Q1 2024

Glaston Corporation
Interim Report
1 January – 31 March 2024

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Glaston's interim report January–March 2024: Net sales and comparable EBITA improved, markets remained challenging

January–March 2024 in brief

- Orders received totaled EUR 46.6 (56.9) million.
- Net sales totaled EUR 55.8 (51.3) million.
- Comparable EBITA was EUR 3.6 (3.0) million, i.e. 6.4 (5.8)% of net sales.
- The operating result (EBIT) was EUR 1.9 (1.9) million.
- The comparable earnings per share were EUR 0.019 (0.019).

GLASTON'S OUTLOOK FOR 2024 REMAINS UNCHANGED

The cautious development in the architectural glass processing equipment markets continued in the first quarter of the year. Despite the slow start, Glaston expects the architectural glass processing equipment markets to start recovering at some point in 2024. For mobility glass processing equipment, the positive development in China is expected to continue. Amid global economic uncertainty and increased geopolitical tensions, higher-than-normal uncertainty exists concerning customers' decision-making.

Glaston started the year with a lower order backlog than the previous year. However, given the expected slowly improving market activity during the year, Glaston Corporation estimates that its net sales and comparable EBITA will stay at the same level or increase slightly in 2024 from the levels reported for 2023. In 2023, Group net sales totaled EUR 219.7 million and comparable EBITA was EUR 14.9 million.

Interim CEO Antti Kaunonen:

"We had a good first quarter despite the challenging market environment. Glaston's markets saw a cautious start to the year. Demand for tempering and laminating equipment continued to soften, whereas demand for insulating glass technologies, supported by climate-related drivers, was stable. The good demand for pre-processing technologies in China continued.

Glaston's order intake was down 18% year-on-year. In addition to the sluggish market, the timing of some projects also affected the outcome. The order intake for tempering and laminating technologies and for mobility, display, and solar technologies fell compared to the comparison period. Despite the softer market, the order intake for insulating glass technologies increased slightly. Services' order intake also had a small increase. The geographical breakdown of the order intake was not typical for Glaston as APAC, driven primarily by China, for the first time emerged as the largest region followed by EMEA and the Americas.

First-quarter net sales were up 9% to EUR 55.8 million, primarily due to the good order intake for pre-processing equipment in China in the second half of 2023. Comparable EBITA improved and was EUR 3.6 million. The higher volume in Mobility, Display, and Solar was the main contributor to the outcome.

Due to the significant changes in the global economy and Glaston's addressable markets starting to soften in 2023, we announced in February that the timeframe for achieving our strategic targets had been adjusted from 2025 to the medium-term (3−5 years). The net sales and ROCE targets were also slightly updated. We expect annual average net sales growth to exceed the addressable equipment market growth and the target for comparable return on capital employed (ROCE) is above 16%. The target for comparable operating margin (EBITA) of 10% remained unchanged. It is very clear to us that these targets cannot be met through machine sales alone and the role of the Services business is crucial in reaching the operating margin target. We continue to develop our service portfolio and the capabilities of the global service network.

Currently, activity in the Architectural market has slowed down. We have already initiated cost-saving actions and will take further measures according to the situation. Glaston has a broad and versatile product and services portfolio, and our markets consist of many different market areas and countries, which provides stability. Our ongoing product development will increase our competitive position, and the industry trends, especially automation and the focus on energy-efficient glass products will support our strategic direction.

Safety continued to be a key focus area. In the January−March period, no lost time accidents were reported. However, zero accidents do not automatically mean operations are completely safe. We must continue to further develop the safety culture and e.g. be more observant of near-misses and unsafe conditions. This also applies to activities outside Glaston's premises, such as employees working at customers' sites.

The recruitment process to hire the company's new CEO was completed in the quarter and Toni Laaksonen was appointed as Glaston's new President and CEO. He will take up his new position at the latest at the end of September 2024. We warmly welcome Toni to Glaston!"

GLASTON GROUP'S KEY FIGURES

MEUR	1-3/2024	1-3/2023	Change%	1-12/2023
Orders received	46.6	56.9	-18.0%	220.3
of which service operations	18.9	18.5	2.2%	74.4
of which service operations, %	40.5%	32.5%		33.8%
Order book at end of period	101.4	139.0	-27.1%	106.5
Net sales	55.8	51.3	8.8%	219.7
of which service operations	17.8	18.0	-1.2%	76.0
of which service operations, %	31.8%	35.0%		34.6%
EBITDA	4.1	3.7	10.1%	15.7
Items affecting comparability (1	0.6	0.3	69.2%	3.3
Comparable EBITDA	4.6	4.0	15.0%	19.0
Comparable EBITDA, %	8.3%	7.8%		8.7%
Comparable EBITA	3.6	3.0	18.5%	14.9
Comparable EBITA, %	6.4%	5.8%		6.8%
Operating result (EBIT)	1.9	1.9	1.9%	8.1
Profit/loss for the period	0.8	1.1	-21.5%	5.0
Comparable earnings per share, EUR	0.019	0.019	-2.5%	0.104
Cash flow from operating activities	-7.5	-0.5	-1,515.0%	13.8
Return on capital employed (ROCE), %, (annualized)	10.4%	7.3%		8.1%
Comparable return on capital employed (ROCE), %, (annualized)	12.3%	8.9%		12.7%
Equity ratio, %	44.9%	45.6%		45.2%
Net gearing, %	28.1%	23.2%		15.8%
Number of employees at end of period	800	800	0.0 %	802

1) + cost, - income

OPERATING ENVIRONMENT

Architectural glass equipment

The Architectural glass processing equipment market closely follows the residential and commercial glass market development. In a high-interest environment, investment hesitation among customers and the customers' customers has increased and, as a result, the Architectural market's first quarter was very slow. The architectural glass end-use segments' new building activity has declined strongly in many regions whereas renovation activity has been more stable supported by investments in energy-efficiency.

Due to customers' lower machinery utilization and overcapacity in the market for basic tempered glass, the tempering equipment market activity decreased. The laminating equipment market also remained at a low level. The importance of features such as energy efficiency and automation were highlighted even further.

For Insulating Glass (IG) equipment, many investments are capability-driven and market activity continued at a reasonable level despite the overall Architectural market being in a waiting mode. TPS© technology continued to gain traction. There was also demand for IG technologies that help customers produce better-performing and lighter IG units.

For Services, customers' lower utilization rates affected demand for spare parts, while demand for upgrades varied between regions.

Operating environment in the regions
In the **EMEA** region, the overall slowdown continued. In Europe, uncertainty in the Architectural market increased mainly due to higher financing costs. In addition, demand in Europe was also affected by commercial and residential glass processing customers' lower machinery utilization, affecting especially the capacity-driven tempering investments. In the Services markets, steady demand for spare parts and field services was noted. Demand for upgrades was satisfactory.

In the **Americas,** market activity was slow. Demand among residential glass processors slowed down, whereas demand among commercial glass processors continued at a good level. In the US, demand was driven by the need for new capabilities to meet future energy regulations, and positive market traction was noted for Insulating Glass technologies, enabling better insulation properties. For Services, demand remained at a modest level.

In **China**, the Architectural glass market continued to be soft with low demand for tempering and laminating lines. Despite the cautious market conditions, demand for high-end Insulating Glass equipment was good. Elsewhere in the APAC region, the markets for new machines picked up compared to the previous quarter. Demand for upgrades improved compared to the previous quarter, whereas field services and spare parts were in line with the comparison period.

The supply chain situation continued to improve, with better availability in most supply categories.

Mobility, Display & Solar glass equipment

The ongoing transition to electric vehicles and the replacement needs of older lines drove demand for Glaston's pre-processing equipment. During the quarter, the Chinese mobility market developed strongly. In the rest of the world, investment behavior was modest.

In the solar market, glass processors' overcapacity with corresponding holdback for investments affected demand.

The Services market had a slow start to the year; however, the CNC96 upgrade for the conversion of older cell generations to the latest technology gained traction.

The supply chain situation improved further and lead times for previously critical components were almost back to normal.

Operating environment in the regions
In **Europe**, the market continued to be slow as the automotive glass industry continues to consolidate.

In **North America,** the market saw a slow start to the year.

In **Asia,** and China mainly, the move to electric vehicles supported market growth.

FINANCIAL DEVELOPMENT OF THE GROUP

Orders received and order book

Glaston's markets had a slow start to the year. The Group's orders received were EUR 46.6 (56.9) million, down 18% compared to the same quarter in 2023. Services' order intake was at the same level as in the previous year.

Orders received, EUR million	1–3/2024	1–3/2023	Change%	1–12/2023
Architecture	34.7	42.0	-17.2%	165.8
Mobility, Display & Solar	11.6	14.6	-20.5%	53.5
Total segments	**46.4**	**56.6**	**-18.1%**	**219.2**
Unallocated and eliminations	0.3	0.3	0.7%	1.0
Total Glaston Group	**46.6**	**56.9**	**-18.0%**	**220.3**

The order book at the end of the period was 27% lower than in the corresponding period in 2023 and stood at EUR 101.4 (139.0) million. The Architecture segment's order book totaled EUR 81.3 (123.7) million, representing 80% of the Group's order book, while the Mobility, Display & Solar segment's order book totaled EUR 20.1 (15.4) million or 20% of the Group's total.

Net sales and profitability

The Group's net sales were up 9% from the corresponding period of the previous year and totaled EUR 55.8 (51.3) million mainly driven by the good project performance in the factory locations. The Architecture segment's net sales were at the same level as in the corresponding period in 2023 and totaled EUR 42.5 (42.6) million. Net sales in the Mobility, Display & Solar segment were up 57% and were EUR 13.2 (8.4) million. Services' net sales were at the same level as in the comparison period.

Of total net sales, the Architecture segment accounted for 76% and the Mobility, Display & Solar segment for 24%. Geographically, the EMEA region accounted for 49%, the Americas for 33%, and the Asia-Pacific (APAC) for around 18% of first-quarter net sales.

Comparable EBITA was EUR 3.6 (3.0) million, i.e. 6.4 (5.8)% of net sales. Both segments improved EBITA and EBITA margin.

The Group's comparable operating result was EUR 2.5 (2.2) million, i.e. 4.4 (4.3)% of net sales. The first-quarter operating result was EUR 1.9 (1.9) million. Items affecting comparability amounting to EUR -0.6 (-0.3) million were recognized in the first quarter and were mainly related to legal costs related to a patent dispute in the US and restructuring costs. Financial income and expenses were EUR -0.5 (-0.3) million. The result before taxes was EUR 1.3 (1.4) million. The result for the first quarter was EUR 0.8 (1.1) million and earnings per share were EUR 0.010 (0.013). The comparable earnings per share were EUR 0.019 (0.019).

Reporting segment Architecture

Architecture segment's first quarter in brief:

- Low market activity. Uncertainty in Europe
- Order intake down 17%; steep decline for Tempering and Laminating Technologies, Insulating Glass Technologies slightly up
- Net sales at the previous year's level, profitability improved from previous year

Architecture KEY RATIOS EUR million	1–3/2024	1–3/2023	Change%	1–12/2023
Orders received	34.7	42.0	-17.2%	165.8
of which service operations	14.0	13.4	4.6%	55.0
of which service operations, %	40.4%	32.0%		33.2%
Order book at end of period	81.3	123.7	-34.2%	89.6[1)]
Net sales	42.5	42.6	-0.3%	175.1
of which service operations	12.8	13.2	-3.6%	56.8
of which service operations, %	30.0%	31.0%		32.4%
Comparable EBITA	3.4	3.3	3.0%	15.1
Comparable EBITA, %	7.9%	7.7%		8.6%
Operating result (EBIT)	2.1	2.5	-14.2%	10.4
Operating result (EBIT), %	5.0%	5.9%		5.9%

[1)] The order backlog for Insulating Glass Technologies was adjusted in 2023 for the partial cancellation of orders with one customer, totaling EUR 19.4 million.

Orders received and order book

The slowdown in the Architectural market was reflected in the segment's order intake, which was down 17% compared to the same period in 2023 and was EUR 34.7 (42.0) million. As in the previous quarter, Tempering and Laminating Technologies were impacted the most by the growing market uncertainty, and the order intake for these technologies was down 69%. Supported by the increasing demand for energy efficiency and automation, the order intake for Insulating Glass Technologies was up 3%. Additionally, new window technologies like thin triple-insulating glass raised interest. In China, demand for high-end insulating glass lines continued. Services' order intake increased by 5% and orders were received, among others, for the largest-ever FC-zone upgrade.

The order book decreased by 34% and stood at EUR 81.3 (123.7) million at the end of the period.

Financial development

The segment's net sales were at the same level as in the comparison period at EUR 42.5 (42.6) million. Architectural Tempering and Laminating Technologies' net sales were down and Insulating Glass Technologies' net sales were up strongly. Services' net sales were down 4%. Comparable EBITA was EUR 3.4 (3.3) million, i.e. 7.9 (7.7)% of net sales and was mainly due to higher margins both in the machines and services businesses.

Reporting segment Mobility, Display & Solar

Mobility, Display & Solar segment's first quarter in brief:

- Chinese markets developed strongly
- New orders were down 21%; demand outside China low
- Net sales up 57%, profitability improving
- Various measures ongoing for increased efficiency

Mobility, Display & Solar KEY RATIOS EUR million	1–3/2024	1–3/2023	Change%	1–12/2023
Orders received	11.6	14.6	-20.5%	53.5
of which service operations	4.8	5.1	-4.3%	19.3
of which service operations, %	41.6%	34.5%		36.2%
Order book at end of period	20.1	15.4	30.7%	16.9
Net sales	13.2	8.4	56.7%	43.6
of which service operations	5.0	4.7	5.4%	19.2
of which service operations, %	37.9%	56.4%		44.0%
Comparable EBITA	0.1	-0.3	127.6%	-0.5
Comparable EBITA, %	0.7%	-3.9%		-1.1%
Operating result (EBIT)	-0.3	-0.7	51.8%	-2.5
Operating result (EBIT), %	-2.5%	-8.2%		-5.7%

Orders received

The Mobility, Display & Solar segment's order intake was down by 21% compared to the corresponding period in the previous year, totaling EUR 11.6 (14.6) million. Driven by the strong demand in China, several automotive pre-processing line orders from Chinese customers were received. Services' orders were down 4%.

The segment's order book increased by 31% and stood at EUR 20.1 (15.4) million at the end of the period.

Financial development

The Mobility, Display & Solar segment's net sales were up 57% and were EUR 13.2 (8.4) million as both pre-processing and heat treatment machines net sales grew strongly. Services' net sales increased by 5% driven by upgrades and spare parts volumes. Comparable EBITA was EUR 0.1 (-0.3) million. Profitability improvement was mainly due to a volume increase and margin improvement in machines as the impacts of the localizing supply chain in China starts to have an impact.

Financial position, cash flow and financing

At the end of March, the balance sheet total was EUR 190.9 (193.4) million. Intangible assets amounted to EUR 76.5 (76.3) million, of which goodwill was EUR 58.3 (58.5) million. At the end of the period, property, plants, and equipment amounted to EUR 22.8 (22.8) million and inventories to EUR 37.1 (36.4) million.

The comparable return on capital employed (ROCE) was 12.3 (8.9)%. At the end of March, net gearing was 28.1 (23.2)% and the equity ratio was 44.9 (45.6)%. Net interest-bearing debt totaled EUR 19.6 (16.1) million.

The first-quarter cash flow from operating activities, before the change in working capital, was EUR 4.0 (2.6) million. Cash flow from operating activities was EUR -7.5 (-0.5) million mainly due to typical seasonal fluctuation and the low order intake. Cash flow from investing activities was EUR -0.7 (-1.7) million.

Capital expenditure and product development

Gross capital expenditure totaled EUR 0.7 (1.7) million and was primarily related to product development. Depreciation and amortization of property, plant, and equipment, and intangible assets totaled EUR -2.2 (-1.8) million.

Automation and digitalization continued to be the leading themes in product development, with a focus on projects and innovations related to the automation of the core products and further development of robotic and operator-free machine operations.

Research and product development expenditure, excluding depreciation, totaled EUR 2.5 (2.5) million, of which EUR 0.5 (0.9) million was capitalized. Research and product development expenditure amounted to 4.4 (4.9)% of net sales.

Personnel

Glaston Group had a total of 800 (800) employees on March 31, 2023. The Architecture segment employed 604 (641) and the Mobility, Display & Solar segment employed 195 (157) people.

Changes to the Executive Leadership Team

On March 22, 2024, Toni Laaksonen was appointed President and CEO of Glaston Corporation. He joins Glaston from Metso Corporation. The new CEO will assume his position at the latest at the end of September 2024. Interim CEO Antti Kaunonen will continue in this role until Toni Laaksonen takes office.

STRATEGY

Due to the significant changes in the global economy and Glaston's markets starting to soften in 2023, Glaston announced in February that the timeframe for achieving the strategic targets had been adjusted from 2025 to the medium-term (3−5 years), except for the emissions reduction targets with a timeframe up to 2032. The net sales and ROCE targets were also slightly updated. Glaston expects annual average net sales growth to exceed the addressable equipment markets' growth. The updated target for comparable return on capital employed (ROCE) is above 16%. The target for the comparable operating margin (EBITA) of 10% remained unchanged. More information is available in the stock exchange release published on February 15, 2024.

GOVERNANCE

Shares and shareholders

Glaston Corporation's shares are listed on the Nasdaq Helsinki Small Cap list. The trading code is GLA1V and the ISIN code is FI4000369657. Each share entitles its holder to one vote and a voting right. Glaston Corporation's share capital on March 31, 2024, was EUR 12.7 (12.7) million.

			No. of shares and votes	Share turnover, EUR million
GLA1V			84,289,911	1.0
	Highest	Lowest	Closing	Average price *)
Share price	0.88	0.73	0.85	0.79
			31.3.2024	31.3.2023
Market value			71.5	85.1
Number of shareholders			7,413	7,822
Foreign ownership, %			26.8	26.8

*) trading-weighted average

Share-based incentive plan

For key employees, Glaston has a share-based incentive plan for the period 2022−2026. The Performance Share Plan comprises three performance periods: the calendar years 2022−2024, 2023−2025, and 2024−2026. The Board of Directors decides on the plan's performance criteria and the performance levels at the beginning of each performance period.

Performance Period 2024−2026
The potential reward for the performance period 2024−2026 is based on the Glaston Group's cumulative comparable EBITA, cumulative services net sales, and cumulative earnings per share during January 1, 2024−December 31, 2026. In total, 18 key employees, including the company's key executive leaders, belong to the plan's target group in the performance period 2024–2026.

SHORT-TERM RISKS AND BUSINESS UNCERTAINTIES

The ongoing uncertainty in the global business environment with its impact on the Architectural market continues to constitute the main short-term risk for Glaston. Demand for Glaston's products in the Architecture Business Area is impacted by general economic cycles and especially the level of activity within the construction industry. The construction market is expected to develop unevenly. Cautious development is predicted to continue in Europe and China. In the Americas, and particularly in North America, the prospects are better.

Internationally, businesses are impacted by increased inflationary pressure. The tightening of monetary policy by central banks to tackle inflation has led to higher financing costs for investments, thereby leading to increased consideration for new investments or operating cost savings. Due to increasing market uncertainty and higher financing costs, customers may also wish to postpone or cancel their orders. Furthermore, the softening market conditions could adversely affect customers' payment capabilities. Geopolitical risks and uncertainties have increased and could lead to polarization and unexpected trade restrictions and disturbances, thereby representing a risk to Glaston's business.

Glaston continuously monitors the development outlook of the global economy and its impact on the progress of its markets. The short-term risks are mainly linked to the development of global investment demand. If the weaker demand environment continues, this would affect Glaston's net sales and earnings in the machines businesses with a delay of four to nine months. Any material slowdown in the demand for services would have a faster impact. Tighter availability and the higher cost of financing may also increase customer-related credit risks.

Glaston delivers projects which involve risks related to engineering, project execution, and installation. A failure to plan or manage these projects could lead to higher-than-estimated costs, revenue recognition delays, or disputes with customers.

To accelerate the strategy execution, Glaston's new organization came into effect on October 1, 2023. Despite close follow-up and monitoring, there could be a risk of not being able to harness the planned financial and strategy execution benefits. Leadership and change management are key in mitigating the risk.

Major supply chain disruptions may impact the company's performance as component scarcity may cause revenue recognition delays, whereas heavily increasing prices of raw materials may add to short-term profitability pressure.

Labor shortages and rising employee turnover are concerns in the market. Glaston's ability to maintain a high level of job satisfaction among its employees and also attract new employees is further emphasized.

Glaston's long-term strategic and operational risks and uncertainties are described in detail in the Annual Review 2023 in the Report of the Board of Directors.

EVENTS AFTER THE REPORTING PERIOD

The Annual General Meeting was held on April 4, 2024, in Helsinki. The AGM adopted the financial statements and discharged the members of the Board of Directors and the President & CEOs from liability for the financial year 2023. The AGM resolved to approve the Board of Directors' proposal to pay a return of capital of EUR 0.05 per share.

The AGM adopted the Remuneration Report and the Remuneration Policy for governing bodies. The resolutions of the aforementioned are advisory. The AGM decided to elect seven members to the Board of Directors. The AGM re-elected as members of the Board of Directors the current members of the Board of Directors: Veli-Matti Reinikkala, Sebastian Bondestam, Antti Kaunonen, Sarlotta Narjus, Arja Talma, Tero Telaranta and Michael Willome. The AGM resolved that the annual remuneration of the Members of the Board of Directors is as follows: the Chair of the Board of Directors EUR 74,000, the Deputy Chair EUR 45,000 and the other members of the Board of Directors EUR 35,000.

The AGM re-elected 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. The resolutions of the Annual General Meeting are available in the stock exchange release dated April 9, 2024.

On April 5, 2024, Glaston received a notification pursuant to chapter 9, section 5 of the Securities Market Act from OP-Rahastoyhtiö Oy, according to which the ownership of OP-Suomi Pienyhtiöt fund had decreased below the threshold of 5 percent.

On April 25, 2024, Glaston informed that Artturi Mäki, SVP Services and member of the Executive Leadership Team had decided to leave the company on 30 April 2024 to pursue new opportunities outside Glaston. As of May 1, 2024, interim CEO Antti Kaunonen in addition to his interim CEO role temporarily takes the role of leading the Glaston Services business. More information in the stock exchange release dated April 25, 2024.

GLASTON'S OUTLOOK FOR 2024

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Glaston started the year with a lower order backlog than the previous year. However, given the expected slowly improving market activity during the year, Glaston Corporation estimates that its net sales and comparable EBITA will stay at the same level or increase slightly in 2024 from the levels reported for 2023. In 2023, Group net sales totaled EUR 219.7 million and comparable EBITA was EUR 14.9 million.

GLASTON CORPORATION

INTERIM REPORT 1 JANUARY – 31 MARCH 2024

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	1-3/2024	1-3/2023	Change, %	1-12/2023
Net sales	**55.8**	**51.3**	8,8%	**219.7**
Other operating income	0.7	0.7		2.5
Changes in inventories of finished goods and work in progress	2.5	2.6		1.6
Own work capitalized	0.1	0.4		0.6
Materials	-24.1	-23.7		-94.9
Personnel expenses	-17.6	-16.7		-69.2
Other operating expenses	-13.3	-11.0		-44.6
Depreciation amortization and impairment	-2.2	-1.8		-7.6
Operating result	**1.9**	**1.9**	1,9%	**8.1**
Financial items, net	-0.5	-0.3		-0.8
Interest expenses on lease liabilities	-0.1	-0.1		-0.4
Result before income taxes	**1.3**	**1.4**	-8,4%	**6.9**
Income taxes	-0.5	-0.4		-1.8
Profit / loss for the period	**0.8**	**1.1**	-21,5%	**5.0**
Earnings per share, EUR	0.010	0.013		0.060

STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	1-3/2024	1-3/2023	1-12/2023
Profit / loss for the period	**0.8**	**1.1**	**5.0**
Other comprehensive income that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	-0.1	-0.4	-0.3
Cash flow hedges	-0.4	0.4	0.3
Cash flow hedges, taxes	0.1	-0.2	-0.2
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Actuarial gains and losses arising from defined benefit plans	-	-	-0.1
Taxes on actuarial gains and losses arising from defined benefit plans	-	-	0.0
Other comprehensive income for the reporting period	**-0.4**	**-0.2**	**-0.2**
Total comprehensive income for the reporting period	**0.5**	**0.9**	**4.9**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.3.2024	31.3.2023	31.12.2023
Assets			
Non-current assets			
Goodwill	58.3	58.5	58.2
Other intangible assets	18.2	17.8	18.9
Property, plant and equipment	22.8	22.8	23.2
Right-of-use assets	6.7	6.5	5.9
Financial assets measured at fair value through other comprehensive income	0.0	0.0	0.0
Loan and other non-current receivables	0.5	0.6	0.5
Deferred tax assets	3.3	2.1	1.6
Total non-current assets	**109.8**	**108.3**	**108.2**
Current assets			
Inventories	37.1	36.4	35.8
Trade and other receivables	21.1	22.8	18.6
Contract assets	10.7	6.1	13.7
Total receivables	31.8	28.9	32.3
Cash equivalents	12.2	19.9	20.2
Total current assets	**81.1**	**85.1**	**88.3**
Total assets	**190.9**	**193.4**	**196.5**

EUR million	31.3.2024	31.3.2023	31.12.2023
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Other restricted equity reserves	0.1	0.1	0.1
Reserve for invested unrestricted equity	102.0	105.3	102.0
Treasury shares	-0.1	0.0	-0.2
Other unrestricted equity reserves	0.2	0.6	0.5
Retained earnings	-49.6	-54.0	-50.5
Exchange difference	4.7	4.6	4.7
Total equity	**69.9**	**69.3**	**69.3**
Non-current liabilities			
Non-current interest-bearing liabilities	19.9	24.0	19.9
Non-current lease liabilities	5.7	6.1	5.1
Non-current interest-free liabilities and provisions	0.6	0.4	0.4
Deferred tax liabilities	10.3	9.1	9.6
Total non-current liabilities	**36.5**	**39.6**	**35.0**
Current liabilities			
Current interest-bearing liabilities	4.0	4.0	4.0
Current lease liabilities	2.1	1.8	2.0
Current provisions	4.2	3.6	3.5
Trade and other current interest-free payables	71.8	72.5	81.2
Contract liabilities	0.2	1.3	0.4
Liabilities for current tax	2.1	1.3	1.0
Total current liabilities	**84.5**	**84.5**	**92.2**
Total liabilities	**121.0**	**124.1**	**127.2**
Total equity and liabilities	**190.9**	**193.4**	**196.5**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-3/2024	1-3/2023	1-12/2023
Cash flows from operating activities			
Cash flow before change in net working capital	4.0	2.6	12.3
Change in net working capital	-11.5	-3.0	1.5
Net cash flow from operating activities	**-7.5**	**-0.5**	**13.8**
Cash flow from investing activities			
Purchases of non-current assets	-0.7	-1.7	-7.5
Proceeds from sale of other non-current assets	-	0.0	0.2
Net cash flow from investing activities	**-0.7**	**-1.7**	**-7.3**
Cash flow before financing	**-8.2**	**-2.2**	**6.4**
Cash flow from financing activities			
Acquisition of treasury shares	-	-	-0.2
Increase in non-current liabilities		-	-
Decrease in non-current liabilities	-	-	-
Changes in loan receivables (increase - / decrease +)	-	-	-
Increase in short-term liabilities	-	-	-
Decrease in short-term liabilities	-	-	-4.0
Return of capital	-	-	-3.4
Net cash flow from financing activities	-	-	**-7.6**
Effect of exchange rate changes	0.2	-0.2	-0.9
Net change in cash and cash equivalents	**-8.0**	**-2.4**	**-2.1**
Cash and cash equivalents at the beginning of period	20.2	22.2	22.2
Cash and cash equivalents at the end of period	12.2	19.9	20.2
Net change in cash and cash equivalents	**-8.0**	**-2.4**	**-2.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Other restr. equity	Reserve for inv. unrestr. equity	Treasury shares	Other un-restr. equity	Ret. earnings	Exch. diff.	Total equity
Equity on 1 January, 2024	**12.7**	**0.1**	**102.0**	**-0.2**	**0.5**	**-50.5**	**4.7**	**69.3**
Total compr. income for the period	-	-	-	-	-0.3	0.8	-0.1	**0.5**
Acquisition of treasury shares	-	-	-	-	-	-	-	**-**
Disposal of treasury shares	-	-	-	0.1	-	-	-	**0.1**
Share-based incentive plan	-	-	-	-	-	0.0	-	**0.0**
Taxes on share-based incentive plan	-	-	-	-	-	-0.0	-	**-0.0**
Return of capital	-	-	-	-	-	-	-	**-**
Other changes	-	0.0	-	-	-	-0.0	-	**0.0**
Equity at 31 March 2024	**12.7**	**0.1**	**102.0**	**-0.1**	**0.2**	**-49.6**	**4.7**	**69.9**

EUR million	Share capital	Other restr. equity	Reserve for inv. unrestr. equity	Treasury shares	Other un-restr. equity	Ret. earnings	Exch. diff.	Total equity
Equity on 1 January, 2023	**12.7**	**0.1**	**105.3**	**-**	**0.4**	**-55.0**	**5.0**	**68.4**
Total compr. income for the period	-	-	-	-	0.3	1.1	-0.4	**0.9**
Acquisition of of own shares	-	-	-	-	-	-	-	**-**
Disposal of own shares	-	-	-	-	-	-	-	**-**
Share-based incentive plan	-	-	-	-	-	0.1	-	**0.1**
Taxes on share-based incentive plan	-	-	-	-	-	-0.0	-	**-0.0**
Return of capital	-	-	-	-	-	-	-	**-**
Other changes	-	0.0	-	-	-	-0.1	-	**-0.1**
Equity at 31 March 2023	**12.7**	**0.1**	**105.3**	**-**	**0.6**	**-54.0**	**4.6**	**69.3**

KEY RATIOS	31.3.2024	31.3.2023	31.12.2023
EBITDA, as % of net sales	7.3%	7.2%	7.2%
Comparable EBITDA, as % of net sales	8.3%	7.8%	8.7%
Operating profit (EBIT), as % of net sales	3.4%	3.7%	3.7%
Comparable EBITA, as % of net sales	6.4%	5.8%	6.8%
Profit / loss for the period, as % of net sales	1.5%	2.1%	2.3%
Gross capital expenditure, EUR million	0.7	1.7	7.5
Gross capital expenditure, as % of net sales	1.3%	3.4%	3.4%
Equity ratio, %	44.9%	45.6%	45.2%
Gearing, %	45.5%	51.8%	44.8%
Net gearing, %	28.1%	23.2%	15.8%
Net interest-bearing debt, EUR million	19.6	16.1	10.9
Capital employed, end of period, EUR million	101.7	105.2	100.4
Return on equity, %	4.8%	6.2%	7.3%
Return on capital employed, %	10.4%	7.3%	8.1%
Comparable Return on capital employed, %	12.3%	8.9%	12.7%
Number of personnel, average	799	791	804
Number of personnel, end of period	800	800	802

PER SHARE DATA	31.3.2024	31.3.2023	31.12.2023
Number of registered shares, end of period (1.000)	84 290	84 290	84 290
Number of registered shares, end of period, excluding treasury shares (1.000)	84 166	84 290	84 040
Number of shares, average, excluding treasury shares (1.000)	84 050	84 290	84 218
EPS, total, basic and diluted, EUR	0.010	0.013	0.060
Comparable EPS, total, basic and diluted, EUR	0.019	0.019	0.104
Equity attributable to owners of the parent per share, EUR	0.83	0.82	0.82
Return of capital per share, EUR[1)]	-	-	0.05
Return of capital yield / share, %	-	-	6.8%
Price per earnings per share (P/E) ratio	85.5	80.0	12.3
Price per equity attributable to owners of the parent per share	1.03	1.23	0.89
Market capitalization of registered shares, EUR million	71.5	85.1	61.9
Share turnover, %, number of shares traded, % of the average registered number of shares	1.5%	2.7%	8.5%
Number of shares traded, (1.000)	1 301	2 286	7 180
Closing price of the share, EUR	0.85	1.01	0.74
Highest quoted price, EUR	0.88	1.09	1.09
Lowest quoted price, EUR	0.73	0.90	0.73
Volume-weighted average quoted price, EUR	0.79	0.99	0.89

1) The Board of Directors' proposal to the Annual General Meeting

The reconciliation of alternative performance measures

Items affecting comparability

EUR million	1-3/2024	1-3/2023	1-12/2023
Re-structuring	-0.2	-0.3	-2.1
Other	-0.4	0.0	-1.2
Items affecting comparability	**-0.6**	**-0.3**	**-3.3**

Comparable operating result (EBIT) and EBITA

EUR million	1-3/2024	1-3/2023	1-12/2023
Operating result	1.9	1.9	8.1
Items affecting comparability[1)]	0.6	0.3	3.3
Comparable EBIT	**2.5**	**2.2**	**11.4**
Operating result	**1.9**	**1.9**	**8.1**
Amortization[1)]	1.0	0.7	3.2
EBITA	**2.9**	**2.6**	**11.4**
Purchase price allocation[1)]	0,1	0.1	0,2
Items affecting comparability[1)]	0.6	0.3	3.3
Comparable EBITA	**3.6**	**3.0**	**14.9**
% of net sales	6.4%	5.8%	6.8%

[1)] + cost, - income

Comparable ROCE% and EPS

EUR million	1-3/2024	1-3/2023	1-12/2023
Profit/loss for the period before taxes	1.3	1.4	6.9
Financial expenses	1.3	0.5	1.4
Purchase price allocation[1)]	0.3	0.3	1.4
Total	3.0	2.2	9.7
Total annualized	11.9	9.0	9.7
Items affecting comparability[1)]	0.6	0.3	3.3
Total	12.4	9.3	12.9
Equity	69.9	69.3	69.3
Interest bearing liabilities	31.8	35.9	31.1
Avg (1.1.and end of period)	101.0	104.6	102.2
Comparable ROCE%	**12.3%**	**8.9%**	**12.7%**
Profit/loss for the period	0.8	1.1	5.0
Purchase price allocation[1)]	0.3	0.3	1.4
Items affecting comparability[1)]	0.6	0.3	3.3
-tax	-0.2	-0.1	-0.9
Total	1.6	1.6	8.8
Number of shares, average	84.0	84.3	84.2
Comparable earnings per share, EUR	**0.019**	**0.019**	**0.104**

[1)] + cost, - income

Per share data

Earnings per share (EPS):
Net result attributable to owners of the parent / Average number of shares outstanding

Diluted earnings per share:
Net result attributable to owners of the parent / Average diluted number of shares outstanding

Dividend per share*:
Dividends paid / 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 / Number of shares at end of the period, excluding treasury shares

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, excluding treasury 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

Other alternative performance measures

Comparable EBIT:
Operating result after depreciation, amortization, and impairment, +/- items affecting comparability+ large, expensed cloud-computing investments

Comparable EBITDA:
Operating result before depreciation, amortization, and impairment, +/- items affecting comparability+ large, expensed cloud-computing investments

Comparable EBITA:
Operating result before amortization, impairment of intangible assets and purchase price allocation +/- items affecting comparability+ large, expensed cloud-computing investments

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) net of tax / Average number of shares outstanding

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.

NOTES

Basis of preparation

This 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 2023**.** 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.

1. SEGMENT INFORMATION

Orders received

EUR million	1-3/2024	1-3/2023	1-12/2023
Architecture	34.7	42.0	165.8
Mobility, Display & Solar	11.6	14.6	53.5
Total segments	**46.4**	**56.6**	**219.2**
Unallocated and eliminations	0.3	0.3	1.0
Total Glaston Group	**46.6**	**56.9**	**220.3**

Net sales

EUR million	1-3/2024	1-3/2023	1-12/2023
Architecture	42.5	42.6	175.1
Mobility, Display & Solar	13.2	8.4	43.6
Total segments	**55.7**	**51.0**	**218.7**
Unallocated and eliminations	0.1	0.3	1.0
Total Glaston Group	**55.8**	**51.3**	**219.7**

Comparable EBITA

EUR million	1-3/2024	1-3/2023	1-12/2023
Architecture	3.4	3.3	15.1
Mobility, Display & Solar	0.1	-0.3	-0.5
Total segments	**3.5**	**2.9**	**14.6**
Unallocated and eliminations	0.1	0.1	0.3
Total Glaston Group	**3.6**	**3.0**	**14.9**
Comparable EBITA %	6.4%	5.8%	6.8%

Comparable EBITA %

	1-3/2024	1-3/2023	1-12/2023
Architecture	7.9%	7.7%	8.6%
Mobility, Display & Solar	0.7%	-3.9%	-1.1%
Total segments	**6.2%**	**5.8%**	**6.7%**
Unallocated and eliminations	75.7%	23.1%	26.5%
Total Glaston Group	**6.4%**	**5.8%**	**6.8%**

Operating result (EBIT)
EUR million

	1-3/2024	1-3/2023	1-12/2023
Architecture	2.1	2.5	10.4
Mobility, Display & Solar	-0.3	-0.7	-2.5
Total segments	**1.8**	**1.8**	**7.9**
Unallocated and eliminations	0.1	0.1	0.3
Total Glaston Group	**1.9**	**1.9**	**8.1**
Operating result %	3.4%	3.7%	3.7%

Segment assets
EUR million

	1-3/2024	1-3/2023	1-12/2023
Architecture	140.8	136.0	139.2
Mobility, Display & Solar	33.4	34.5	34.4
Total segment assets	**174.2**	**170.6**	**173.6**
Other assets	16.7	22.8	22.9
Total assets	**190.9**	**193.4**	**196.5**

Segment liabilities
EUR million

	1-3/2024	1-3/2023	1-12/2023
Architecture	64.2	64.9	72.4
Mobility, Display & Solar	11.8	12.7	12.6
Total segment liabilities	**76.0**	**77.6**	**85.0**
Other liabilities	45.1	46.5	42.1
Total liabilities	**121.0**	**124.1**	**127.2**

Personnel at the end of the period

	1-3/2024	1-3/2023	1-12/2023
Architecture	604	641	630
Mobility, Display & Solar	195	157	171
Others	1	2	1
Total personnel at the end of the period	**800**	**800**	**802**

Personnel by region	1-3/2024	1-3/2023	1-12/2023
Finland	212	209	214
Germany	283	276	282
Other EMEA	98	102	100
Asia	157	164	158
Americas	50	49	48
Total personnel at the end of the period	**800**	**800**	**802**

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

Orders received

EUR million	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	34.7	38.3	41.8	43.6	42.0
Mobility, Display & Solar	11.6	19.0	10.2	9.6	14.6
Total segments	**46.4**	**57.3**	**52.1**	**53.3**	**56.6**
Unallocated and eliminations	0.3	0.2	0.1	0.4	0.3
Total Glaston Group	**46.6**	**57.6**	**52.2**	**53.6**	**56.9**

Order book

EUR million	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	81.3	89.6	99.7	101.9	123.7
Mobility, Display & Solar	20.1	16.9	12.6	13.3	15.4
Total segments	**101.4**	**106.5**	**112.3**	**115.2**	**139.0**
Unallocated and eliminations	-	-	-	-	-
Total Glaston Group	**101.4**	**106.5**	**112.3**	**115.2**	**139.0**

Net sales

EUR million	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	42.5	45.7	43.5	43.2	42.6
Mobility, Display & Solar	13.2	13.7	9.8	11.6	8.4
Total segments	**55.7**	**59.5**	**53.4**	**54.8**	**51.0**
Unallocated and eliminations	0.1	0.2	0.1	0.4	0.3
Total Glaston Group	**55.8**	**59.7**	**53.5**	**55.2**	**51.3**

Comparable EBITA

EUR million	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	3.4	4.5	4.0	3.3	3.3
Mobility, Display & Solar	0.1	0.0	-0.1	0.0	-0.3
Total segments	**3.5**	**4.5**	**3.9**	**3.3**	**2.9**
Unallocated and eliminations	0.1	0.1	0.0	0.1	0.1
Total Glaston Group	**3.6**	**4.6**	**3.9**	**3.4**	**3.0**
Comparable EBITA %	6.4%	7.6%	7.3%	6.2%	5.8%

Comparable EBITA %

	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	7.9%	9.9%	9.2%	7.6%	7.7%
Mobility, Display & Solar	0.7%	-0.2%	-1.4%	0.2%	-3.9%
Total segments	**6.2%**	**7.6%**	**7.2%**	**6.0%**	**5.8%**
Unallocated and eliminations	75.7%	28.5%	29.9%	26.7%	23.1%
Total Glaston Group	**6.4%**	**7.6%**	**7.3%**	**6.2%**	**5.8%**

Operating result (EBIT)

EUR million	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
Architecture	2.1	3.0	2.6	2.3	2.5
Mobility, Display & Solar	-0.3	-0.3	-1.0	-0.5	-0.7
Total segments	**1.8**	**2.6**	**1.6**	**1.8**	**1.8**
Unallocated and eliminations	0.1	0.1	0.0	0.1	0.1
Total Glaston Group	**1.9**	**2.7**	**1.7**	**1.9**	**1.9**
Operating result %	3.4%	4.5%	3.1%	3.5%	3.7%

ORDERS RECEIVED, ORDER BOOK AND NET SALES BY PRODUCT AREAS

Orders received by product area

EUR million	1-3/2024	1-3/2023	1-12/2023
Architectural Tempering and Laminating Technologies	3.8	12.1	41.7
Insulating Glass Technologies	16.9	16.4	69.1
Mobility, Display and Solar Technologies	6.8	9.6	34.1
Services	18.9	18.5	74.4
Unallocated and eliminations	0.3	0.3	1.0
Glaston Group, total	**46.6**	**56.9**	**220.3**

Order book by product area

EUR million	31.3.2024	31.3.2023	31.12.2023
Architectural Tempering and Laminating Technologies	20.9	42.2	26.9
Insulating Glass Technologies	53.2	75.7	57.0
Mobility, Display and Solar Technologies	19.2	14.2	16.3
Services	8.0	6.9	6.3
Unallocated and eliminations	-	-	-
Glaston Group, total	**101.4**	**139,0**	**106.5**

Net sales by product area

EUR million	1-3/2024	1-3/2023	1-12/2023
Architectural Tempering and Laminating Technologies	10.2	15.0	53.3
Insulating Glass Technologies	20.0	14.8	67.2
Mobility, Display and Solar Technologies	8.5	3.7	24.7
Services	17.8	18.0	76.0
Unallocated and eliminations	-0.7	-0.1	-1.5
Glaston Group, total	**55.8**	**51.3**	**219.7**

NET SALES BY REGION

Geographical distribution of net sales EUR million	1-3/2024	1-3/2023	1-12/2023
Americas	18.5	18.5	72.4
EMEA	27.3	25.4	113.4
APAC	10.1	7.5	33.9
Glaston Group, total	**55.8**	**51.3**	**219.7**

2. FINANCIAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is managed through the 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 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 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 have been met.

Glaston Corporation signed a long-term financing agreement in March 2022. The financing agreement consists of a EUR 30 million long-term loans as well as a EUR 25 million revolving credit facility. The agreement was for three years and included two one-year options for extension of the loan period. In February 2024, the second of the two one-year options of the financing agreement was utilized and the loan period for the EUR 18 million long-term loan and for revolving credit facility was extended until March 2027.

EUR million	In use	Unused	Total
Committed credit facilities 31.3.2024	3.0	22.0	25.0
Committed credit facilities 31.12.2023	3.0	22.0	25.0

Net interest bearing debt

EUR million	31.3.2024	31.3.2023	31.12.2023
Loans from financial institutions	23.9	28.1	24.0
Lease liabilities	7.9	7.9	7.1
Cash	12.2	19.9	20.2
Total	**19.6**	**16.1**	**10.9**

Net gearing, %	**28.1**	**23.2**	**15.8**

Credit risk

The Group becomes exposed to credit and counterparty risks when it grants payment time to the customers. The creditworthiness of these counterparties may decrease and affect Group's result. Credit risk management is conducted in accordance with the Group's Credit Management Policy.

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 of avoiding 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 accelerate fund inflows.

At the end of March 2024, 14.7 (13.7 on 31.12.2023) percent of the Group's trade receivables were secured by LCs and incoming bank guarantees.

Ageing analysis of trade receivables EUR million			**Past due**			
	Carrying amount of trade receivables after recognizing allowance account	Not past due	< 30 days	31-180 days	181-360 days	> 360 days
31.3.2024	13.5	10.4	1.1	1.8	0.1	0.1
31.12.2023	11.2	7.7	1.9	1.5	0.1	-0.0

3. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Changes in property, plant and equipment

EUR million	1-3/2024	1-3/2023	1-12/2023
Carrying amount at beginning of the period	23.2	22.6	22.6
Additions	0.2	0.7	2.7
Disposals	0.0	-0.0	-0.2
Depreciation and amortization	-0.5	-0.5	-1.9
Reclassification and other changes	-	-	-0.0
Exchange differences	-0.1	-0.1	-0.1
Carrying amount at end of the period	22.8	22.8	23.2

At the end of March 2024, Glaston had no contractual commitments for the acquisition of property, plant and equipment.

Changes in intangible assets

EUR million	1-3/2024	1-3/2023	1-12/2023
Carrying amount at beginning of the period	77.2	76.1	76.1
Additions	0.5	1.1	4.8
Disposals	-0.0	-	-0.1
Depreciation and amortization	-1.0	-0.7	-3.2
Reclassification and other changes	-	0.0	0.0
Exchange differences	-0.0	-0.2	-0.4
Carrying amount at end of the period	76.6	76.3	77.2

4. LEASES

LEASES IN THE BALANCE SHEET

EUR million

Right-of-use assets	**1-3/2024**	**1-3/2023**	**1-12/2023**
Carrying amount at beginning of the period	5.9	6.2	6.2
Additions	1.6	0.9	2.1
Depreciation expense	-0.7	-0.6	-2.5
Carrying amount at end of the period	6.7	6.5	5.9

Lease liabilities EUR million	**1-3/2024**	**1-3/2023**	**1-12/2023**
Carrying amount at beginning of the period	7.1	7.6	7.6
Additions	1.4	0.9	2.1
Interest expense	0.1	0.1	0.4
Rental payment	-0.8	-0.7	-2.9
Carrying amount at end of the period	7.9	7.9	7.1

LEASES IN PROFIT AND LOSS STATEMENT

EUR million	**1-3/2024**	**1-3/2023**	**1-12/2023**
Depreciation of right-of-use assets	-0.7	-0.6	-2.5
Interest expense on lease liabilities	-0.1	-0.1	-0.4
Short-term lease expense	-0.2	-0.1	-0.5
Total amounts recognised in profit or loss	**-0.9**	**-0.8**	**-3.4**

5. CONTINGENT LIABILITIES

EUR million	**31.3.2024**	**31.3.2023**	**31.12.2023**
Mortgages and pledges			
On own behalf	314.1	314.1	314.1
Guarantees			
On own behalf	7.0	13.5	11.9
On behalf of others	0.3	0.3	0.3

Mortgages and pledges include EUR 21.6 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 a material adverse effect upon the Group's consolidated financial position or results of operations.

6. DERIVATIVE INSTRUMENTS

EUR million	31.3.2024		31.3.2023		31.12.2023	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency forwards						
Currency forward contracts	10.7	-0.1	22.2	0.4	14.4	0.2
Interest rate derivatives						
Interest rate derivatives	12.0	0.5	12.0	0.6	12.0	0.4

Glaston hedges 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 currency and interest rate 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.

7. 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

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.

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

EUR million	31.3.2024				31.3.2023				31.12.2023			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Assets												
Listed shares	-	-	0.0	**0.0**	-	-	0.0	**0.0**	-	-	0.0	**0.0**
Currency forward contracts	-	0.0	-	**0.0**	-	0.4	-	**0.4**	-	0.2	-	**0.2**
Interest rate derivatives	-	0.7	-	**0.7**	-	0.6	-	**0.6**	-	0.7	-	**0.7**
Total	**-**	**0.7**	**0.0**	**0.7**	**-**	**1.0**	**0.0**	**1.0**	**-**	**0.9**	**0.0**	**0.9**
Liabilities												
Currency forward contracts	-	-0.1	-	**-0.1**	-	-0.2	-	**-0.2**	-	-0.0	-	**-0.0**
Interest rate derivatives	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Total	**-**	**-0.1**	**-**	**-0.1**	**-**	**-0.2**	**-**	**-0.2**	**-**	**-0.0**	**-**	**-0.0**