

# **Sentiec Oyj**

## **Half-year report January-June 2022**

Sentiec Oyj, the parent company of Citec Group, was established in 2020. In order to carry out the recapitalization and restructuring of ownership of the Citec Group in February 2021, Sentiec Oyj acquired 100% of the shares in Citec Group Oy Ab and gained control over Citec Group and became the new parent company of Citec Group. The majority shareholders of Sentiec Oyj were also the majority owners of Citec Group Oy Ab and therefore, there was no change in the ultimate control over Citec Group and thus according to IFRS 3 transaction was not classified as acquisition. In this report "Citec Group" or "Citec" refers to the whole Sentiec Oyj Group of companies, including the parent company Sentiec Oyj.

### **Citec Group April-June 2022 highlights**

- Revenue increased by 16,1 % to 23,2 M€ (20,0 M€) compared to Q2/2021
- Adjusted EBITDA increased to 3,9 M€, or 16,7% of revenue (3,2 M€, or 16,0%) compared to Q2/2021

### **Citec Group January-June 2022 highlights**

- Revenue increased by 21,3 % to 48,3 M€ (39,9 M€) compared to Q1-Q2/2021
- Adjusted EBITDA increased to 8,7 M€, or 18,1% of revenue (6,3 M€, or 15,7%) compared to Q1-Q2/2021

### **CEO comments**

The second quarter was strong for Citec, despite the geopolitical and financial uncertainties in the world. Compared to the corresponding quarter of 2021, Citec's revenue increased by 16,1% and the adjusted EBITDA-% increased from 16,0% to 16,7%. The business demand for our engineering and technical documentation services was good during the quarter. Looking at the two first quarters of 2022, we see that revenue increased by 21,3 % to 48,3 M€ compared to Q1-Q2/2021. Overall, we are satisfied with how the growth strategy and our quality has developed so far during 2022.



*Johan Westermarck, CEO*

### **Significant event after the Q2**

On the 25th of April it was announced that Cyient, a leading technology solutions company with more than 14,000 associates across 19 countries, and the owners of Sentiec Oyj have signed a definitive share sale and purchase agreement under which Cyient acquires all the outstanding shares of Sentiec ("Acquisition"). Sentiec issued on 23 August 2022 conditional call notice of early redemption of the Bonds with note that the early redemption is conditional upon closing of the Acquisition. The closing of acquisition was completed on August 25, 2022 and the Early Redemption is now unconditional and may not be revoked or withdrawn. The redemption will be made on 19 September 2022 and will be funded with financing made available for the company by new owner.

The acquisition and partnership with Citec will enhance Cyient's position as a leader in the plant and product engineering services sector, strengthen its presence in the energy industry with a focus on clean energy, and expand its European footprint especially in the Nordic region, Germany and France. The Citec and Cyient partnership will enable customers to leverage a comprehensive set of services such as plant and product engineering, digital solutions, consulting, and technical documentation.

## The business outlook

The war in Ukraine and the geopolitical issues have increased the uncertainty in the markets and thus the business outlook is difficult to predict currently. Citec has a solid customer base. However, we expect that supply chains disruptions, inflation and material costs will impact some customers, and we must be prepared for longer decision-making processes in some projects.

We expect a good demand for sustainable solutions driven by energy market transition needs. The key offering of Citec remains, with a special focus on sustainable solutions and digitalization. In order to accelerate continue the profitable growth, our target is to succeed very well in key account sales, and simultaneously we see good possibilities with other customers.

## Key Indicators

EUR thousands	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Revenue	23 220	20 003	48 352	39 873	79 721
EBITDA	3 839	3 168	8 690	6 024	14 884
EBITDA %	16.5%	15.8%	18.0%	15.1%	18.7%
Adjusted EBITDA	3 878	3 196	8 729	6 274	15 267
Adjusted EBITDA-%	16.7%	16.0%	18.1%	15.7%	19.2%
Operating profit (EBIT)	2 928	2 275	6 876	4 270	11 354
Operating profit (EBIT) %	12.6%	11.4%	14.2%	10.7%	14.2%
Equity ratio %	14.4%	-1.2%	14.4%	-1.2%	8.9%
Return on equity %	5.8%	-97.5%	42.7%	18.0%	46.0%
Number of Employees at the end of the period	1 015	899	1 015	899	985

## Alternative Performance Measures

Citec presents certain financial performance measures on a non-IFRS basis as alternative performance measures (APMs). The APMs should not be considered as a substitute for performance measures in accordance with IFRS. The APMs are designed to measure profitability and provide insight into the company's underlying operational performance.

APMs used by Citec are listed, defined and reconciled below.

### 1) EBITDA (Earnings Before Interest, Taxes, Depreciations and Amortisations)

EUR thousands	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
EBIT	2 928	2 275	6 876	4 270	11 354
Depreciation and impairments	911	893	1 814	1 754	3 530
EBITDA	3 839	3 168	8 690	6 024	14 884

2) Adjusted EBITDA:

EUR thousands	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
EBIT	2 928	2 275	6 876	4 270	11 354
Depreciation and impairments	911	893	1 814	1 754	3 530
Adjustments *)	39	28	39	250	383
Adjusted EBITDA	3 878	3 196	8 729	6 274	15 267

\*) Adjustments includes advisory and other transaction costs related to re-financing and restructuring costs

Formulas for key figures (IFRS and Non-IFRS) are presented separately in this release.

## Definition of Key Indicators

EBITDA	=	Operating profit (EBIT) + Depreciation + Amortisation
EBITDA %	=	EBITDA in relation to Revenue
Adjusted EBITDA	=	EBITDA - EBITDA Adjustments
Adjusted EBITDA %	=	(EBITDA - EBITDA Adjustments) / Revenue
Operating profit (EBIT) %	=	Operating profit in relation to Revenue
Number of employees	=	Own active personnel (no long-term absentees included)
EBITDA adjustments	=	Advisory and other transaction costs related to refinancing and costs related to restructuring
Equity Ratio	=	Equity in relation to balance sheet in total - advances received
Return on equity %	=	Profit (Loss) for the financial year in relation to average equity during the review period

## CONSOLIDATED INCOME STATEMENT

EUR thousands	Note	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Revenue	2	23 220	20 003	48 352	39 873	79 721
Other operating income		208	62	223	174	436
Materials and services		-3 625	-2 960	-7 380	-5 520	-11 200
Employee benefit expenses	3	-13 207	-11 562	-26 485	-23 538	-44 417
Other operating expenses		-2 757	-2 375	-6 020	-4 966	-9 656
Depreciation, amortisation and impairment losses		-911	-893	-1 814	-1 754	-3 530
<b>Operating profit (EBIT)</b>		<b>2 928</b>	<b>2 275</b>	<b>6 876</b>	<b>4 270</b>	<b>11 354</b>
Financial income		174	53	196	131	316
Financial expenses		-1 909	-721	-2 743	-1 449	-3 059
Net financial income and expenses		-1 735	-668	-2 547	-1 319	-2 743
<b>Profit (Loss) before income taxes</b>		<b>1 192</b>	<b>1 607</b>	<b>4 329</b>	<b>2 951</b>	<b>8 611</b>
Current tax expense		-667	-160	-1 038	-549	-1 650
Change in deferred taxes		-38	-187	-349	-200	-24
Income taxes		-705	-347	-1 386	-749	-1 674
<b>Profit (Loss) for the financial year</b>		<b>487</b>	<b>1 260</b>	<b>2 943</b>	<b>2 202</b>	<b>6 937</b>
<b>Profit (Loss) for the financial year attributable to</b>						
Owners of the parent company		487	1 260	2 943	2 202	6 937

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<b>Profit (Loss) for the financial year</b>		<b>487</b>	<b>1 260</b>	<b>2 943</b>	<b>2 202</b>	<b>6 937</b>
<b>Other comprehensive income</b>						
Items that may be subsequently reclassified to profit or loss						
Translation differences		-169	-141	-111	195	457
Gain & losses on fair value through OCI debt instruments		293	230	1 011	-188	-369
Taxes		-59	-46	-202	38	74
Other comprehensive income, that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan		90	0	90	0	757
Taxes		0	0	0	0	-229
<b>Total other comprehensive income for the financial year</b>		<b>156</b>	<b>43</b>	<b>787</b>	<b>45</b>	<b>690</b>
<b>Total comprehensive income for the financial year</b>		<b>643</b>	<b>1 303</b>	<b>3 730</b>	<b>2 247</b>	<b>7 627</b>
<b>Total comprehensive income attributable to</b>						
Owners of the parent company		643	1 303	3 730	2 247	7 627

## CONSOLIDATED BALANCE SHEET

EUR thousands	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		1 205	1 075	1 184
Goodwill		19 708	19 708	19 708
Tangible assets		1 285	1 149	1 444
Right-of-use assets	4	3 065	4 192	3 959
Deferred tax assets		1 914	2 371	2 356
Other non-current assets		51	47	47
<b>Total non-current assets</b>		<b>27 227</b>	<b>28 542</b>	<b>28 697</b>
<b>Current assets</b>				
Trade and other receivables		20 002	18 118	19 288
Cash and cash equivalents		14 382	7 588	9 066
<b>Total current assets</b>		<b>34 384</b>	<b>25 706</b>	<b>28 354</b>
<b>Total assets</b>		<b>61 611</b>	<b>54 248</b>	<b>57 051</b>
<b>EQUITY</b>				
Share capital		80	80	80
Reserve for invested non-restricted equity		23 154	22 874	23 154
Other reserves		487	-176	-322
Restructuring reserve		-14 164	-14 164	-14 164
Translation differences		-723	-1 125	-612
Retained earnings		-84	-8 130	-3 117
<b>Total equity</b>		<b>8 750</b>	<b>-642</b>	<b>5 019</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Bond	5	0	25 835	25 696
Lease liabilities	4	1 316	1 982	1 717
Provisions		3 530	3 935	2 834
Deferred tax liabilities		362	266	257
<b>Total non-current liabilities</b>		<b>5 208</b>	<b>32 018</b>	<b>30 504</b>
<b>Current liabilities</b>				
Bond	5	26 645	1 438	1 438
Lease liabilities	4	1 876	2 246	2 323
Advances received		762	525	817
Trade and other payables		18 370	18 662	16 949
<b>Total current liabilities</b>		<b>47 654</b>	<b>22 871</b>	<b>21 527</b>
<b>Total liabilities</b>		<b>52 862</b>	<b>54 889</b>	<b>52 031</b>
<b>Total equity and liabilities</b>		<b>61 611</b>	<b>54 248</b>	<b>57 051</b>

Sentiec Oyj HALF-YEAR REPORT Q2/2022

## CONSOLIDATED CASH FLOW STATEMENT

EUR thousands	Note	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
<b>Cash flows from operating activities</b>						
Profit (Loss) before income taxes for the financial year		1 192	1 608	4 329	2 951	8 611
Adjustments:						
Depreciation, amortisation and impairment losses		911	893	1 814	1 754	3 530
Finance income and finance expenses		1 735	668	2 547	1 319	2 743
Other adjustments		283	-295	607	-301	-747
Cash flows before change in net working capital		4 122	2 874	9 297	5 723	14 136
Change in net working capital:						
Change in trade and other receivables (increase (-) / decrease (+))		3 469	226	-593	-3 353	-4 320
Change in trade and other payables (increase (+) / decrease (-))		-427	2 736	622	4 190	3 257
Cash flows before finance items		7 165	5 836	9 327	6 560	13 073
Interest paid		-738	-1 027	-1 365	-1 288	-2 837
Interest received		14	54	30	131	48
Income taxes paid		-151	-109	-317	-437	-2 071
<b>Net cash from operating activities (A)</b>		<b>6 289</b>	<b>4 753</b>	<b>7 674</b>	<b>4 965</b>	<b>8 213</b>
<b>Cash flows from investing activities</b>						
Acquisition of intangible assets		-116	155	-211	0	-785
Acquisition of tangible assets		-54	-613	-247	-613	-761
<b>Net cash used in investing activities (B)</b>		<b>-170</b>	<b>-458</b>	<b>-458</b>	<b>-613</b>	<b>-1 545</b>
<b>Cash flows from financing activities</b>						
Issue of new shares		0	0	0	0	280
Restructuring of ownership		0	-186	0	-28 000	-27 814
Proceeds from non-current loans and borrowings		0	-1 066	0	26 934	28 000
Repayment of non-current loans and borrowings		-308	0	-673	0	-1 079
Repayment of lease liabilities		-629	-688	-1 256	-1 382	-2 446
<b>Net cash from financing activities (C)</b>		<b>-937</b>	<b>-1 940</b>	<b>-1 928</b>	<b>-2 448</b>	<b>-3 059</b>
<b>Net cash from (used in) operating, investing and financing activities (A+B+C)</b>		<b>5 182</b>	<b>2 355</b>	<b>5 288</b>	<b>1 904</b>	<b>3 608</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>5 182</b>	<b>2 355</b>	<b>5 288</b>	<b>1 904</b>	<b>3 608</b>
Cash and cash equivalents at the beginning of the period		9 172	5 212	9 066	5 597	5 597
Effect of fluctuations in exchange rate		28	21	28	87	-139
<b>Cash and cash equivalents at the end of the period</b>		<b>14 382</b>	<b>7 588</b>	<b>14 382</b>	<b>7 588</b>	<b>9 066</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Equity attributable to owners of the parent company \*)

EUR thousands	Note	A	B	C	D	E	F	G	Total
<b>Balance at 1 January 2022</b>		80	23 154	-322	0	-14 164	-612	-3 117	<b>5 019</b>
<b>Comprehensive income</b>									
Profit (Loss) for the financial year		0	0	0	0	0	0	2 943	2 943
Other comprehensive income		0	0	809	0	0	-111	90	787
<b>Total comprehensive income for the financial year</b>		<b>0</b>	<b>0</b>	<b>809</b>	<b>0</b>	<b>0</b>	<b>-111</b>	<b>3 032</b>	<b>3 730</b>
<b>Balance at 31 June 2022</b>		<b>80</b>	<b>23 154</b>	<b>487</b>	<b>0</b>	<b>-14 164</b>	<b>-723</b>	<b>-85</b>	<b>8 750</b>

### Equity attributable to owners of the parent company

EUR thousands	Note	A	B	C	D	E	F	G	Total
<b>Balance at 1 January 2021</b>		3	11 389	-27	25 215	0	-1 320	-10 146	<b>25 114</b>
<b>Comprehensive income</b>									
Profit (Loss) for the financial year		0	0	0	0	0	0	2 202	2 202
Other comprehensive income		0	0	-150	0	0	195	0	45
<b>Total comprehensive income for the financial year</b>		<b>0</b>	<b>0</b>	<b>-150</b>	<b>0</b>	<b>0</b>	<b>195</b>	<b>2 202</b>	<b>2 247</b>
<b>Transactions with owners of the company</b>									
Restructuring of ownership of Citec Group		-3	-11 389	0	-25 215	-14 164	0	-186	-50 957
Share issue		80	22 874	0	0	0	0	0	22 954
<b>Total transactions with owners of the company</b>		<b>78</b>	<b>11 485</b>	<b>0</b>	<b>-25 215</b>	<b>-14 164</b>	<b>0</b>	<b>-186</b>	<b>-28 003</b>
<b>Balance at 30 June 2021</b>		<b>80</b>	<b>22 874</b>	<b>-175</b>	<b>0</b>	<b>-14 164</b>	<b>-1 125</b>	<b>-8 130</b>	<b>-642</b>

### Equity attributable to owners of the parent company

EUR thousands	Note	A	B	C	D	E	F	G	Total
<b>Balance at 1 January 2021</b>		3	11 389	-27	25 215	0	-1 320	-10 146	<b>25 114</b>
<b>Comprehensive income</b>									
Profit (Loss) for the financial year		0	0	0	0	0	0	6 937	6 937
Other comprehensive income		0	0	-295	0	0	457	528	690
<b>Total comprehensive income for the financial year</b>		<b>0</b>	<b>0</b>	<b>-295</b>	<b>0</b>	<b>0</b>	<b>457</b>	<b>7 465</b>	<b>7 627</b>
<b>Transactions with owners of the company</b>									
Restructuring of ownership of Citec Group		-3	-11 389	0	-25 215	-14 164	0	-186	-50 957
Share issue		80	23 154	0	0	0	0	0	23 234
<b>Total transactions with owners of the company</b>		<b>78</b>	<b>11 765</b>	<b>0</b>	<b>-25 215</b>	<b>-14 164</b>	<b>0</b>	<b>-186</b>	<b>-27 723</b>
<b>Balance at 31 December 2021</b>		<b>80</b>	<b>23 154</b>	<b>-322</b>	<b>0</b>	<b>-14 164</b>	<b>-612</b>	<b>-3 117</b>	<b>5 019</b>

- A = Share capital
- B = Reserve for invested non-restricted equity
- C = Other reserves
- D = Capital loans
- E = Restructuring reserve
- F = Translation differences
- G = Retained earnings

## 1 Basis of preparation

### 1.1 Company information

Sentiec Oyj, a parent company of Citec Group ("Citec"), is a Finnish public limited liability company domiciled in Vaasa in Finland, and its registered address is Silmukkatie 2, FI-65101 Vaasa, Finland. In these financial statements release "Citec Group" or "Citec" refers to the whole Sentiec Oyj Group of companies, including the parent company Sentiec Oyj.

Citec Group is an international multi-discipline engineering and technical documentation group, originally founded in 1984 with headquarters in Vaasa, Finland. Citec Group operates in the energy, process, oil & gas & electrofuels and machinery & equipment customer sectors. Citec's service offering includes plant engineering, product engineering, engineering consultancy, technical documentation and digital solutions.

On February 2021, Sentiec Oyj acquired 100 per cent of the shares in Citec Group Oy Ab. The transaction was made to restructure the ownership and to effectuate a recapitalization of Citec.

On February 2021, Sentiec Oyj issued a senior secured bond amounting to approximately 29 million euro. On December 2, 2021, Sentiec Oyj submitted an application for the Bonds to be admitted to trading on the corporate bond list of Nasdaq Stockholm Aktiebolag. Trading on the Bonds was commenced on 7 December 2021.

The Board of Directors of Sentiec Oyj has approved this half-year report for disclosure in its meeting on 30 August, 2022. The information presented in the half-year Report is unaudited.

### 1.2 Basis of accounting

This half-year report has been prepared in compliance with the IAS 34 Interim Financial Reporting standard. Half-year information does not contain all the notes presented in the Consolidated Financial Statements for 2021 and should therefore be read in conjunction with the Consolidated Financial Statements for 2021 prepared in accordance with IFRS. The same accounting principles have been applied to the half-year information as to the consolidated financial statements. The annual improvements to the IFRS standards, which came into force on January 1, 2022 do not have a significant impact on the figures presented.

On the 25th of April it was announced that Cyient, a leading technology solutions company with more than 14,000 associates across 19 countries, and the owners of Sentiec Oyj have signed a definitive share sale and purchase agreement under which Cyient acquires all the outstanding shares of Sentiec ("Acquisition"). According to Terms and Conditions of the Sentiec's bond with ISIN SE0015503495 upon the occurrence of a Change of Control Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount. Additional expenses related to mandatory repurchase are presented as financial expenses in Q2.

Sentiec issued on 23 August 2022 conditional call notice of early redemption of the Bonds with note that the early redemption is conditional upon closing of the Acquisition. The closing of acquisition was completed on August 25, 2022 and the Early Redemption is now unconditional and may not be revoked or withdrawn. The redemption will be made on 19 September 2022 and will be funded with financing made available for the company by new owner. The additional expenses related to voluntary early redemption and not included in Q2 half-year result, are estimated to be approx. 1.7 M€.

Deferred tax assets from the tax losses carried-forward have been recognized in the half-year report as in consolidated financial statements 2021. The impact of Cyient acquisition and ownership change to the deferred taxes has not been taken in consideration in this half-year report. Deferred tax asset from tax losses carried forward amounted to approx. EUR 0.1 million as of 30 June, 2022, and EUR 0.6 million as of 31 December 2021.

### 1.3 Critical management judgments and key sources of estimation uncertainty

The preparation of IFRS financial statements requires management to make judgments, estimates and assumptions. These affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the period-end as well as the reported amounts of income and expenses during the reporting period. The estimates and assumptions are based on historical experience and other justified assumptions, such as future expectations, that Citec group management believes are reasonable under the circumstances at the end of the reporting period and the time when they were made.

Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Citec reviews the estimates and underlying assumptions on an on-going basis and when preparing half-year financial information. The management judgements and accounting estimates concerning key uncertainty factors in connection with the preparation of this half-year financial information are identical to those applied in the Consolidated Financial Statements for 2021.

## 2 Revenue

### 2.1 Revenue disaggregation

Citec's consolidated revenue is disaggregated by geographical market where client is located.

EUR thousands	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Finland	13 473	12 092	27 703	24 021	46 396
Sweden	3 369	3 548	6 834	6 742	13 370
Germany	2 534	1 115	4 761	3 091	6 317
France	840	847	1 715	1 562	3 908
Norway	983	751	2 352	1 272	3 832
Others	2 021	1 649	4 986	3 185	5 898
<b>Total</b>	<b>23 220</b>	<b>20 003</b>	<b>48 352</b>	<b>39 873</b>	<b>79 721</b>

### Timing of revenue recognition

Citec's consolidated revenue is transferred over time.

## 3 Employee benefit expenses

EUR thousands	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Wages and salaries	-11 031	-9 564	-22 096	-19 584	-36 879
Pension costs	-1 272	-1 261	-2 622	-2 436	-4 531
Other social security expenses	-904	-737	-1 767	-1 518	-3 007
<b>Total</b>	<b>-13 207</b>	<b>-11 562</b>	<b>-26 485</b>	<b>-23 538</b>	<b>-44 417</b>

Number of employees at the end of the period was 1015 (899) and number of average own active employees was 997 (877).

#### 4 Leases

Carrying amounts

EUR thousands	30.6.2022	30.6.2021	31.12.2021
Right of use assets in the beginning of reporting period	3 959	5 310	5 310
Additions/disposals	324	135	1 123
Depreciations	-1 218	-1 253	-2 474
Right of use assets at the end of reporting period	3 065	4 192	3 959
Lease liabilities non-current at the end of reporting period	-1 316	-1 982	-1 717
Lease liabilities current at the end of reporting period	-1 876	-2 246	-2 323
Lease liabilities total at the end of reporting period	-3 192	-4 229	-4 040

#### 5 Derivative instruments and cash flow hedge accounting

EUR thousands	30 June 2022			Fair value, net
	Notional amount	Positive fair value	Negative fair value	
<b>Derivatives in hedge accounting</b>				
Forward exchange contracts, cash flow hedges	1 800	81	0	81
Interest rate derivatives	26 185	0	-1 056	-1 056
<b>Derivatives not in hedge accounting</b>				
Forward exchange contracts	1 800	104	0	104
<b>Total</b>	<b>29 785</b>	<b>185</b>	<b>-1 056</b>	<b>-872</b>

  

EUR thousands	30 June 2021			Fair value, net
	Notional amount	Positive fair value	Negative fair value	
<b>Derivatives in hedge accounting</b>				
Forward exchange contracts, cash flow hedges	4 125	11	0	11
Interest rate derivatives	27 625	0	-369	-369
<b>Derivatives not in hedge accounting</b>				
Forward exchange contracts	1 425	0	-21	-21
<b>Total</b>	<b>33 175</b>	<b>11</b>	<b>-390</b>	<b>-378</b>

  

EUR thousands	31 Dec 2021			Fair value, net
	Notional amount	Positive fair value	Negative fair value	
<b>Derivatives in hedge accounting</b>				
Forward exchange contracts, cash flow hedges	3 600	98	0	98
Interest rate derivatives	26 905	0	-750	-750
<b>Derivatives not in hedge accounting</b>				
Forward exchange contracts	1 800	82	0	82
<b>Total</b>	<b>32 305</b>	<b>181</b>	<b>-750</b>	<b>-569</b>

Sentec Oyj HALF-YEAR REPORT Q2/2022

At 30 June 2022	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>EUR thousands</b>					
<b>Financial liabilities measured at fair value</b>					
Foreign currency derivatives in hedge accounting	81	0	81	0	81
Foreign currency derivatives not in hedge accounting	104	0	104	0	104
Interest rate swaps	-1 056	0	-1 056	0	-1 056
<b>Total</b>	<b>-872</b>	<b>0</b>	<b>-872</b>	<b>0</b>	<b>-872</b>
<b>Financial liabilities not measured at fair value</b>					
Lease liabilities	-3 192	0	0	-3 192	-3 192
Bond	-26 645	0	0	-26 645	-26 645
<b>Total</b>	<b>-29 838</b>	<b>0</b>	<b>0</b>	<b>-29 838</b>	<b>-29 838</b>

At 30 June 2021	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>EUR thousands</b>					
<b>Financial liabilities measured at fair value</b>					
Foreign currency derivatives in hedge accounting	11	0	11	0	11
Foreign currency derivatives not in hedge accounting	-21	0	-21	0	-21
Interest rate swaps	-369	0	-369	0	-369
<b>Total</b>	<b>-378</b>	<b>0</b>	<b>-378</b>	<b>0</b>	<b>-378</b>
<b>Financial liabilities not measured at fair value</b>					
Lease liabilities	-4 229	0	0	-4 229	-4 229
Bond	-27 273	0	0	-27 273	-27 273
<b>Total</b>	<b>-31 502</b>	<b>0</b>	<b>0</b>	<b>-31 502</b>	<b>-31 502</b>

At 31 December 2021	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>EUR thousands</b>					
<b>Financial liabilities measured at fair value</b>					
Foreign currency derivatives in hedge accounting	98	0	98	0	98
Foreign currency derivatives not in hedge accounting	82	0	82	0	82
Interest rate swaps	-750	0	-750	0	-750
<b>Total</b>	<b>-569</b>	<b>0</b>	<b>-569</b>	<b>0</b>	<b>-569</b>
<b>Financial liabilities not measured at fair value</b>					
Lease liabilities	-4 040	0	0	-4 040	-4 040
Bond	-27 135	0	0	-27 135	-27 135
<b>Total</b>	<b>-31 175</b>	<b>0</b>	<b>0</b>	<b>-31 175</b>	<b>-31 175</b>

Fair values are categorised into hierarchy levels that are representative of the inputs used in the valuation techniques as follows:

- Level 1 Fair value is calculated on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that Citec can access at the measurement date.
- Level 2 Fair value is calculated on the basis of inputs other than quoted prices included in Level 1 that are observable for the asset or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 Fair value is calculated on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Citec uses observable market data as far as possible.

## 6 Events after the balance sheet date

On the 25th of April it was announced that Cyient, a leading technology solutions company with more than 14,000 associates across 19 countries, and the owners of Sentiec Oyj have signed a definitive share sale and purchase agreement under which Cyient acquires all the outstanding shares of Sentiec ("Acquisition"). Sentiec issued on 23 August 2022 conditional call notice of early redemption of the Bonds with note that the early redemption is conditional upon closing of the Acquisition. The closing of acquisition was completed on August 25, 2022 and the Early Redemption is now unconditional and may not be revoked or withdrawn. The redemption will be made on 19 September 2022 and will be funded with financing made available for the company by new owner. The additional expenses related to voluntary early redemption and not included in Q2 half-year result, are estimated to be approx. 1.7 M€.