

Q1 2022 Results Presentation 12 May 2022

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Highlights Q1 2022

- Revenues of NOK 515.7 million
- Improved market prices vis-à-vis Q4 in 2021
- Adjusted net profit of NOK 110.8 million, DPS of NOK 2,09. Pay-out ratio of 70%
- Iron ore production of 406 thousand mt
- Listing on the main list of Oslo Stock Exchange



Progress on strategic projects

CO2 free by the end of 2025

- Electric or bio heating to be installed in 2022
- Electric passenger cars, drilling rig, and hauling equipment expected in 2022/2023
- Charging infrastructure planned



Progress on strategic projects

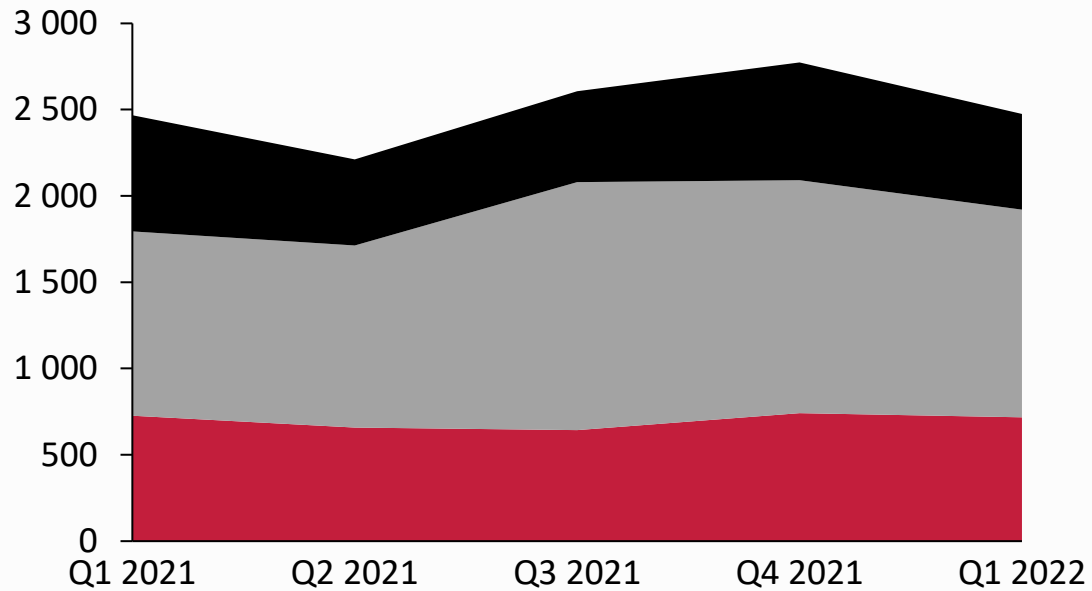
Fe content from ~63 to ~65%

- Equipment upgrade to begin in 2022
- Collaboration with Cargill to prepare customers
- In line with planned completion in 2024



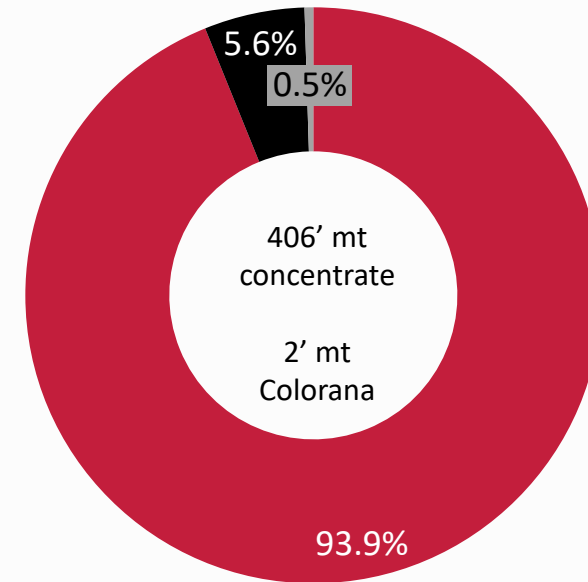
Stable concentrate production

Iron ore vs. waste rock



- Production open pit ore
- Production open pit waste rock
- Production underground ore

Production by product type



- Hematite production
- Magnetite production
- Colorana production

Hedging positions

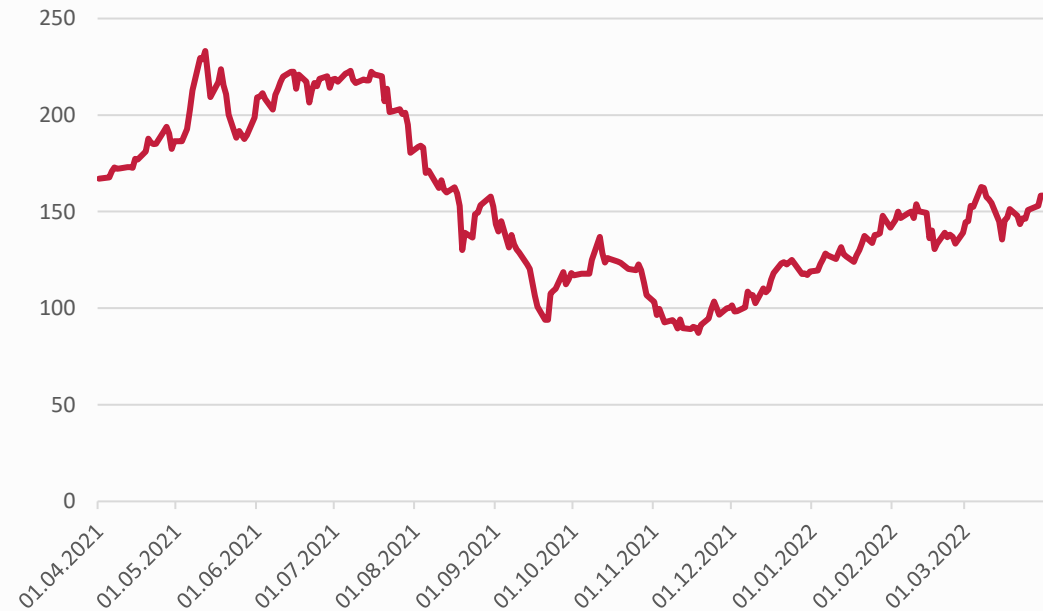
Hedging positions entered into in Q1-22

- 120 000 mt in Q3-22 and Q4-22 at average price of USD 130.3/mt
- 90 000 mt in Q1-23 at average price of USD 129.9/mt
- 250 000 mt from Q3-22 to Q2-23 at average price of USD 149.9/mt

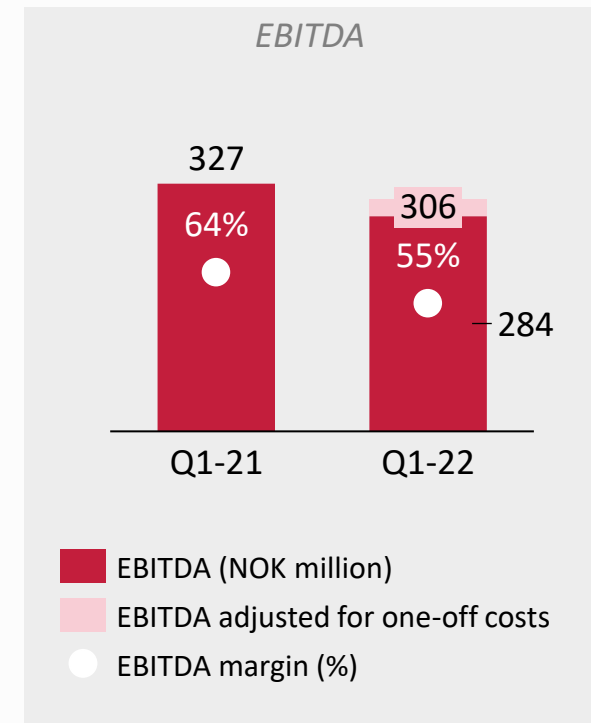
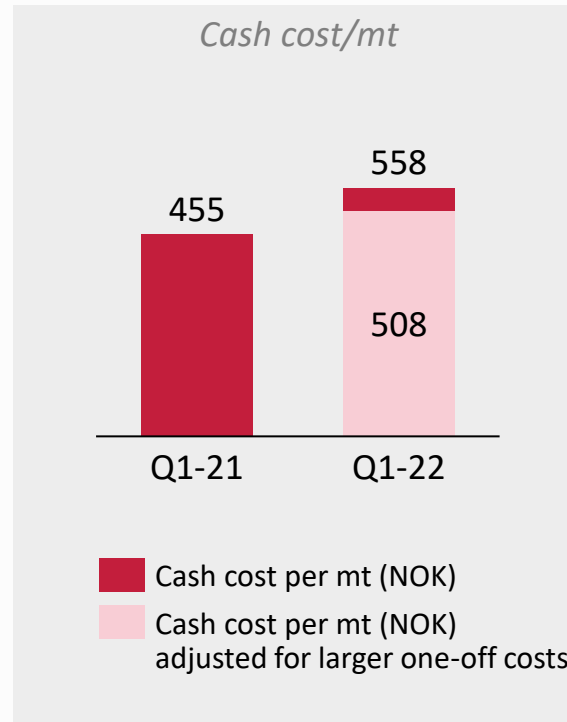
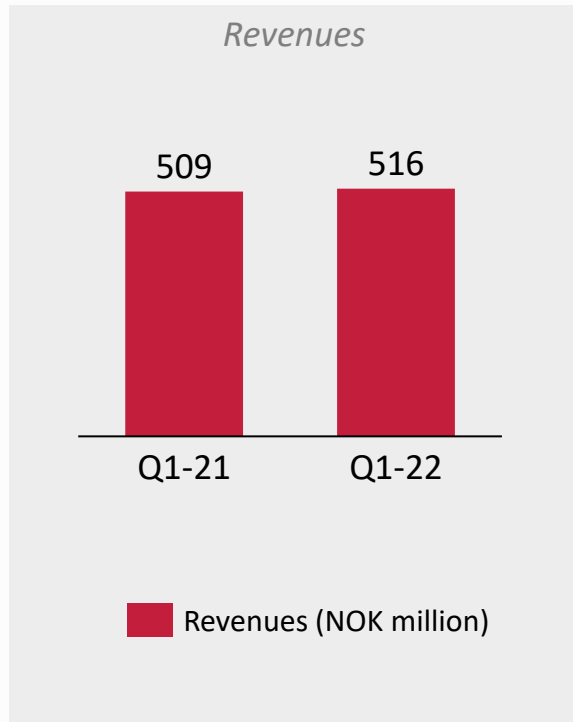
Total hedging positions cover 760 000 mt
at an average price of USD 140.51/mt

The purpose of the hedging positions is
to secure a stable cash flow

Historic hematite prices IODEX 62% Fe, CFR China



Q1-22 financial figures: Increased costs partly due to one-off items



P&L

Amounts in NOK million Except where otherwise stated	Q1 2022	Q1 2021	Change (%)
Revenues	515.7	509.4	1
Raw materials and consumables used	(86.7)	(79.3)	9
Other costs	(140.7)	(108.0)	30
Change in inventory	(4.5)	4.6	(198)
EBITDA	283.7	326.7	(13)
Depreciation	(39.9)	(41.9)	(5)
EBIT	243.8	284.8	(14)
Net financial items	(218.4)	(64.0)	241
Pre-tax profit	25.4	220.8	(89)
Tax	(5.6)	(47.5)	(88)
Net other comprehensive income	0.0	(0.1)	(100)
Net profit	19.8	173.2	(89)
Adjustments	116.7	(69.8)	(267)
Tax on adjustments	(25.7)	15.4	(267)
Adjusted net profit	110.8	118.8	(7)
EPS (NOK)	0.53	4.64	(89)
Adjusted EPS (NOK)	2.99	3.18	(6)

Adjusted EPS

Amounts in NOK million Except where otherwise stated	Q1 2022	Q1 2021	
Profit before tax	25.4	220.8	Financial contribution to Polarsirkelen Airport
One-offs	15.0	-	
Unrealised hedging positions iron ore	115.6	(78.2)	Unrealised loss from hedging of iron ore Excluding effects from shipments in Q1
Unrealised hedging positions FX	(13.9)	8.4	
Adjusted profit before tax	142.0	151	Unrealised gain from hedging of foreign currency Excluding effects from shipments in Q1
Ordinary income tax	(5.6)	(47.5)	
Tax on adjustments	(25.7)	15.3	
Adjusted net profit	110.8	118.8	
Adjusted EPS (NOK)	2.99	3.18	
DPS (NOK)	2,09	2.90 (NGAAP)	

Cash flow and financial position

Amounts in NOK million	Q1-22	Q1-21
Net cash flow from operations	55.2	288.6
Net cash flow used in investing activities	(18.3)	(68.3)
Net cash flows used in financing activities	(78.5)	(164.9)
Effects of exchange rate changes on cash and cash equivalents	(4.2)	(3.9)
Total cash flow	(45,8)	188.1

Amounts in NOK million Except where otherwise stated	31.03.2022	31.03.2021	Change (%)
Total assets	1 095.5	1 129.7	(3)
Total equity	531.1	581.8	(9)
Equity ratio (%)	48.5	51.5	(3pp)
Cash and cash equivalents	218.6	264.4	(17)
Interest-bearing debt*	120.5	113.7	6

*The company's interest-bearing debt consists of lease and rent obligations, and an unused credit facility of NOK 100 million.

Key takeaways and outlook

- Stable production, solid revenues, and progress on strategic projects in Q1
- Market affected by geopolitical situation
- Covid-19 in China main cause of uncertainty
- Increased commodity prices to affect costs
- Stable production expected



Questions and answers

Contact: ir@ranagruber.no
Next report: Q2 2022 – 24 August 2022



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