontracting.
- The third main line is to increase efficiency through synergies by streamlining and digitizing processes, systems and products. In addition, we pay special attention to developing and harmonizing corporate culture.
- The fourth main line is to increase sales by expanding and developing the sales network and marketing. We are targeting to the growth sectors of the global economy suitable for us such as the industrial food production in developing countries, the fertilizer production in the wake of the food industry and the growing metallurgical industry in the production of battery materials. Other interesting megatrends influencing the growth of agitator investments are biofuels in renewable energy production and in the growing circular economy biorefineries and the chemical treatment, recycling and refining of metals.

In addition, we seek profitable inorganic growth through mergers and acquisitions.

FINANCIAL TARGETS

Turnover

In year 2022, our revenue target is EUR 25 million and the EBIT target is 15%. The figures do not take into account possible inorganic growth. The targets are based on a normal world market situation.

Net Gearing

The net gearing ratio should be less than 60%. We may temporarily deviate from this restriction, for example due to a corporate acquisition.

Dividend policy

The aim is to distribute a dividend of 30-50% of the Group's net profit, starting from 2019 financial statements.

The distribution of dividends takes into account the Group's earnings and financial position, investments required for growth and other factors deemed essential by the Board of Directors.

OUTLOOK

Market outlook for the year 2020 is even more unclear than last year due to, among other things, international politics and challenges faced in our customers' industries. Nonetheless, at the beginning of the new year UTG Mixing Group has a reasonable orderbook, updated strategy and clearer plans than before. UTG mixing group's financial targets for the upcoming years are challenging. We are more profitable already on the current year than before, however to a major growth and profitability leap we believe only after year 2020.

NEW ORDERS AND ORDER BOOK

During fiscal year 2019 new orders of continuing operations was EUR 16,3 million, (17,8 million). The order book at the end of the year was EUR 6,2 million (6,7 million).

TURNOVER AND PROFITABILITY

UTG Mixing Group's turnover from continuing operations for 2019 increased about 2 % to EUR 16,8 million (16,5 million), but the operating profit was clearly lower than in the reference period EUR 0,9 million (2,0 million). The result was weakened by the uneven distribution of orders and workload between units and the relative high administrative costs resulting from the acquisition. The net result improved clearly. Non-recurring expenses in the past and future financial periods will be increased by investments in business system renewal, brand renewal, and organic and inorganic growth.

Finland represented approximately 15% of the Group's turnover, the rest of the Europe accounted for 68%, Asia 11%, North America 4% and South America 1%.

FINANCIAL STANDING AND LIQUIDITY

At the end of the financial year, Uutechnic Group's balance sheet total stood at EUR17,8 million (20,4 million). The Group's interest-bearing liabilities totalled EUR 3,4 million (4,8 million) and cash and equivalents EUR 2,8 million (0,3 million.) The Group's cash flow from operations for the financial year was EUR 2,4 million (-0,9 million). The parent company has interest bearing subordinated loan receivable EUR 2,87 million from Japrotek Oy Ab as a result of the selling of Japrotek's shares in 2018.

The Group's balance sheet has strengthened clearly. At the end of the financial year, the Group's equity ratio was 70,8 % (62,1 %) and net gearing was 5,7 % (42,0 %). Return on investment was 4,4 % (3,6) and return on equity was 9,4 % (5,6 %).

Non-current assets on Uutechnic Group's balance sheet totalled EUR 9,7 million (7,8 million).

EQUITY

The Group's equity stood at EUR 11,6 million (10,6 million).

On May 20, 2019 Plc Uutechnic Group Oyj announced that it has paid subordinated loan, totaling EUR 1.0 million. The loan was related to the financing arrangement in 2015. After the payment the company has no subordinated loan liabilities.

DISCONTINUED OPERATIONS

As announced on June 3, 2019 Plc Uutechnic Group Oyj sold the share capital of AP-Tela Oy in Kokkola with the price of EUR 3.5 million. AP-Tela Oy has been consolidated into the Group until June 3, 2019 and will be reported in the discontinued operations. The figures from the reference period have been changed accordingly. The discontinuing figures from the reference period include also Japrotek Oy Ab, sold in 2018.

In the preparation of the financial statements, an error was detected in the figures reported in the half year report on the allocation of deferred taxes to discontinued operations. Deferred tax liability allocation to discontinued operations was EUR 294 thousand too low. After the correction the result from discontinued operations improved EUR 294 thousand to -30 thousand. The correction had EUR 294 positive effect to the Group's equity and to the profit for the fiscal year on 30.6.2019. The correction effected also to the key figures. The corrected half year report of the Group is published as an attachment to this financial statement release.

In addition, the Group retained commercial guarantor liabilities relating to Japrotek's business operations. The guarantor liabilities associated with the divestment of the majority interest will expire step by step on 15 October 2021 at the latest.

RESEARCH, PRODUCT DEVELOPMENT AND INVESTMENTS

During 2019 the focus of development work was in business systems and productization, which aim to improve operational efficiency and customer experience.

In mixing technological research, the focus was in customer project specific needs and in improving our measuring methodology in laboratory.

In addition, a corporate image and brand strategy development was started in the group. Based on strategy work, an investment to redesigning of corporate image and brand architecture was made.

The Group's capitalised investments for the financial year totalled EUR 0,5 million (0,8 million), and received EUR 0,1 million of external grants for the development projects.

The Group's investments in fixed assets totalled EUR 0,7 million (0,5 million). The major investment with the upgrade of the production strategy and the capacity

increase project was the CNC machining center. Other investments were primarily minor purchases of equipment.

PERSONNEL

At the end of the financial year, Uutechnic Group had 87 (89). Employees, of whom 49 (48) were white collar and 38 (41) were blue collar. Of the employees, 25 worked in Finland and 62 in Germany.

ENVIRONMENTAL POLICY

Sustainability is a key element of UTG Mixing Group's durable and competitive business operations. Financial and social responsibility as well as product and environmental responsibility build a sustainable future for our customers, personnel, investors, suppliers and other stakeholders.

UTG's business idea is based on sustainability. We provide mixing technology that enables a durable lifecycle of our customers' processes and improves the energy efficiency of processes. Our technology helps customers produce the best possible process result while consuming as little energy and materials as possible.

SHARES

On 31 December 2019 Plc Uutechnic Group Oyj had 1,575 registered shareholders. There were total 463,344 nominee-registered shares. The total number of shares owned directly or through controlled companies by the Board of Directors, CEO, Deputy CEO and Group Management Team was 11,059,476 shares, 19,57 % of all shares and votes in the company.

Board members, CEO, Deputy CEO or other members of the Group Management Team have no holdings or special rights based on the company's share-based incentive systems.

AUTHORISATION TO ISSUE SHARES

The Annual General Meeting of 10 April 2019 decided to authorise the Board of Directors to resolve on the issue of new shares and other special rights that entitle their holders to subscribe for shares in accordance with Chapter 10, Section 1 of the Limited Liability Companies Act, in one or more instalments. The Board is authorised to issue a maximum of 10,000,000 new shares, including shares based on special rights. The authorisation entitles the Board to decide on all terms and conditions for the issuance of shares and special rights, including any deviations from the shareholders' pre-emptive right. The authorisation is valid until the following Annual General Meeting, unless a general meeting decides to amend or revoke the authorisation before that date. The authorisation revoked all previously granted unused authorisations to issue shares.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

On 10 April 2019, the Annual General Meeting re-elected **Sami Alatalo, Hannu Kottonen** and **Jouko Peräaho** as Board members. Hannu Kottonen is independent of the company and its major shareholders. Sami Alatalo was re-elected as the Chairman of the Board.

Jouko Peräaho has served as the CEO since 9 March 2017.

Ernst & Young, Authorised Public Accountants, served as the Group's auditor, with **Osmo Valovirta**, APA, as the principal auditor.

The Company adheres to the Finnish Corporate Governance Code 2015 for companies listed on Nasdaq Helsinki.

REMARKABLE RISKS AND UNCERTAINTY FACTORS AND THEIR MANAGEMENT

The demand for Uutechnic Group's products is dependent on trends and developments in the global economy and the Group's customer industries, which poses a general external risk to its operations. The Group seeks to mitigate the risks arising from changes in demand by targeting its sales operations in line with current trends in various market areas and customer industries.

According to the Board of Directors of the Group's parent company, other significant risks and uncertainty factors to which the Group is exposed are related to at least the following aspects:

- The Group will continue to implement consolidation processes and pursue identified synergies to improve profitability. It is possible that not all of the identified synergies will be achieved, or that processes will fail.
- The Group aims to grow organically as well as through acquisitions. There is no certainty that the Group will be able to find suitable candidates for acquisition, obtain the financing required for acquisitions or acquire businesses on satisfactory terms.

- The acquisition prices paid in the context of business combinations in 2015 and the goodwill generated by them involve risks. The Group's calculations to test goodwill are based on financial forecasts and assumptions prepared by the management.
- Part of the Group's business operations consist of major or large project deliveries. Extensive and complicated projects involve the risk that the future costs and any other risks related to the delivery cannot be estimated sufficiently accurately in the bidding phase. In such cases, the result of the project may prove weaker than expected. In contracts for extensive projects, the claims for compensation for delayed delivery or deficient performance may be significant.
- Unfavourable changes in the financial markets may have an effect on the Group's results and the availability of equity and debt financing on competitive terms. Uncertainty in the international economy may lead to payment delays and an increased risk of credit losses.
- In conjunction with the divestment of the majority of shares in Japrotek Oy Ab, Uutechnic Group's intra-group receivables and guarantor liabilities became external receivables and liabilities. It is possible that the receivables or guarantor liabilities will result in credit losses or payment obligations over time.

The Group seeks to protect itself against remarkable risks using all measures that can reasonably be implemented. These include, among other things, measures aimed at improving profitability and productivity, training for employees, guidelines and instructions, insurance policies, critical examination of the terms and conditions of commercial agreements and the systematic monitoring and development of operations.

THE BOARD'S PROPOSAL FOR THE DISTRIBUTION OF DIVIDEND

The parent company's profit for the financial year 2019 is EUR 4,3 million. At the end of the financial year, the parent company's distributable funds stood at EUR 8,6 million. The Board of Directors proposes to the Annual General Meeting that from fiscal year 2019 dividend of 0,01 euros per share will be paid. At the time of the proposal, there were 56,501,730 shares, which means that the proposed dividend amount is EUR 565,017.30, representing 54.1% of the Group's profit for the financial year 2019.

ANNUAL GENERAL MEETING

The Annual General Meeting of Plc Uutechnic Group Oyj will be held at Scandic Hotel Simonkenttä in Helsinki on March 25, 2020 at 1:00 p.m. The invitation to the Annual General Meeting will be published not later than March 4, 2020.

STOCK EXCHANGE RELEASES AND PRESS RELEASES PUBLISHED DURING THE REVIEW PERIOD

Press releases

12.02.2019	Significant order for Uutechnic Group's Mixing Technology Business
09.05.2019	Uutechnic Group's Mixing technology business received record high monthly order intake.

Stock exchange releases

13.02.2019	Notification according to chapter 9, section 6 and 7 of the securities markets act
28.02.2019	Review of the financial statements for January – December 2018
04.03.2019	Notification according to chapter 9, section 5,6 and 7 of the securities markets act
06.03.2019	Plc Uutechnic Group Oyj's liquidity providing agreement
15.03.2019	Financial statements, corporate governance statement and remuneration statement for 2019 published
15.03.2109	Invitation to the annual general meeting
10.04.2019	The resolutions of the annual general meeting and the decisions of the board of directors
29.04.2019	Uutechnic Group lowers its outlook for the year 2019
30.04.2019	Uutechnic Group Business review from January – March 2019
20.05.2019	Uutechnic Group has paid subordinated loan
03.06.2019	Uutechnic Group has sold AP-Tela Oy and focuses on Mixing technology
31.7.2019	Half year report 1 January - 30 June 2019
31.10.2019	Business review from January to September 2019
04.12.2019	Uutechnic Group's financial information

STOCK EXCHANGE RELEASES PUBLISHED AFTER THE REVIEW PERIOD

29.01.2020	Uutechnic Group is sharpening its organization
18.02.2020	Uutechnic Group changes its name to UTG Mixing Group
25.02.2020	UTG Mixing Group confirms its strategy for years 2020-2022 and financial targets

KEY FIGURES FOR THE FINANCIAL STATEMENTS OF UTG

The figures are presented in thousands of euros (EUR 1,000), unless otherwise mentioned. The figures are unaudited.

AP-Tela Oy has been consolidated into the Group until June 3, 2019 and will be reported in the discontinued operations. The figures from the reference period have been changed accordingly. The discontinuing figures from the reference period include also Japrotek Oy Ab, sold in 2018.

The numbers presented in financial statement 2019 consider only continuing operations. Excluding cashflow report and some of the notes, in which the subject is mentioned separately. Comparing year 2018 has been changes accordingly.

.

IFRS 16 Leases

Uutechnic Group has adopted the standard as of January 1, 2019 using the simplified retrospective approach, and the comparison figures for the year preceding adoption are not adjusted. Following the adoption of the amended standard, the leases of leased business and production premises will be recognised on the balance sheet. Leases that include a right to use the underlying asset are recognised as assets on the lessee's balance sheet. An asset representing the right to use the underlying asset and a lease liability representing its obligation to make lease payments are recognised on the balance sheet. The lease expense associated with leases is replaced by depreciation of the right-of-use-assets and interest expense for the lease liability.

Leases are recognised on the balance sheet upon the commencement of the lease as an asset corresponding with the current value of the minimum rents and depreciated over the period of the lease. The amount of interest-bearing liabilities on the consolidated balance sheet increases by the discounted amount of the lease liability. In addition, a change in deferred taxes is recognised under income taxes. In accordance with IFRS 16 Leases,the amount of the asset and liability based on right-of-use is calculated by discounting the future contractual minimum rents.Leases less than 12 months, and leases of low value, are treated as off-balance sheet leases and recognized as an expense in the income statement in accordance with the lease period.

Uutechnic Oy's office premises in Uusikaupunki are leased from UuCap Oy, where Jouko Peräaho and Timo Lindström, a related party, exercise control. Stelzer Rührtechnic Int. GmbH has leased fixed assets.

Prior to the adoption of IFRS 16, the Group's leases were classified as operating leases and the total amount of the lease liabilities in the financial statements for 2018 was EUR 1,477 thousand. At the date of adoption of the standard, January 1, 2019, the discounted opening balance of lease liabilities was EUR 1,443 thousand and in the financial statements for 2019, liabilities were EUR 1,255 thousand. The opening balance of the right-of-use assets at the date of adoption of the standard was EUR 1,443 thousand and in the 2019 financial statements EUR 1,243 thousand. Depreciation increased by EUR 200 thousand and rental expenses decreased by EUR 220 thousand. Interest expenses increased by EUR 32 thousand. The effect of the adoption of the standard on the result for the period was EUR -15 thousand. The impact on the 2019 key figures was in percentage terms: Return on Equity 0.12, Return on Investment -0.32, Equity Ratio -5.78. Without the effect of IFRS16, the current ratio would be 0.11 lower and the gearing ratio 10.82 higher. The figures for the comparative year at the date of transition have not been restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1000 EUR	1.1.-31.12.2019	1.1.-31.12.2018
CONTINUING OPERATIONS		
REVENUE	**16 849**	**16 545**
Change in inventories of finished goods and work in progress	-525	634
Other operating income	117	59
Material and services	-6 829	-6 246
Employee benefits expense	-5 860	-5 951
Depreciation and amortisation	-447	-213
Other operating expenses	-2 425	-2 782
OPERATING PROFIT	**881**	**2 045**
Financing income	129	46
Financing expenses	-148	-119
PROFIT/LOSS BEFORE TAX	**862**	**1 971**
Tax on income from operations	215	-180
Profit/loss from continuing operations	**1 077**	**1 791**
UUTECHNIC GROUP		
Profit/loss from discontinued operations	**-33**	**-1 218**
PROFIT/LOSS FOR THE PERIOD	**1 044**	**573**
Other comprehensive income:		
TOTAL COMPREHENSIVE INCOME	**1 044**	**573**
Profit attributable to:		
Owners of the parent company	1 077	1 791
Total comprehensive income attributable to:		
Owners of the parent company	1 044	573
Earnings per share calculated on profit attributable to equity holders of the parent:		
EPS undiluted, euros/share, continuing operations	0,02	0,03
EPS diluted, euros/share, continuing operations	0,02	0,03
EPS undiluted, euros/share	0,02	0,01
EPS diluted, euros/share	0,02	0,01
Average number of shares		
Undiluted EPS (FAS and IFRS) divisor, outstanding during the financial year	56 501 730	56 501 730
Diluted EPS (FAS and IFRS) divisor, outstanding during the financial year	56 501 730	56 501 730

CONSOLIDATED SATEMENT OF FINANCIAL POSITION

1000 EUR	**31.12.2019**	**31.12.2018**
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	731	748
Goodwill	2 291	2 291
Tangible assets	3 421	1 729
Receivables from subordinated loans	2 870	2 870
Available for sale investments	5	5
Deferred tax asset	400	180
NON-CURRENT ASSETS	**9 717**	**7 823**
CURRENT ASSETS		
Inventories	2 398	3 248
Trade receivables and other receivables	2 598	2 705
Current receivables for revenue recognized in part prior to project completion	98	868
Tax Receivable, income tax	175	129
Cash and cash equivalents	2 774	314
CURRENT ASSETS	**8 044**	**7 264**
NON-CURRENT ASSETS HELD FOR SALE		**5 270**
ASSETS	**17 761**	**20 358**
EQUITY AND LIABILITIES		
Owners of the parent company		
Share capital	2 872	2 872
Share premium	0	6
Unrestricted equity reserve	6 376	6 376
Accumulated earnings	2 358	1 326
Owners of the parent company	**11 607**	**10 580**
EQUITY	**11 607**	**10 580**
NON-CURRENT LIABILITIES		
Deferred tax liability	59	63
Non-current liabilities, interest-bearing	2 015	1 617
Non-current provisions	326	269
NON-CURRENT LIABILITIES	**2 399**	**1 948**
CURRENT LIABILITIES		
Current interest-bearing liabilities	1 426	2 144
Subordinated loans	0	1 000
Trade Payables and Other Liabilities	2 329	3 529
Tax liability, income tax	1	0
CURRENT LIABILITIES	**3 755**	**6 673**
LIABILITIES OF DISPOSAL GROUP HELD FOR SALE		**1 156**
EQUITY AND LIABILITIES	**17 761**	**20 358**

CONSOLIDATED STATEMENT OF CASH FLOWS, INDIRECT

1000 EUR	**1.1.-31.12.2019**	**1.1.-31.12.2018**
Cash flows from operating activities		
Profit/loss for the period	1 077	1 646
Profit/loss for the period, discontinued operations	-33	-1 073
Depreciation, amortisation & impairment	542	497
Depreciation, amortization and impairment loss of acquisition	38	92
Gains and losses of disposals of fixed assets and other non-current assets	589	-1 511
Other non-cash items	-471	596
Financial income and expenses	27	124
Tax on income from operations	9	0
Other adjustments	64	-6
Flow of funds from operations before the change in working capital	**1 843**	**1 896**
Increase / decrease in inventories	1 162	-1 492
Increase /decrease in trade and other receivables	175	-2 349
Increase / decrease in trade payables	-517	1 436
Flow of funds from operations before the change in working capital	**2 663**	**-509**
Interest paid	-265	-92
Dividends received	0	0
Interest received	65	13
Income taxes paid	-54	-251
Net cash from operating activities	**2 409**	**-839**
Cash flows from investing activities		
Purchase of tangible and intagible assets	-676	-510
Proceeds from sale of tangible and intangible assets	3 500	20
Net cash used in investing activities	**2 824**	**-490**
Cash flows from financing activities		
Proceeds from current borrowings	213	495
Repayment of current borrowings	-1 140	-490
Proceeds from non-current borrowings	0	1 096
Leasing payments	-204	0
Repayment of non-current borrowings	-707	0
Payment of finance lease liabilities	-1 000	0
Net cash used in financing activities	**-2 838**	**1 100**
Change of liquid funds	**2 395**	**-228**
Cash and cash equivalents, opening amount	379	608
Liquid assets at the end of the fiscal year	2 774	379
Change in liquid assets according to the balance sheet	2 395	-228
Change in liquid assets according to the balance sheet	**2 395**	**-228**

Cash flow statement include also cash flow from discontinuing operations
Under IFRS 16, payments for the principal of a lease liability are recognized in the cash flow from financing activities. Payments of interest on the lease debt are reported in operating cash flow as part of interest paid.
UTG adopted the standard as of January 1, 2019, using a simplified retrospective method, and the comparators have not been restated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity to the owners of the parent company				
1000 EUR	Share capital	Share premium account	Unrestricted equity reserve	Retained earnings	Equity Total
EQUITY 1.1.2019	**2 872**	**6**	**6 376**	**1 326**	**10 580**
Adjustment to previous year	0	0	0	-17	-17
Adjusted equity	**2 872**	**6**	**6 376**	**1 309**	**10 563**
Comprehensive income					
Profit/loss for the period	0	0	0	1 044	1 044
TOTAL COMPREHENSIVE INCOME	**0**	**0**	**0**	**1 044**	**1 044**
Transactions with owners					
Total transactions with owners	**0**	**0**	**0**	**0**	**0**
Changes in ownership interests in subsidiaries	**0**	**-6**	**0**	**6**	**0**
TOTAL EQUITY 31.12.2019	**2 872**	**0**	**6 376**	**2 353**	**11 607**

	Equity to the owners of the parent company				
1000 EUR	Share capital	Share premium account	Unrestricted equity reserve	Retained earnings	Equity Total
EQUITY 1.1.2018	**2 872**	**6**	**6 376**	**655**	**10 475**
Impact of the introduction of new standards				98	
Adjusted equity	**2 872**	**6**	**6 120**	**753**	**10 475**
Comprehensive income					
Profit/loss for the period	0	0	0	573	-566
TOTAL COMPREHENSIVE INCOME	**0**	**0**	**0**	**573**	**-566**
Transactions with owners					
Total transactions with owners	**0**	**0**	**0**	**0**	**0**
Changes in ownership interests in subsidiaries					
TOTAL EQUITY 31.12.2018	**2 872**	**6**	**6 376**	**1 326**	**10 580**

KEY FIGURES

Business indicators **1000 EUR**	**2019** **IFRS**	**2018** **IFRS**
Turnover, continuing operations	16 849	16 545
Revenue change, %	1,8	
Operating profit	881	2 045
% of turnover	5,2	12,4
Profit/loss before taxes, continuing operations	862	1971
% of turnover	5,1	11,9
Profit/loss, continuing operations	1077	1791
% of turnover	6,4	10,8
Profit/loss, discontinuing operations	-33	-1218
% of turnover	-0,2	-7,4
Profit/loss for the period	1044	573
% of turnover	6,2	3,5
Equity holders of the parent	1044	573
% of turnover	6,2	3,5
Return on equity (ROE), %	9,4	5,6
Return on investment (ROI), %	4,4	3,6
Equity ratio, %	70,8	62,1
Net gearing	5,7	42,0
Current Ratio	2,1	1,1
Gross investments in fixed assets	676	510
% of turnover	4,0	3,1
Order backlog	6 214	6 671
Consolidated balance sheet total	17 761	20 358
Total number of personnel at the end of the period	87	89

Share figures	**2019** **IFRS**	**2018** **IFRS**
Earnings per share, continuing opeartions, euros	0,02	0,03
Earnings per share, euros	0,02	0,01
Shareholders' equity, euros	0,21	0,18
Dividend per share, euros	0,01	0,00
Price earnings ratio (P/E)	17,9	-34,9
Number of shares outstanding at the end of the period	56 501 730	56 501 730
Number of shares outstanding, average	56 501 730	56 501 730

Share prices €	**2019**	**2018**
A share		
- high	0,47	0,50
- low	0,31	0,31
- average	0,38	0,40
- share price at the end of the fiscal year	0,33	0,33
Total market value, million euros	18,5	18,6
Number of shares traded during the fiscal year	10 318 503	3 140 714
Number of shares traded, %	18,26	5,56
Number of shareholders	1 575	1 459

*) proposal by the Board of Directors

Due to classification of discontinued operations the key figures are presented for two financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SECURITIES AND RESPONSIBILITIES

1000 EUR	**31.12.2019**	**31.12.2018**
Granted securities		
Dept secured by real estate and corporate mortgages		
Loans from financial institutions	1 654	2 205
Credit limits in use	527	1 556
Total	**2 181**	**3 761**

Loans from financial institutions are secured by real estate and corporate mortgages and share pledges. Share pledges are the share capitals of Plc Uutechnic Group Oyj's subsidiaries.

Mortgages granted to secure loans and bank guarantees		
Real estate mortgages	1 662	1 738
Corporate mortgages	18 000	18 000
Total	**19 662**	**19 738**
Other granted securities for own behalf		
Deposits	9	9
Total	**9**	**9**

Other granted securities

Plc Uutechnic Group Oyj has granted as secirities the share capitals of its subsidiaries AP-Tela Oy, Uutechnic Oy and Stelzer Rührtechnik International GmbH.

Contigent Liabilities and Other Liabilities		
Bank quarantees		
Bank guarantee limits total	8 100	8 100
Bank guarantee limits in own use	2 164	1 086
Bank guarantees granted on behalf of others*)	1 392	1 831

*) Company acts as guarantor for Japrotek delivery and warranty guarantees up to EUR 1,350 million, of which EUR 723 thousand was in use on 31.12.2019. In addition, prior to the arrangement, the Company has outstanding liabilities for Japrotek's work and warranty guarantees up to 669 million on 31.12.2019.

Granted guarantees on behalf of Group companies		
Guarantees granted to secure bank guarantee limit	8 100	8 100
Total	**8 100**	**8 100**
Granted guarantees on behlaf of others		
Granted guarantees to customers and creditors	48	52
Guarantees granted to secure bank guarantee limit	1 350	1 350
Total	**1 398**	**1 402**

The lease of the former subsidiary Japrotek Oy Ab, signed on 14 September 2010, includes the parent company's own debt guarantee obligation. The guarantee is valid until December 31, 2026. The lease has been transferred to Uurec Holding Oy on June 22, 2016 under the former terms and conditions, where Jouko Peräaho, Timo Lindström and Sami Alatalo, who are related parties, have control.