INTERIM REPORT

SECOND QUARTER AND FIRST HALF 2023

RANA GRUBER

CEO Gunnar Moe comments:

CONTINUED STRONG PRODUCTION

The second quarter was successful, building on the strong production from the first quarter. Despite the planned seasonal maintenance stop, we continued to perform well and achieved a satisfactory concentrate production. We produced 427 metric tons concentrate, which represents a significant increase compared to the same period last year. Adjusted net profit came in at NOK 106 million, and again we confirm our ability to create solid returns for our shareholders.

Our comprehensive annual maintenance stop was executed successfully during the summer, enabling us to make significant progress on the Fe65 project. We look forward to receiving the results of these initiatives as we move through the autumn. Our strategic development projects have shown promising results so far, and we remain optimistic about reaching our goals.

I am also happy to announce that we had no injuries during the second quarter. Our continuous focus on safety and the dedication of our personnel have contributed to maintaining a safe working environment. Safety remains our top priority.

Furthermore, we have successfully deployed our first electrically operated machines in the underground mine. This resulted in positive outcomes in terms of production efficiency and operational performance. We look forward to introduce more machines throughout the remainder of the autumn. We continue to explore opportunities for implementing environmentally friendly technologies and reducing our carbon footprint.

After a decline in iron ore prices in the beginning of the quarter, we witnessed a turnaround with prices strengthening towards the end of June. This positive trend, coupled with a weak Norwegian currency, provided Rana Gruber with a distinct advantage. We carefully monitored market conditions and navigate market fluctuations to ensure a robust cash flow to conduct operations, undertake investments related to our strategic projects, and as well deliver on our dividend policy.

Rana Gruber continues to distribute dividends, returning capital to the company's investors. The board of directors decided to pay out a quarterly dividend of NOK 2.00/share for the second quarter. This means that we have distributed 70 per cent of the adjusted net profit as dividends in all the ten quarters since the company became public.

We are optimistic about the future despite some market uncertainties. With a solid foundation of steady production, operational efficiency and strategic partnership with Cargill, we are confident in our ability to navigate the ever-changing landscape of the industry.

Gunnar Moe
CEO of Rana Gruber ASA

Gunnar Moe

REVIEW OF THE SECOND QUARTER AND FIRST HALF OF 2023

HIGHLIGHTS

- The strong production continued, with production volumes of 427' mt, representing a 9 per cent year-over-year increase.
- Cash cost per mt of NOK 498 (NOK 500), equivalent to a cash cost of 46 USD per mt.
- The comprehensive summer maintenance stop was executed successfully, with extensive work completed without any incidents or damages.
- The first electrically operated machine in the underground mine was successfully deployed, and preliminary results indicate excellent efficiency and machine utilisation. This marks a significant milestone in decarbonising the operations and demonstrates Rana Gruber's commitment to a more sustainability mining industry.
- The board of directors decided to pay out a quarterly dividend of NOK 2.00/share, implying a pay-out ratio of 70.0 per cent.

EVENTS AFTER THE QUARTER-END

- Rana Gruber secured fixed freight rates of USD 20.15/mt for 20 kmt per month in Q3 2023 and USD 20.20/mt for 20 kmt per month in Q4 2023, totaling 60 kmt for each period.
- The company decided to ship one vessel to China due to strong inventory and a softer European steel market.
- Based on today's prices for electric mining equipment, Enova has committed to providing support for 40 percent of the additional costs for electrically operated primary machines, as compared to fossil-powered machines in the underground mine.

KEY FINANCIAL FIGURES (IFRS)

Amounts in NOK thousand, except where indicated otherwise	**Q2 2023**	Q2 2022*	Change (%)	**H1 2023**	H1 2022*	Change (%)
Revenue	**348 753**	294 359	18.5	**841 719**	810 012	3.9
EBITDA	**93 693**	72 953	28.4	**319 995**	346 520	(7.7)
EBITDA margin (%)	**26.9**	24.8	2.1pp	**38.0**	42.8	(4.8pp)
Net profit	**106 399**	158 191	(32.7)	**203 831**	177 973	14.5
Adjusted net profit	**106 130**	79 860	32.9	**257 525**	190 636	35.1
Cash cost	**213.5**	197.2	6.2	**429.9**	424.7	0.3
Cash cost per mt. produced (NOK)	**498**	500	(2.3)	**497**	530	(7.0)
EPS	**2.87**	4.27	(32.7)	**5.50**	4.80	14.5
Adjusted EPS	**2.86**	2.15	32.9	**6.94**	5.14	35.1

- *Quarterly financial figures are unaudited.*
- *For explanation of alternative performance measures, see the appendix to the interim financial statements.*
- *Information in parentheses refers to the corresponding period in the previous year.*

** See note 6*

OPERATIONAL REVIEW

PRODUCTION

Amounts in thousand metric tons, except where indicated otherwise	**Q2 2023**	Q2 2022	Change (%)	**H1 2023**	H1 2022	Change (%)
Production concentrate	**427**	393	8.7	**861**	799	7.8
Production hematite	**399**	370	7.8	**802**	753	6.6
Production magnetite	**28**	23	22.7	**59**	46	28.1
Production Colorana	**1.5**	1.2	23.0	**3.3**	2.8	20.1
Production ore	**1 199**	1 204	(0.4)	**2 334**	2 475	(5.7)
Production underground (ore)	**638**	646	(1.4)	**1 269**	1 363	(6.9)
Production open pit (ore)	**562**	558	0.7	**1 065**	1 112	(4.2)
Production open pit (waste rock)	**585**	1 190	(50.8)	**1 068**	2 393	(55.4)
Volumes sold						
Volume hematite	**432**	400	8.2	**855**	783	9.2
Volume magnetite	**28**	24	15.9	**56**	44	26.0
Volume Colorana	**1.1**	1.4	(21.7)	**3.0**	2.9	1.9

The concentrate production reached 427' mt (393' mt). It is worth noting that the second quarter typically contains a slight decrease compared to other quarters due to maintenance activities carried out in both the mine and processing plant. However, this indicates a continued high level in production, building upon the momentum established in previous quarters.

The low production of waste rock in the open pit can be attributed to the favourable location of the Kvannevann East mine. As announced in the first quarter, the company is witnessing an increase in tonnage in the second quarter due to higher activity in the Nordmalmen area during the summer season to avoid costly production in the smaller pits during the winter season. This is expected to continue into the third quarter as well.

Production of hematite concentrate amounted to 399' mt (370' mt). In addition, 28' mt (23' mt) of magnetite concentrate and 1.5' mt (1.2' mt) of Colorana products were produced.

Volume sold of hematite was 432' mt (400' mt), which corresponds to seven shipments. This resulted in a small reduction of hematite concentrate inventory.

PRODUCT AREAS

	Hematite		Magnetite		Colorana, special products	
	Q2 2023	Q2 2022	**Q2 2023**	Q2 2022	**Q2 2023**	Q2 2022
Revenues (NOK million)	**290**	247	**43**	28	**12**	13
Volumes sold (mt)	**432 129**	399 505	**27 900**	24 069	**1 122**	1 432
Revenues per mt (NOK)	**671**	619	**1 542**	1 155	**10 789**	9 215
Cash cost per mt (NOK)*	**480**	482	**480**	482	**5 940**	6 565
Cash margin per mt (NOK)	**191**	136	**1 062**	673	**4 849**	2 650
Margin per mt (%)	**28.5**	22.1	**68.9**	58.3	**44.9**	28.8
Production (mt)	**398 516**	**369 679**	**28 436**	23 181	**1 463**	1 189

** For hematite and magnetite concentrates, the cash cost is not separated.*

The hematite production yielded a margin of 28.5 per cent (22.1 per cent) per mt. The margin increase for the hematite production compared to the second quarter of 2022 is largely explained by volume, FX and stable cash cost per mt. For more information about the booking of revenues, please see note 5 in the consolidated annual report for 2022.

The magnetite production yielded a margin of 68.9 per cent (58.3). The margin increase is largely explained by increased volume, prices, FX and stable cash cost per mt.

Colorana products yielded a margin of 44.9 per cent (28.8). The increase is explained by increased prices, sales mix, and reduced cost per mt.

All three product areas benefit from strong production, which contributes to stable cash costs. This allows for improved profitability and financial performance.

DEVELOPMENT PROJECTS

Rana Gruber is focusing on three key strategic projects, as previously communicated. The first is eliminating all carbon emissions from the production before the end of 2025. The second project relates to increasing the product quality by lifting the iron content, and the third is to increase the magnetite production.

Related to the zero-carbon emissions project, Enova committed to provide support for 40 per cent of the additional costs for the investments in electrically operated primary machines compared to fossil-powered machines in the underground mine. This arrangement is based on today's prices.

Rana Gruber will present a comprehensive overview of CAPEX, the support arrangement, and the progress of all three projects during the Capital Markets Day on November 15th. Additionally, there will be an update on the development of a product beyond Fe65.

HSE

Rana Gruber consistently prioritises the implementation of safety measures throughout the production process, and the company is pleased to report that there were no new production-related injuries or accidents leading to work absences during the quarter. This achievement shows Rana Gruber's commitment to ensuring a safe working environment for employees.

FINANCIAL REVIEW

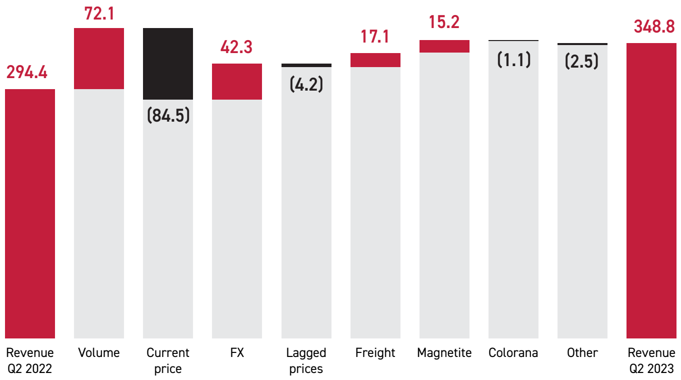
Amounts in NOK million, except where indicated otherwise	**Q2 2023**	Q2 2022 [1]	Change (%)	H1 2023	H1 2022 [1]	Change (%)
Revenues	**348.8**	294.4	18	841.7	810.0	4
Raw materials and consumables used	**(101.4)**	(90.9)	12	(203.3)	(182.6)	11
Other costs	**(141.0)**	(113.9)	24	(284.9)	(259.7)	10
Change in inventory	**(12.7)**	(16.7)	(24)	(33.5)	(21.2)	58
EBITDA	**93.7**	73.0	28	320.0	346.5	(8)
Depreciation	**(42.2)**	(40.0)	6	(81.9)	(79.9)	3
EBIT	**51.5**	33.0	56	238.1	266.7	(11)
Financial income/(expenses), net	**84.9**	169.8	(50)	23.2	(38.5)	(160)
Pre-tax profit	**136.4**	202.8	(33)	261.3	228.2	15
Tax	**(30.0)**	(44.6)	(33)	(57.5)	(50.2)	15
Net profit	**106.4**	158.2	(33)	203.8	178.0	15
Adjustments [2]	**(0.3)**	(100.4)	(100)	68.8	16.2	324
Tax on adjustments	**0.1**	22.1	(100)	(15.1)	(3.6)	324
Adjusted net profit	**106.1**	79.9	33	257.5	190.6	35
EPS	**2.87**	4.27	(33)	5.50	4.80	15
EPS adj.	**2.86**	2.15	33	6.94	5.14	35

1) See note 6.
2) For explanation, please see the appendix to the interim financial statements.

PROFIT AND LOSS

Total revenues for the second quarter amounted to NOK 348.8 million (NOK 294.4 million). Although the average iron ore price was lower than in the previous year, increased sales volumes, a weakened Norwegian currency, reduced freight rates for shipments to Europe, and higher magnetite sales contributed to a rise in total revenues for the quarter.

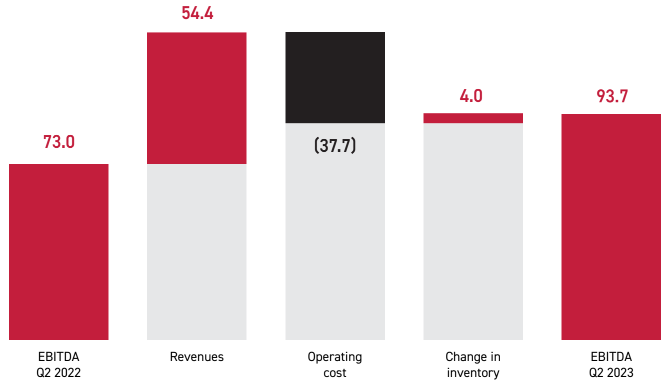
Revenues
Amounts in NOK million



Cash costs ended at a total of NOK 213.5 million (NOK 197.2 million), which corresponds to NOK 498/mt produced (NOK 500/mt produced).

Operating profit (EBITDA) ended at NOK 93.7 million (NOK 73.0 million). The increase was due to higher revenues and increased production. Operating costs were higher compared to the same period last year, primarily driven by increased activity related to the company's strategic projects, higher energy costs and inflation. The insourcing of workstreams also had a short-term negative effect on operating costs, but the company expects the insourcing of workstreams to reduce future capital expenditures. Rana Gruber closely monitors cost developments to mitigate the impact of global economic factors on its operations.

EBITDA
Amounts in NOK million



Net financial income of NOK 84.9 million consist mainly of value adjustments of hedging of electric power, iron ore, and currency.[1] In addition, net financial items include currency regulation on trade receivables and bank accounts. For more information about net financial income, please see note 6 to the interim financial statements.

The above-mentioned factors resulted in a net profit of NOK 106.4 million (NOK 158.2 million). This corresponds to earnings per share (EPS) of NOK 2.87 (NOK 4.27).

The adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the company's portfolio of hedging. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter. In this case, the shipments are those initiated in the second quarter for which the final price is concluded in the third. The board also has power of attorney to adjust for extraordinary events which do not count as being part of the company's core business.

Adjusted net profit for the quarter amounted to NOK 106.1 million (NOK 79.9 million), which gave an adjusted EPS of NOK 2.86 (NOK 2.15).

1) The company does not apply hedge accounting .

FINANCIAL POSITION AND LIQUIDITY

Amounts in NOK million, except where indicated otherwise	**30 June 2023**	31 March 2023	Change (%)	31 December 2022	Change (%)
Total assets	**1 514**	1 458	1	1 445	2
Total equity	**810**	809	0	823	(2)
Equity ratio (%)	**53.5**	55.5	(2.0pp)	57.0	(3.5pp)
Cash and cash equivalents	**348**	232	50	213	64
Interest-bearing debt	**174**	153	14	138	26

Interest-bearing debt towards financial institutions consists of lease and rent obligations. Apart from this, the company has no long-term debt towards financial institutions. Rana Gruber has an unused credit facility of NOK 100 million.

After dividend distributions for the first quarter of 2023, the company's equity ratio was 53.5 per cent (55.5 per cent at 31 March 2023). Total cash holdings at the end of the quarter were NOK 348 million.

CASH FLOW

The total cash flow from the operations was positive by NOK 319.0 million (NOK 272.7 million). The deviation from EBITDA is mainly due to changes in working capital.

The capex for the period totalled NOK 86.0 million (NOK 29.8 million), of which NOK 67.3 million was development capex, mainly related to the new mine level and the Fe65 project as well as the new heating facility in the underground mine that will contribute to the zero carbon emissions project. NOK 18.7 million was related to maintenance.

Financing activities consisted of NOK 106.1 million (NOK 77.5 million) as pay-out of dividends and NOK 10.2 million as payment of the principal portion of the lease liabilities.

In sum, the total cash flow for the quarter was positive by NOK 116.8 million (positive NOK 159.7 million).

MARKET AND HEDGING POSITIONS FOR IRON ORE

The second quarter witnessed a drop in the IODEX 62% Fe iron ore price due to weak fundamentals in China's steel market. But prices rebounded following news of support for China's domestic property sector and an unexpected rise in iron ore imports. Steel demand in China remains fragile, impacted by a stuttering economic recovery and weak construction activity. Seaborne iron ore supply growth has exceeded expectations, led by increased exports from Brazil and India, while the premium for high-grade fines has narrowed.

The management continuously assesses the company's portfolio of hedging positions based on dialogue with and input from customers, partners, industry experts, and analysts. The hedging positions shall contribute to a sustainable and stable cash flow, enabling future investments and compliance with the company's dividend policy. As stated in the hedging policy, hedging positions can cover a maximum of 50 per cent of the annual production volumes, and can be divided into positions for a duration of two years.

At 30 June, the company had multiple hedging positions related to both prices of iron ore and exchange rate. The total hedging positions of iron ore held by the company cover 360' mt, at an average price of USD 121/mt. Please see note 10 to the interim financial statements for further information about the hedging portfolio.

RISK AND UNCERTAINTIES

Rana Gruber is subject to several risks which may affect the company's operational and financial performance. These risks are monitored by the management and reported to the board on a regular basis.

The company is subject to financial and market risks related to decreases in iron ore prices and increases in freight rates. It is also subject to currency and exchange rate risk, as well as inflation risk impacting input costs.

China is the main demand driver for iron ore, and events impacting the Chinese market also impact the iron ore market.

For a more detailed description of potential risks, please see an overview in the annual report for 2022.

SHARE INFORMATION

On 30 June, the company had 6 919 shareholders. The 20 largest shareholders held a total of 61.5 per cent of the shares.

The share was traded between NOK 51.30 and NOK 63.70 per share in the quarter, with a closing price of NOK 55.90 per share on 30 June 2023.

Pursuant to the company's adjusted dividend policy, the company aims to distribute 50-70 per cent of the adjusted net profit as quarterly dividends. The adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the company's portfolio of hedging. The relevant hedging positions are those related to shipments initiated in the quarter of reporting for which the final price is concluded in the subsequent quarter. In this case, the shipments are those initiated in the second quarter for which the final price is concluded in the third. The board also has power of attorney to adjust for extraordinary events which do not count as being part of the company's core business.

The board has the flexibility to utilise approximately 30 per cent of the estimated dividend payments to repurchase Rana Gruber shares for subsequent redemption and reduce the dividend payments correspondingly. Any buyback program to achieve the same purpose for future quarters will be announced separately.

The board has decided that a dividend of NOK 2.00 per share will be paid out for the second quarter. It will be paid out at or around

12 September. This means that the company has distributed 70 per cent of the adjusted net profit as dividends in all the ten quarters since the company became public.

Ex. Date	Dividend (NOK/share)
31 August 2023	2.00
15 May 2023	2.86
17 February 2023	3.00
14 November 2022	1.05
26 August 2022	1.51
16 May 2022	2.09
15 February 2022	1.51
Dividend paid in 2021	10.31

OUTLOOK

Rana Gruber has strategic projects to eliminate its carbon emissions and improving product quality. The company will finance these projects through operational earnings, lease obligations, and public financial support. The completion of these projects is expected to be in 2025 and 2024, respectively. Additionally, Rana Gruber is exploring the development of a direct reduction (DR) grade iron ore to contribute to reduce carbon emissions in the steel industry. These projects are expected to strengthen Rana Gruber's position as one of the most sustainable producers in the industry, which is also expected to increase the market value for Rana Gruber products. More comprehensive information on the strategic development projects will be provided during the capital markets update in connection with the third quarter presentation 15 November 2023.

The company anticipates stable and high production volumes in the coming quarters, supported by its vast resources and operational efficiency. In addition, the company's strategic partnership with Cargill provides flexibility to navigate market changes. Due to strong inventory and a weak European steel market, the company explores the possibility to ship more vessels to Asia. With strong production, solid customer base, and strong financial position, the company remains optimistic about its outlook despite some market uncertainties.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS AND CEO

The board of directors and CEO have considered and approved the condensed consolidated financial statements for the period 1 January to 30 June 2023. We confirm that, to the best of our knowledge, the condensed financial statements for the abovementioned period:

- have been prepared in accordance with International Financial Reporting Standards (IFRS)
- provide a true and fair view of the company's assets, liabilities, financial position, and overall result for the period viewed in its entirety

We also confirm that the interim report:

- includes a fair review of any significant events that occurred during the above-mentioned period, and their effect on the financial performance
- provides an accurate picture of any significant related parties' transactions, and principal risks and uncertainties faced by the company

Mo i Rana, 28 August 2023
The board of directors and CEO of Rana Gruber ASA

Morten Støver *Chair*	Kristian Adolfsen *Director*	Frode Nilsen *Director*	Hilde Rolandsen *Director*	Ragnhild Wiborg *Director*
Lasse O. Strøm *Director*	Johan Hovind *Director*	Henriette Zahl Pedersen *Director*	Gunnar Moe *Chief executive officer*	

INTERIM FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	*Notes*	**Q2 2023**	Q2 2022*	**H1 2023**	H1 2022*
Revenue	*5*	**348 753**	294 359	**841 718**	810 012
Changes in inventories		**(12 665)**	(16 668)	**(33 455)**	(21 204)
Raw materials and consumables used		**(101 357)**	(90 885)	**(203 336)**	(182 617)
Employee benefit expenses		**(73 417)**	(64 936)	**(151 065)**	(137 520)
Depreciation	*7, 8*	**(42 232)**	(39 976)	**(81 887)**	(79 855)
Other operating expenses		**(67 621)**	(48 917)	**(133 866)**	(122 152)
Operating profit/(loss)		**51 461**	32 977	**238 109**	266 664
Financial income		**5 251**	2 603	**7 568**	3 132
Financial expenses		**(2 883)**	(2 384)	**(5 126)**	(4 357)
Other financial gains/(losses)	*6*	**82 580**	169 613	**20 771**	(37 269)
Financial income/(expenses), net		**84 948**	169 832	**23 213**	(38 494)
Profit/(loss) before income tax		**136 409**	202 809	**261 322**	228 170
Income tax expense		**(30 010)**	(44 618)	**(57 491)**	(50 197)
Profit/(loss) for the period		**106 399**	158 191	**203 831**	177 973
Other comprehensive income from items that will not be reclassified to profit or loss:					
Tax on items not reclassified to profit or loss		**-**	-	**-**	-
Net other comprehensive income/(loss)		**-**	-	**-**	-
Comprehensive profit for the period		**106 399**	158 191	**203 831**	177 973
Earnings per share (in NOK):					
Basic and diluted earnings per ordinary share		**2.87**	4.27	**5.50**	4.80

* *See note 6.*

STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	*Notes*	**30 June 2023**	31 March 2023	31 December 2022
ASSETS				
Non-current assets				
Mine properties	*8*	**404 456**	368 327	309 096
Property, plant and equipment	*7*	**206 667**	187 656	182 300
Right-of-use assets		**169 413**	149 775	137 893
Derivative financial assets		**6 729**	10 952	23 151
Total non-current assets		**787 265**	716 710	652 440
Current assets				
Inventories		**136 948**	151 827	159 919
Trade receivables	*9*	**55 278**	195 187	178 670
Other current receivables		**52 691**	42 111	53 635
Derivative financial assets	*9, 10*	**133 476**	120 101	187 545
Cash and cash equivalents		**348 367**	231 611	212 837
Total current assets		**726 760**	740 838	792 606
Total assets		**1 514 025**	1 457 548	1 445 046
EQUITY AND LIABILITIES				
Equity				
Share capital		**9 271**	9 271	9 271
Share premium		**92 783**	92 783	92 783
Other equity		**707 511**	707 176	720 999
Total equity		**809 565**	809 230	823 053
LIABILITIES				
Lease liabilities		**123 624**	108 340	97 199
Net deferred tax liabilities		**203 537**	173 527	146 046
Provisions		**15 225**	15 000	15 000
Other non-current liabilities		**2 265**	2 265	2 265
Total non-current liabilities		**344 651**	299 132	260 510
Trade payables		**176 405**	168 702	160 614
Lease liabilities (current portion)		**50 429**	44 840	40 935
Current tax liabilities		**35 114**	72 072	109 029
Derivative financial liabilities	*9, 10*	**5 650**	11 060	-
Other current liabilities		**92 211**	52 512	50 905
Total current liabilities		**359 809**	349 186	361 483
Total liabilities		**704 460**	648 318	621 993
Total equity and liabilities		**1 514 025**	1 457 548	1 445 046

Mo i Rana, 28 August 2023
The board of directors and CEO of Rana Gruber ASA

Morten Støver
Chair

Kristian Adolfsen
Director

Frode Nilsen
Director

Hilde Rolandsen
Director

Ragnhild Wiborg
Director

Lasse O. Strøm
Director

Johan Hovind
Director

Henriette Zahl Pedersen
Director

Gunnar Moe
Chief executive officer

STATEMENT OF CASH FLOWS

Amounts in NOK thousand	*Notes*	**Q2 2023**	Q2 2022	**H1 2023**	H1 2022
Cash flow from operating activities:					
Profit before income tax		**136 408**	202 809	**261 322**	228 171
Adjustments for:					
Movements in provisions and government grants		**-**	467	**-**	1 307
Depreciation of tangible assets		**42 232**	39 977	**81 886**	79 855
Unsettled loss/(gain) on derivative financial instruments	*7, 8*	**(123 603)**	(68 395)	**(111 404)**	(68 395)
Fair value change on settled derivatives		**109 041**	(96 610)	**187 545**	95 567
Net finance income / expense	*6*	**(393)**	1 354	**(467)**	2 797
Working capital changes:					
Change in inventories		**14 879**	9 551	**22 971**	10 778
Change in receivables and payables		**176 955**	201 564	**181 659**	9 766
Income tax paid		**(36 958)**	(16 649)	**(73 916)**	(33 299)
Interests received		**3 277**	1 031	**5 594**	1 560
Interests paid		**(2 884)**	(2 385)	**(5 127)**	(4 357)
Net cash flow from operating activities		**318 954**	272 714	**550 063**	323 750
Cash flow from investment activities:					
Expenditures on mine development	*8*	**(56 450)**	(14 099)	**(135 070)**	(21 076)
Expenditures on property, plant and equipment	*7*	**(29 513)**	(15 747)	**(44 998)**	(27 116)
Net cash flow from investing activities		**(85 963)**	(29 846)	**(180 068)**	(48 192)
Cash flow from financing activities:					
Acquisition of treasury shares		**-**	-	**-**	(14 163)
Payment of principal portion of lease liabilities		**(10 171)**	(5 710)	**(17 145)**	(13 634)
Dividends paid		**(106 063)**	(77 508)	**(217 319)**	(133 883)
Net cash flow from financing activities		**(116 234)**	(83 218)	**(234 464)**	(161 680)
Net increase/(decrease) in cash and cash equivalents		**116 757**	159 650	**135 531**	113 878
Cash and cash equivalents at the beginning of the period		**231 611**	218 590	**212 837**	264 363
Cash and cash equivalents at the end of the period		**348 367**	378 241	**348 367**	378 241

STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Share capital	Share premium	Treasury shares	Retained earnings	**Total equity**
Balance at 1 January 2022	9 348	92 783	(2 835)	482 515	**581 811**
Profit for the period	-	-	-	177 974	**177 974**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income	-	-	-	177 974	**177 974**
Dividends paid	-	-	-	(133 883)	**(133 883)**
Acquisition of treasury shares	-	-	(14 163)	-	**(14 163)**
Share capital reduction	(77)	-	16 998	(16 921)	
Balance at 30 June 2022	9 271	92 783	-	509 685	**611 739**
					-
Balance at 1 January 2023	9 271	92 783	-	720 999	**823 053**
Profit for the period	-	-	-	203 831	**203 831**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income	-	-	-	203 831	**203 831**
Dividends paid	-	-	-	(217 319)	**(217 319)**
Balance at 30 June 2023	9 271	92 783	-	707 511	**809 565**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION

Rana Gruber ASA is a limited liability company incorporated and domiciled in Norway whose shares are traded on Oslo Stock Exchange. The company was established in 1964 and the registered office is located at Mjølanveien 29 in Mo i Rana, Norway.

NOTE 2: BASIS FOR THE PREPARATION

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. This interim financial report does not include all information and disclosures required by International Financial Accounting Standards ("IFRS") for a complete set of annual financial statements. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2022.

The financial statements for the year ended 31 December 2022 are available at www.ranagruber.no.

These interim financial statements are unaudited.

The accounting policies applied by the company in these interim financial statements are the same as those applied by the company in its financial statements for the year ended 31 December 2022. Because of rounding differences, numbers or percentages may not add up to the sum totals.

In the interim financial statements, the first half year (H1) is defined as the reporting period from 1 January to 30 June, and the second quarter (Q2) as the one starting on 1 April and ending 30 June.

All amounts are presented in NOK thousands (TNOK) unless otherwise stated.

Significant assumptions and estimates
The preparation of financial statements requires the management and the board of directors to make assessments and assumptions that affect recognised assets, liabilities, income and expenses, and other information provided, such as contingent liabilities. For further information concerning these, please refer to the Rana Gruber 2022 annual report.

NOTE 3: SIGNIFICANT CHANGES, EVENTS, AND TRANSACTIONS IN THE CURRENT REPORTING PERIOD

The board has decided that a dividend of NOK 2.00 per share will be paid for the second quarter. The dividend will be paid out at or around 12 September.

The financial position and the performance of the company was not particularly affected by any significant events or transactions, other than those mentioned above, during the second quarter of 2023.

NOTE 4: PROFIT AND LOSS INFORMATION

Income tax expense
Income tax expense is recognised based on the management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the current quarter is 22 per cent, which is the same as the tax rate used for the comparable period last year.

Seasonality of operations
The mining operations for the company has some small seasonal variations due to planned maintenance. The annual comprehensive maintenance stop for 2023 was held in Q2, and the production output for Q2 has been in line with the management's operational production estimates.

NOTE 5: REVENUE

The following breakdown of revenue from contracts with customers presents a disaggregation by major product line:

Amounts in NOK thousand	**Q2 2023**	Q2 2022	**H1 2023**	H1 2022
Sales of hematite	**313 962**	393 178	**688 934**	747 542
Sales of magnetite	**43 028**	27 812	**82 096**	51 818
Sales of Colorana	**12 105**	13 191	**30 135**	25 898
Total revenue from contracts with customers	**369 095**	434 181	**801 165**	825 258
Effect from provisionally priced receivables	**(24 015)**	(145 867)	**33 797**	(27 663)
Other income	**3 673**	6 045	**6 756**	12 417
Total revenue	**348 753**	294 359	**841 718**	810 012

Revenue from sources other than contracts with customers includes primarily the fair value changes on trade receivables for the reporting period due to the provisional price mechanisms. For further information please see note 5 in the 2022 annual report.

NOTE 6: OTHER FINANCIAL GAINS AND LOSSES

Amounts in NOK thousand	**Q2 2023**	Q2 2022*	**H1 2023**	H1 2022
Net gain/(loss) on financial assets at fair value through profit or loss – derivatives on exchange rates	**(17 398)**	(97 370)	**(65 598)**	(81 646)
Net gain/(loss) on financial assets at fair value through profit or loss – derivatives on iron ore prices	**82 579**	232 557	**67 654**	3 100
Net gain/(loss) on financial assets at fair value through profit or loss – derivatives on electric power	**1 240**	7 536	**(3 929)**	17 619
Net foreign exchange gains (losses)	**16 159**	26 890	**22 644**	23 658
Total other financial gains and losses	**82 580**	169 613	**20 771**	(37 269)

* The YTD figures presented in the Q2 2022 and H1 2022 column has been reclassified in this H1 2023 report. The reclassification pertains to the presentation of effects from electric power hedging instruments, with the aim of aligning the treatment of these derivatives with the company's presentation policy for other derivative instruments held for economic hedging purposes. Consequently, for Q2 2022, NOK 4 378 thousand (H1: NOK 9 368 thousand) has been reclassified from Raw materials and consumables used to Other financial gains/losses, and NOK 3 157 thousand (H1: NOK 8 251 thousand) has been reclassified from Other operating expenses to Other financial gains/losses.

NOTE 7: PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment:

Amounts in NOK thousand	Land and bulidings	Machinery and plants	Operating equipment etc.	**Total**
Year ended 31 December 2022				
Opening net book amount (1 January 2022)	46 747	100 056	6 613	**153 416**
Additions	20 860	41 194	3 644	**65 698**
Depreciation charge	(5 799)	(28 374)	(2 641)	**(36 814)**
Closing net book amount (31 December 2022)	61 808	112 876	7 616	**182 300**
At 31 December 2022				
Cost	108 065	653 060	60 681	**821 806**
Accumulated depreciation and impairment	(46 257)	(540 184)	(53 065)	**(639 506)**
Net book amount (31 December 2022)	61 808	112 876	7 616	**182 300**
Period ended 30 June 2023 (YTD)				
Opening net book amount (1 January 2023)	61 808	112 876	7 616	**182 300**
Additions	6 426	37 904	668	**44 998**
Depreciation charge	(3 356)	(15 708)	(1 567)	**(20 631)**
Closing net book amount (30 June 2023)	64 878	135 072	6 717	**206 667**
At 30 June 2023				
Cost	114 491	690 964	61 349	**866 804**
Accumulated depreciation and impairment	(49 613)	(555 892)	(54 632)	**(660 137)**
Net book amount (30 June 2023)	64 878	135 072	6 717	**206 667**

Property, plant, and equipment (Q2 2023):

Amounts in NOK thousand	Land and bulidings	Machinery and plants	Operating equipment etc.	**Total**
Period ended 31 March 2023				
Opening net book amount (1 January 2023)	61 808	112 876	7 616	**182 300**
Additions	1 933	12 982	569	**15 484**
Depreciation charge	(1 669)	(7 692)	(767)	**(10 128)**
Closing net book amount (31 March 2023)	62 072	118 166	7 418	**187 656**
At 31 March 2023				
Cost	109 998	666 042	61 250	**837 290**
Accumulated depreciation and impairment	(47 926)	(547 876)	(53 832)	**(649 634)**
Net book amount (31 March 2023)	62 072	118 166	7 418	**187 656**

Property, plant, and equipment:

Amounts in NOK thousand	Land and bulidings	Machinery and plants	Operating equipment etc.	**Total**
Period ended 30 June 2023 (Q2)				
Opening net book amount (1 March 2023)	62 072	118 166	7 418	**187 656**
Additions	4 493	24 922	99	**29 514**
Depreciation charge	(1 687)	(8 016)	(800)	**(10 503)**
Closing net book amount (30 June 2023)	64 878	135 072	6 717	**206 667**

NOTE 8: MINE PROPERTIES

Mine properties: *Amounts in NOK thousand*	Exploration and evaluation assets	Mines under construction	Producing mines	**Total**
Year ended 31 December 2022				
Opening net book amount (1 January 2022)	8 539	-	295 229	**303 768**
Additions	41 525	39 726	14 770	**96 021**
Transfers	(41 976)	41 976	-	**-**
Depreciation charge	-	-	(90 693)	**(90 693)**
Closing net book amount (31 December 2022)	8 088	81 702	219 306	**309 096**
At 31 December 2022				
Cost	8 088	81 702	929 046	**1 018 836**
Accumulated depreciation and impairment	-	-	(709 740)	**(709 740)**
Net book amount (31 December 2022)	8 088	81 702	219 306	**309 096**
Period ended 30 June 2023 (YTD)				
Opening net book amount (1 January 2023)	8 088	81 702	219 306	**309 096**
Additions	4 316	116 150	14 606	**135 072**
Transfers	-	-	-	**-**
Depreciation charge	-	-	(39 712)	**(39 712)**
Closing net book amount (30 June 2023)	12 404	197 852	194 200	**404 456**
At 30 June 2023				
Cost	12 404	197 852	943 652	**1 153 908**
Accumulated depreciation and impairment	-	-	(749 452)	**(749 452)**
Net book amount (30 June 2023)	12 404	197 852	194 200	**404 456**

Mine properties (Q1 2023): *Amounts in NOK thousand*	Exploration and evaluation assets	Mines under construction	Producing mines	**Total**
Period ended 31 March 2023				
Opening net book amount (1 January 2023)	8 088	81 702	219 306	**309 096**
Additions	1 996	67 589	9 036	**78 621**
Depreciation charge	-	-	(19 390)	**(19 390)**
Closing net book amount (31 March 2023)	10 084	149 291	208 952	**368 327**
At 31 March 2023				
Cost	10 084	149 291	938 082	**1 097 457**
Accumulated depreciation and impairment	-	-	(729 130)	**(729 130)**
Net book amount (31 March 2023)	10 084	149 291	208 952	**368 327**

Mine properties (Q2 2023)

Amounts in NOK thousand	Exploration and evaluation assets	Mines under construction	Producing mines	**Total**
Period ended 30 June 2023 (Q2)				
Opening net book amount (1 October 2022)	10 084	149 291	208 952	**368 327**
Additions	2 320	48 561	5 570	**56 451**
Depreciation charge	-	-	(20 322)	**(20 322)**
Closing net book amount (30 June 2023)	12 404	197 852	194 200	**404 456**

NOTE 9: FINANCIAL ASSETS AND LIABILITIES

9.1. Financial assets

Amounts in NOK thousand	**30 June 2023**	31 March 2023	31 December 2022
Finacial assets measured at amortised cost:	**409 374**	366 578	296 555
Other current receivables	**52 691**	42 111	53 635
Trade receivables not subject to provisional pricing mechanism (amortised cost)	**8 316**	92 856	30 083
Other non-current financial assets	**-**	-	-
Cash and cash equivalents	**348 367**	231 611	212 837
Financial assets measured at fair value through profit or loss:	**-**	102 331	148 587
Trade receivables subject to provisional pricing mechanism (fair value)	**-**	102 331	148 587
Derivatives (measured at fair value through profit or loss):	**140 205**	131 053	210 696
Foreign exchange forward contracts	**-**	-	11 380
Iron ore forward contracts	**61 980**	25 220	58 840
Electric power forward contracts	**78 225**	105 833	140 476
Total financial assets	**549 579**	599 962	655 838

9.2. Financial liabilities

Amounts in NOK thousand	**30 June 2023**	31 March 2023	31 December 2022
Liabilities measured at amortised cost	**270 881**	223 479	213 784
Trade payables and other current liabilities	**268 616**	221 214	211 519
Other non-current liabilities	**2 265**	2 265	2 265
Liabilities measured at fair value through profit or loss:	**(46 962)**	-	-
Prepayments subject to provisional pricing mechanism	**(46 962)**	-	-
Derivatives (measured at fair value through profit or loss):	**5 650**	11 060	-
Foreign exchange forward contracts	**5 650**	11 060	-
Total financial liabilities	**276 531**	234 539	213 784

9.3. Fair value hierarchy

The different fair value measurement levels have the following meaning:

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

- **Level 2:** The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the fair value of those assets and liabilities that are measured at fair value in the financial statements at each reporting date:

At 31 December 2022

Amounts in NOK thousand	Level 1	Level 2	Level 3	**Total**
Financial assets valued at FVPL:				
Trade receivables subject to provisional pricing mechanism	-	148 587	-	**148 587**
Derivatives (assets)	-	210 696	-	**210 696**
Total financial assets measured at fair value	-	359 283	-	**359 283**
Financial liabilities valued at FVPL:				
Other liabilities subject to provisional pricing mechanism	-	-	-	**-**
Derivatives (liabilities)	-	-	-	**-**
Total financial liabilities measured at fair value	-	-	-	**-**

At 31 March 2023

Amounts in NOK thousand	Level 1	Level 2	Level 3	**Total**
Financial assets valued at FVPL:				
Trade receivables subject to provisional pricing mechanism	-	102 331	-	**102 331**
Derivatives (assets)	-	131 053	-	**131 053**
Total financial assets measured at fair value	-	233 384	-	**233 384**
Financial liabilities valued at FVPL:				
Other liabilities subject to provisional pricing mechanism	-	-	-	**-**
Derivatives (liabilities)	-	(11 060)		**(11 060)**
Total financial liabilities measured at fair value	-	(11 060)	-	**(11 060)**

At 30 June 2023

Amounts in NOK thousand	Level 1	Level 2	Level 3	**Total**
Financial assets valued at FVPL:				
Trade receivables subject to provisional pricing mechanism	-	-	-	**-**
Derivatives (assets)	-	140 205	-	**140 205**
Total financial assets measured at fair value	-	140 205	-	**140 205**
Financial liabilities valued at FVPL:				
Other liabilities subject to provisional pricing mechanism	-	46 962	-	**46 962**
Derivatives (liabilities)	-	(5 650)		**(5 650)**
Total financial liabilities measured at fair value	-	41 312	-	**41 312**

Trade receivables subject to the provisional pricing mechanisms are considered level 2. The fair value of the provisionally priced trade receivables uses the forward prices of iron ore at the stipulated settlement date. This is an observable price with an active market, which is applied to the pricing formula for the agreements. For further information, please see note 5 in the 2022 annual report.

Derivatives are considered level 2. Fair value estimates have been determined based on present value calculations and other commonly used valuation techniques. The companys's derivative instruments are primarily swaps contracts where fair value estimates are based on equating the present value of a fixed and a variable stream of cash flows over the maturity of the contract. These estimates are based on observable input related to volatility, discount rates and current market values of the underlying assets to which the derivative instrument is related.

There were no transfers between levels of fair value measurements during the reporting periods.

Fair values of financial instruments not measured at fair value are not materially different to their carrying values.

NOTE 10: DERIVATIVES

10.1. Foreign exchange rate derivatives

For the relevant reporting periods, the company held the following positions in relation to derivatives to cover its foreign exchange rate risks:

Foreign exchange derivatives by maturity:	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	33 000	9.48	10.25	(8 832)
Maturity within 3 to 6 months	24 000	9.72	10.56	1 334
Maturity within 6 to 9 months	12 000	10.46	11.36	9 355
Maturity within 9 to 12 months	12 000	10.46	11.45	9 523
Balances at 31 December 2022	81 000	9.84	10.68	11 380

Foreign exchange derivatives by maturity:	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	27 000	9.80	10.62	(15 821)
Maturity within 3 to 6 months	15 000	10.45	11.33	1 779
Maturity within 6 to 9 months	15 000	10.45	11.42	2 278
Maturity within 9 to 12 months	13 500	10.34	11.22	704
Balances at 31 March 2023	70 500	10.18	11.06	(11 060)

Foreign exchange derivatives by maturity:	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (NOK thousand)
Maturity within 3 months	15 000	10.45	11.33	(1 448)
Maturity within 3 to 6 months	15 000	10.45	11.42	(1 560)
Maturity within 6 to 9 months	13 500	10.34	11.22	(2 642)
Maturity within 9 to 12 months	-	-	-	-
Balances at 30 June 2023	43 500	10.42	11.33	(5 650)

10.2. Iron ore price derivatives

The compnay enters into forward swap derivative agreements to manage the risk of changes in iron ore prices by reference to the pricing index TSI Iron Ore CFR China (62% Fe Fines). The following positions were held by the company in relation to the iron ore derivative instruments:

Balances at 31 December 2022:	Quantity (metric tons)	Weighted average fixed price per metric ton (USD)	Fair value (NOK thousand)
Derivatives already matured and recognised as other current receivables:	**50 000**	**143.69**	**18 655**
Matured iron ore derivatives *	50 000	143.69	18 655
Iron ore derivatives recognised as financial assets:	**240 000**	**140.45**	**58 840**
Maturity within 3 months	150 000	137.58	31 506
Maturity within 3 to 6 months	90 000	145.23	27 334
Maturity within 6 to 9 months	-	-	-
Maturity within 9 to 12 months	-	-	-

Balances at 31 March 2023:	Quantity (metric tons)	Weighted average fixed price per metric ton (USD)	Fair value (NOK thousand)
Derivatives already matured and recognised as other current receivables:	50 000	137.58	5 466
Matured iron ore derivatives*	50 000	137.58	5 466
Iron ore derivatives recognised as financial assets:	**540 000**	**125.28**	**25 220**
Maturity within 3 months	180 000	134.53	16 976
Maturity within 3 to 6 months	120 000	122.07	608
Maturity within 6 to 9 months	120 000	120.35	2 540
Maturity within 9 to 12 months	120 000	119.56	5 096

Balances at 30 June 2023:	Quantity (metric tons)	Weighted average fixed price per metric ton (USD)	Fair value (NOK thousand)
Derivatives already matured and recognised as other current receivables:	60 000	134.53	14 209
Matured iron ore derivatives (*)	60 000	134.53	14 209
Iron ore derivatives recognised as financial assets:	**360 000**	**120.66**	**61 980**
Maturity within 3 months	120 000	122.07	16 819
Maturity within 3 to 6 months	120 000	120.35	20 613
Maturity within 6 to 9 months	120 000	119.56	24 548
Maturity within 9 to 12 months	-	-	-

* Matured iron ore derivatives are accounted for in other current liabilities and other current receivables and are not subject to future fair value changes.

10.3. Electric power derivatives

The company entered into electric power price derivatives during 2022 with the aim of managing the risk from electric power price fluctuations in the spot market, corresponding with the energy consumption required for the company's operations. The company manages these fluctuations by entering into forward contracts with reference to the Nord Pool prices (system price) for the expected energy consumption for future periods. The following positions were held at the end of each period:

Balances at 31 December 2022:	Quantity (MWh)	Weighted average fixed price per MWh (EUR)	Fair value (NOK thousand)
Maturity within 3 months	21 590	(87.75)	32 209
Maturity within 3 to 6 months	21 840	(87.75)	26 830
Maturity within 6 to 9 months	22 080	(87.75)	26 223
Maturity within 9 to 12 months	22 090	(87.75)	32 063
Maturity within 12 to 24 months	70 272	26.52	23 151
Balances at 31 December 2022	157 872	(36.89)	140 476

Balances at 31 March 2023:	Quantity (MWh)	Weighted average fixed price per MWh (EUR)	Fair value (NOK thousand)
Maturity within 3 months	21 840	(87.75)	29 631
Maturity within 3 to 6 months	22 080	(87.75)	28 296
Maturity within 6 to 9 months	22 090	(87.75)	31 505
Maturity within 9 to 12 months	10 915	3.01	5 445
Maturity within 12 to 24 months	33 005	3.01	10 956
Balances at 31 March 2023	109 930	(36.89)	105 833

Balances at 30 June 2023:	Quantity (MWh)	Weighted average fixed price per MWh (EUR)	Fair value (NOK thousand)
Maturity within 3 months	22 080	(87.75)	29 708
Maturity within 3 to 6 months	22 090	(87.75)	31 517
Maturity within 6 to 9 months	15 281	(5.52)	6 341
Maturity within 9 to 12 months	15 288	3.87	3 930
Maturity within 12 to 24 months	30 919	5.82	6 729
Balances at 30 June 2023	105 658	(36.89)	78 225

NOTE 11: RELATED PARTY TRANSACTIONS

Transactions with related parties

Amounts in NOK thousand	Party	Relationship	**Q2 2023**	Q2 2022	**H1 2023**	H1 2022
Purchase of open-pit production services	Leonhard Nilsen & Sønner AS	Significant influence over the company	**(23 534)**	(41 283)	(55 157)	(84 182)
Purchase of mine level services	Leonhard Nilsen & Sønner AS	Significant influence over the company	**(54 844)**	(5 213)	(104 018)	(5 213)
Sales of operations and maintenance services	Leonhard Nilsen & Sønner AS	Significant influence over the company	**505**	109	713	219
Sales of administrative services	Greenland Ruby/LNS Greenland AS	Other related parties	**86**	294	168	351
Sales of administrative services	LNS Mining AS	Other related parties	**0**	618	412	1236
Total related party profit or loss items			**(77 787)**	(45 475)	(157 882)	(87 589)

NOTE 12: COMMITMENTS

The following significant contractual commitments are present at the end of the reporting period:

Capital commitments

Amounts in NOK thousand	**30 June 2023**	31 March 2023	31 December 2022
Property, plant, and equipment	**-**	-	5 945
Leases	**93 800**	167 807	67 218
Total capital commitments	**93 800**	167 807	73 163

Rana Gruber has entered a contract with Leonhard Nilsen & Sønner AS (LNS) for the first phase of development of the next mining level (L91). They started the work in the second quarter of 2022. The contract includes development of access tunnels and infrastructure needed to develop the mining level 91 for the Kvannevann underground mine in the Ørtfjell area, where production is expected to commence during 2024. Infrastructure development includes both areas for maintenance, and water and ventilation handling solutions.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

The board of directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the 2023 first half year interim financial report for the company.

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

The company reports its financial results in accordance with accounting principles IFRS as issued by the IASB and as endorsed by the EU. However, the management believes that certain Alternative Performance Measures (APMs) provide the management and other users with additional meaningful financial information that should be considered when assessing the group's ongoing performance. These APMs are non-IFRS financial measures and should not be viewed as a substitute for any IFRS financial measure. The management, the board of directors and the long-term lenders regularly use supplemental APMs to understand, manage and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessment of financial covenants compliance.

Definition of APMS

EBIT is defined as the profit/(loss) for the period before net financial income (expenses) and income tax expense. The company has decided to present this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the group's operating activities.

EBITDA is defined as the profit/(loss) for the period before net financial income (expenses), income tax expense, depreciation and amortisation. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBIT margin is defined as EBIT in percentage of revenues. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

EBITDA margin is defined as EBITDA in percentage of revenues. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of the profit generation in the company's operating activities.

Adjusted net profit is defined as profit for the period adjusted for the after tax net effects from unrealised fair value changes on derivatives with maturity within three months from the reporting date.

Equity ratio is defined as total equity in percentage of total assets. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the portion of total assets that are financed from owners' equity.

Cash cost is defined as the sum of raw materials and consumables used, employee benefit expenses and other operating expenses. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of cost of production in the company's operating activities.

Cash cost per metric ton is defined as cash cost divided by metric tons of iron ore sold. Metric tons of iron ore are defined as metric tons of hematite and magnetite produced in the current period. The company has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of cost of production in the company's operating activities.

Net interest-bearing debt is defined as the company's interest-bearing debt less cash and cash equivalents. Interest bearing debt consists of debt to credit institutions and financial leasing debt. Net interest-bearing debt is a non-IFRS measure for the financial leverage of the company, a financial APM the company intends to apply in relation to its capacity for dividend distribution and/or for doing investments, when and if the company will be able to carry out its dividend distribution and/or investments policy.

Reconciliation of APMS

The table below sets forth reconciliation of EBIT, EBITDA, and EBITDA margin:

Amounts in NOK thousand	**Q2 2023**	Q2 2022	**H1 2023**	H1 2022
Profit/(loss) for the period	**106 399**	158 191	**203 831**	177 973
Income tax expense	**30 010**	44 618	**57 491**	50 197
Net financial income/(expenses) 1	**(84 948)**	(169 832)	**(23 213)**	38 494
(a) EBIT	**51 461**	32 977	**238 109**	266 664
Depreciation and amortisation	**42 232**	39 976	**81 887**	79 855
(b) EBITDA	**93 693**	72 953	**319 996**	346 519
(c) Revenues	**348 753**	294 359	**841 718**	810 012
EBIT margin (a/c)	**15 %**	11 %	**28 %**	33 %
EBITDA margin (b/c)	**27 %**	25 %	**38 %**	43 %

The table below sets forth reconciliation of adjusted net profit:

Amounts in NOK thousand	**Q2 2023**	Q2 2022	**H1 2023**	H1 2022
Profit before tax for the period	**136 409**	202 809	**261 322**	228 170
One-offs	**-**	-	**-**	15 000
Unrealised hedging positions iron ore	**(36 917)**	(154 380)	**(17 827)**	(38 781)
Unrealised hedging positions FX	**8 964**	53 956	**24 415**	40 016
Unrealised hedging positions electric power	**27 608**	-	**62 251**	-
Adjusted profit before tax	**136 064**	102 385	**330 161**	244 405
Ordinary income tax	**(30 010)**	(44 618)	**(57 491)**	(50 197)
Tax on adjustments	**76**	22 093	**(15 145)**	(3 572)
Adjusted net profit	**106 130**	79 860	**257 526**	190 636

The table below sets forth reconciliation of equity ratio:

Amounts in NOK thousand	**30 June 2023**	31 March 2023	31 December 2022
(a) Total equity	809 565	809 230	823 053
(b) Total assets	1 514 025	1 457 548	1 445 046
Equity ratio (a/b)	53 %	56 %	57 %

The table below sets forth reconciliation of cash cost and cash cost per metric tons:

Amounts in NOK thousand	**Q2 2023**	Q2 2022	**H1 2023**	H1 2022
Raw materials and consumables used	**101 357**	90 885	**203 336**	182 617
Employee benefit expenses	**73 417**	64 936	**151 065**	137 520
Other operating expenses	**67 621**	48 917	**133 866**	122 152
Realised hedging positions electric power	**(28 848)**	(7 535)	**(58 321)**	(17 618)
(a) Cash cost	**213 547**	197 203	**429 946**	424 671
Metric tons of hematite produced	**399**	370	**802**	753
Metric tons of magnetite produced	**28**	23	**59**	46
Metric tons of Colorana produced	**1.5**	1.2	**3.4**	2.8
(b) Metric tons of iron ore produced	**429**	394	**864**	802
Cash cost per metric tons (a/b)	**498**	500	**497**	530

The table below sets forth reconciliation of net interest-bearing debt:

Amounts in NOK thousand	**30 June 2023**	31 March 2023	31 December 2022
Lease liabilities	174 053	153 180	138 134
Total interest-bearing debt	174 053	153 180	138 134
Cash and cash equivalents	(348 367)	(231 611)	(212 837)
Net interest-bearing debt	(174 314)	(78 431)	(74 703)

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