



**RANA  
GRUBER**

# Q4 2022 Results

CEO Gunnar Moe & CFO Erlend Høyen

Mo i Rana, 15 February 2022

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*The financial results of this presentation are based on the IFRS in contrast to the NGAAP-based results of the presentation for the corresponding period last year. The historical results included in this presentation therefore differ from the results communicated last year.*

*For APM definitions, please refer to the appendix to the condensed interim financial statements. Quarterly figures are unaudited.*

# Highlights Q4 2022

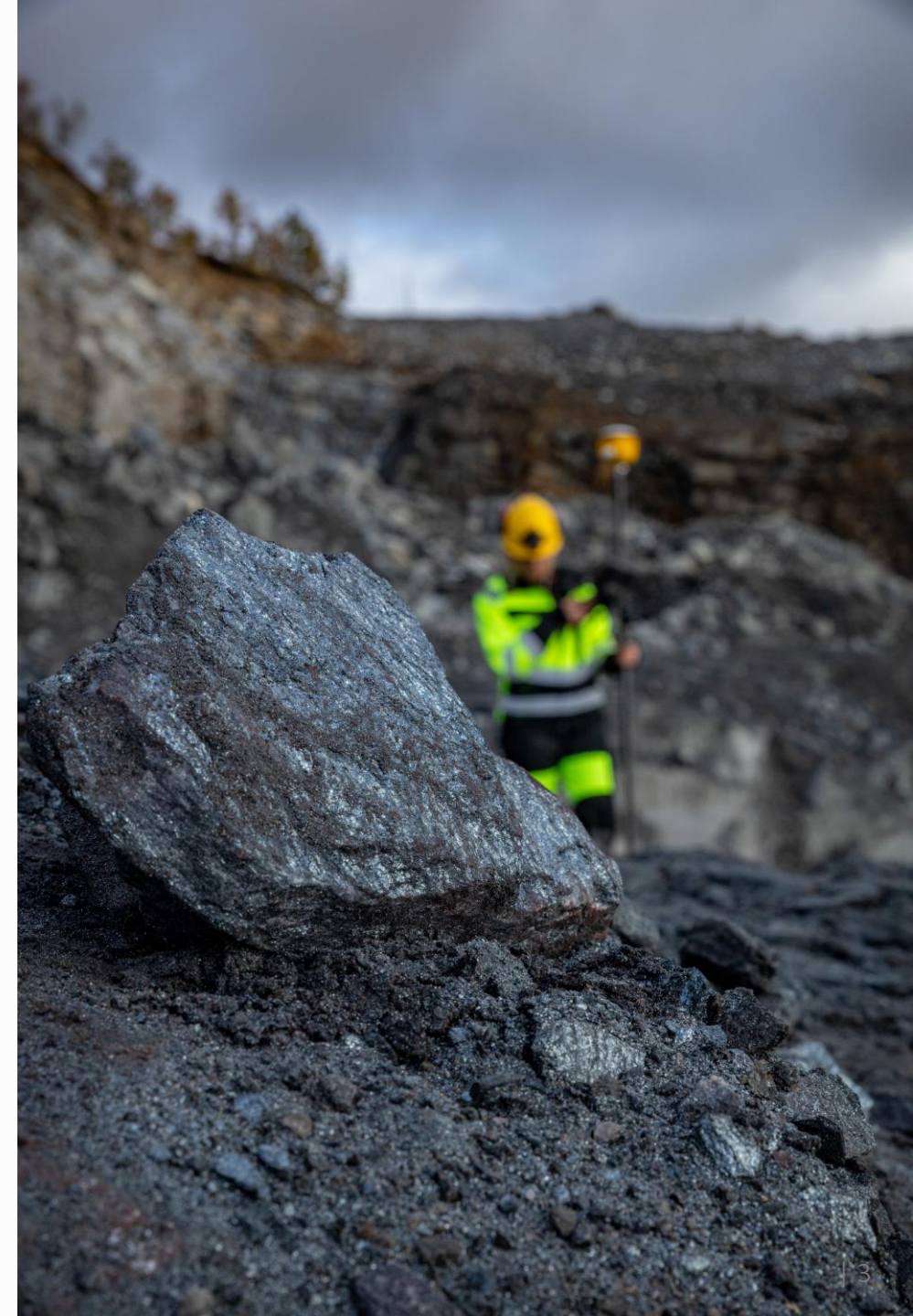
Strong production trend continued with 460 thousand mt in Q4-22 (and 1.73 million mt in FY-22), enabling reduced costs/mt

Improved market towards year-end

Local Jobs and Value Creation Award awarded by Nordland county part of The Confederation of Norwegian Enterprise (NHO)

Dividends of NOK 3.0 per share – second largest since listing

Agreement with Sandvik to support zero carbon emissions

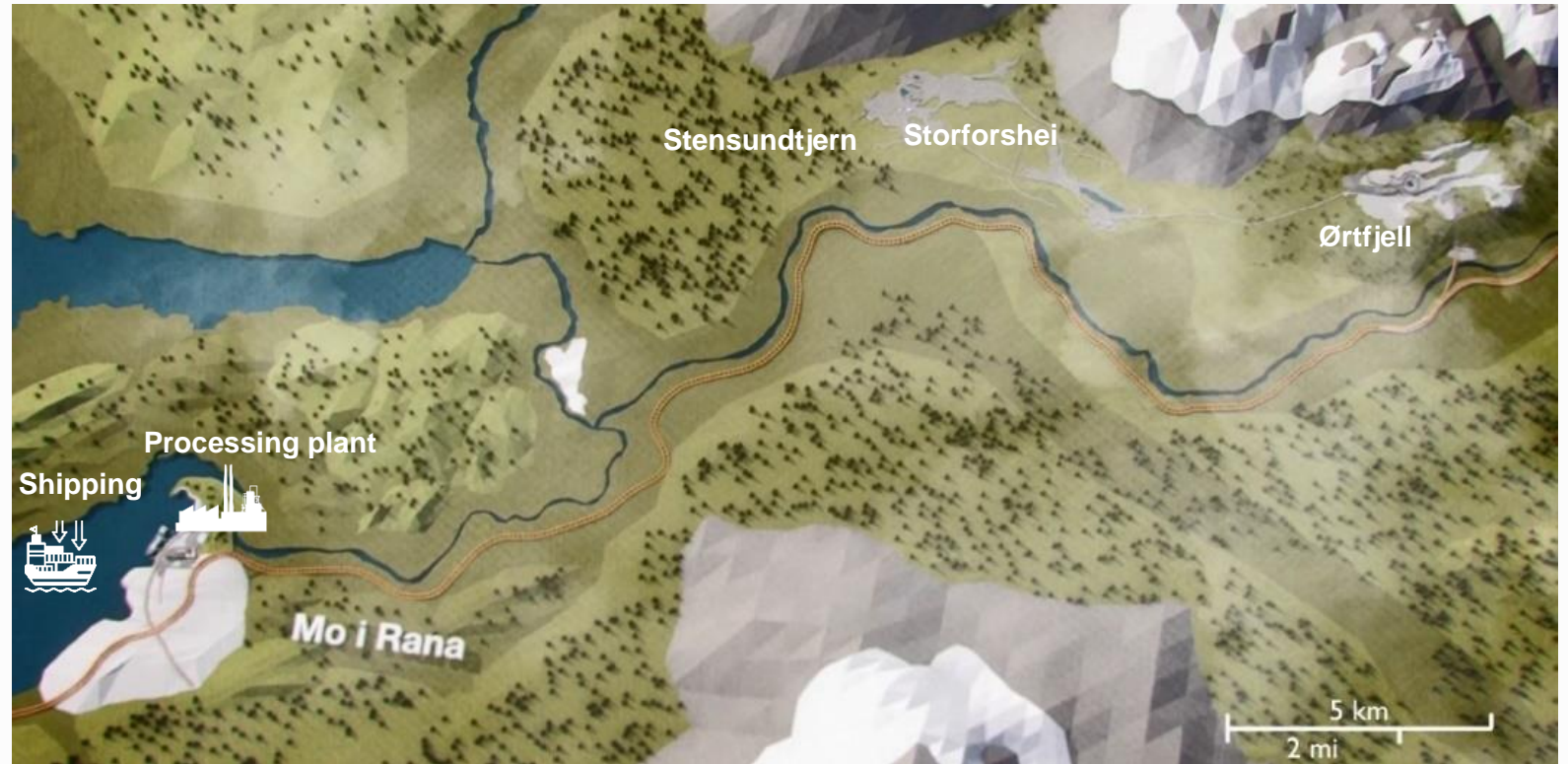


# Rana Gruber is well-positioned to lead the mining transition

One of the industry's lowest carbon emissions and aim to be carbon free by end of 2025

Advantageous location ensuring energy-efficient logistics

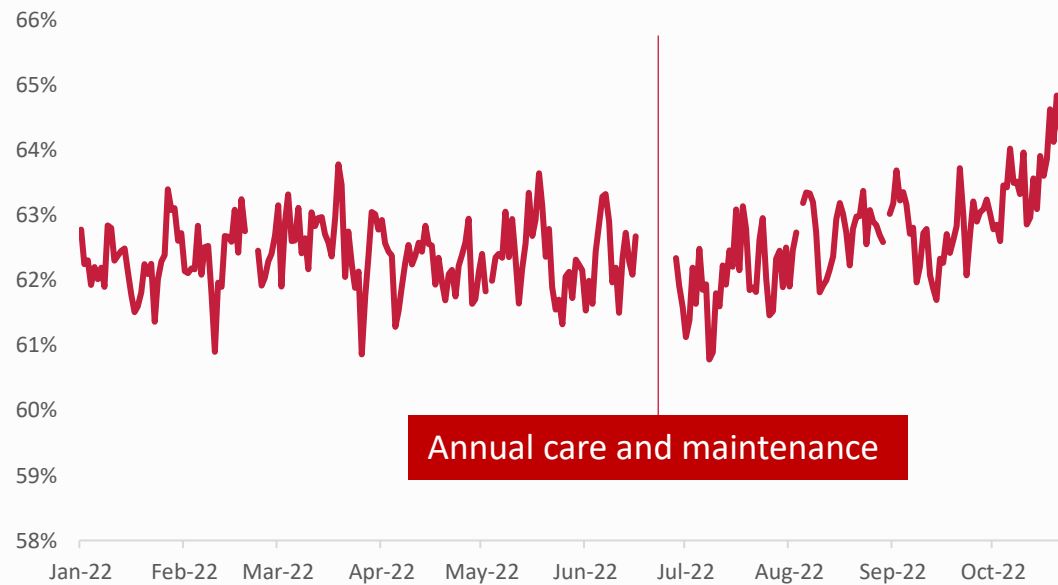
Strategic projects to enhance market position



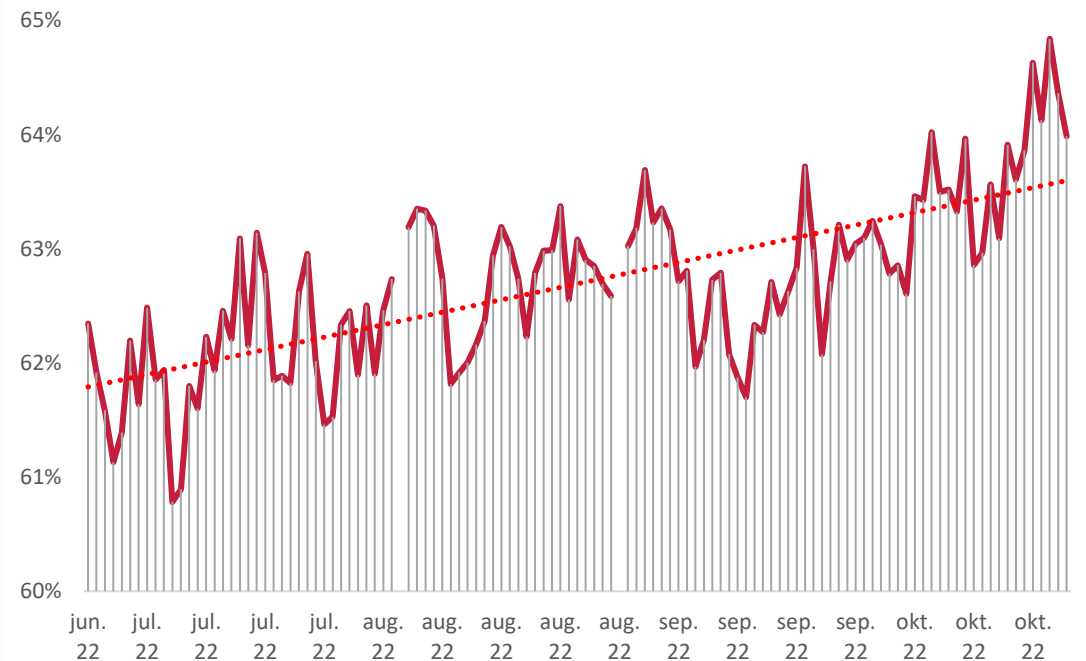
# A clear upward trend in iron ore content since the summer

Strategic project: Fe65 – increase minimum iron ore content in hematite product to 65%

Development of Fe content in hematite production in 2022



Development of Fe content in hematite production since July 2022



# Project completion expected by end 2025

Strategic project: Carbon free production

## Underground mine



- Process of replacing equipment started
- Planning of on-site infrastructure started

## Open-pit mine



- Open-pit production in Ørtfjell to continue with today's operations facilities until completion in 2024
- Future open-pit production in Stensundtjern to be carbon free

## Rail transport



- On-going project with Sintef and other players to investigate electric vs. hydrogen solution
- External recommendation expected to be finalised during first half of 2023

# First machine from Sandvik in operation

Strategic project: Carbon free production

Drilling machine for long hole production drilling

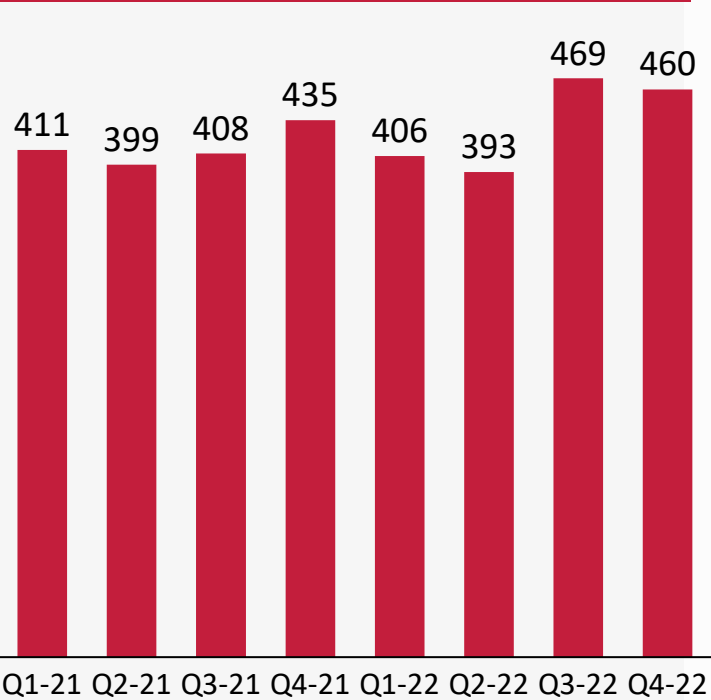
Battery operated tramming motor

Milestone in RG decarbonization program

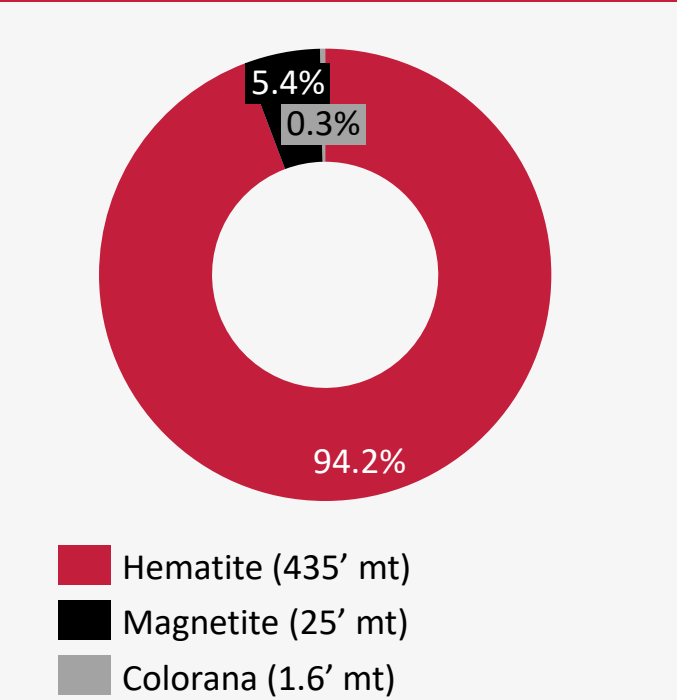


# Continued strong production trend

Historical production of iron ore concentrate (thousand mt)



Production by product type (%)



Continued strong production trend due to continuous improvement in entire operations

FY-22 production of 1.73 million mt is the third largest in the company's history

Volumes sold were moderate compared to volumes produced

# Two injuries led to short-term absence

Wagon emptying resulted in broken jaw

Disembarking from loader resulted in broken arm

Focus on safety to continue in 2023



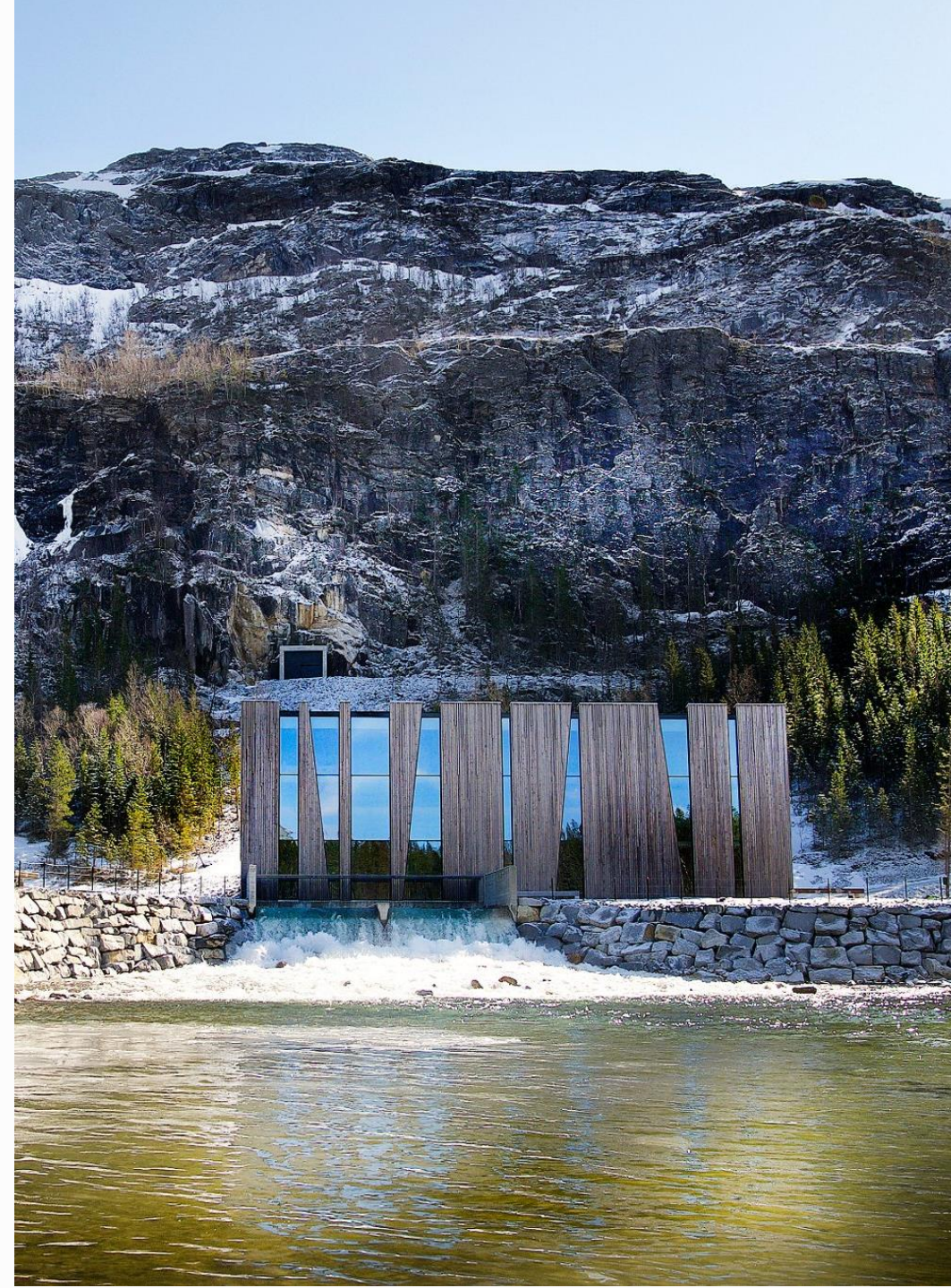
# Booking of gains from electric power derivatives

Related to electric power hedging

Previous principle: realised gains added to, and losses subtracted from, OPEX. Unrealised gains/losses excluded from result

New principle: both realised and unrealised gains/losses included under 'other financial gains and losses' in P&L

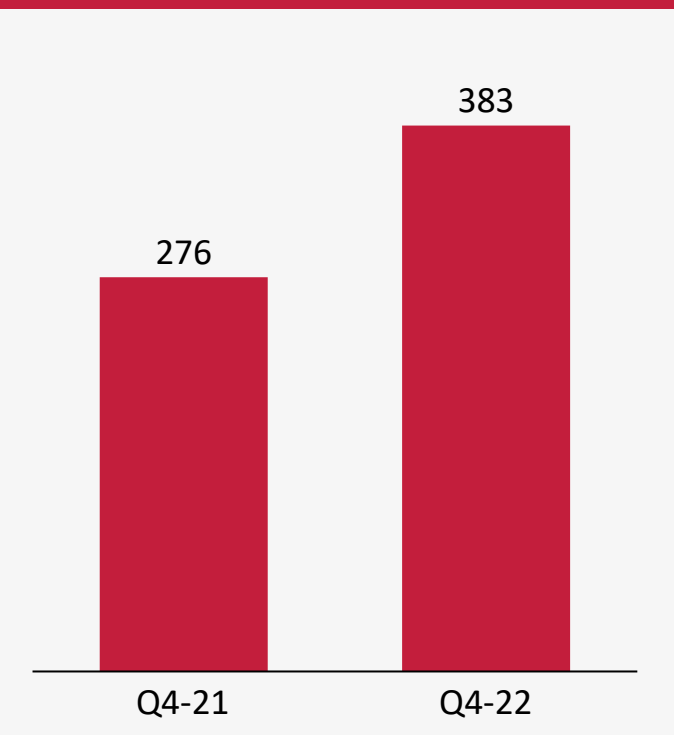
Definition of cash cost changed to include realised gains and losses



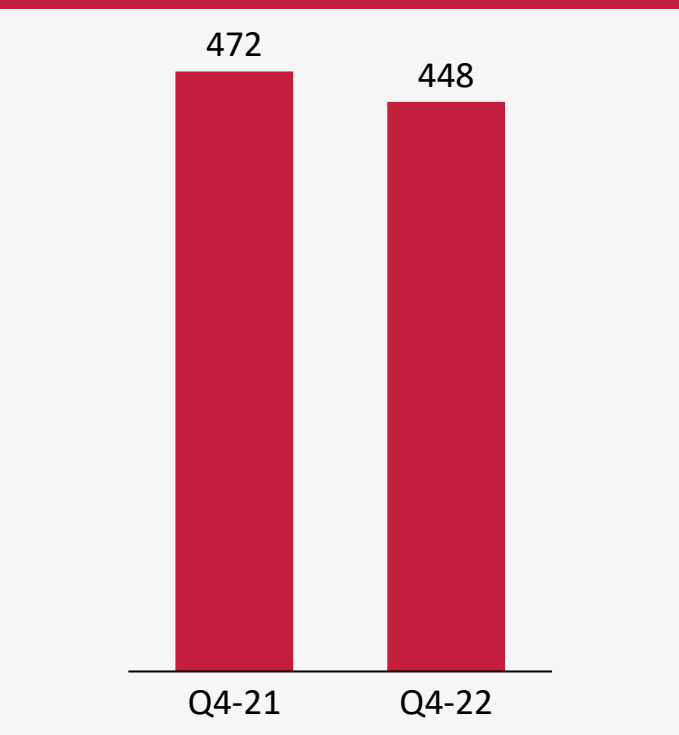
# Increase in revenues

Explained by higher realised prices for Q3 shipments, reduced freight cost, and weaker NOK

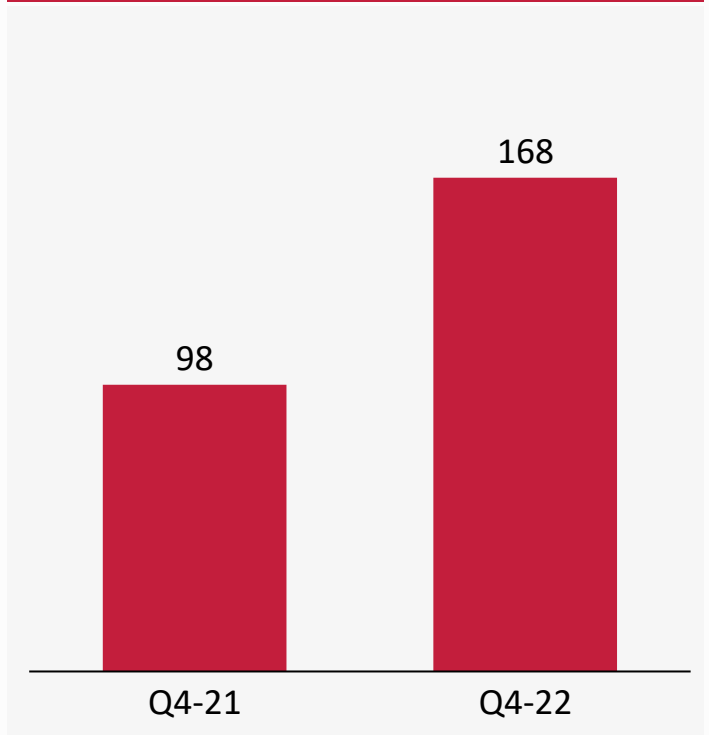
**Revenues**  
(NOK million)



**Cash cost**  
(NOK/mt produced)



**EBITDA**  
(NOK million)



# Dividends of NOK 3.0/share – second largest since listing

Amounts in NOK million (Except where otherwise stated)	Q4-22	Q4-21
Pre-tax profit	343.6	11.1
Unrealised gain/(loss) from hedging positions	(141.0)	120.8
Adjusted pre-tax profit	202.7	131.9
Ordinary income tax	(75.6)	(2.8)
Tax on adjustments	31.0	(26.6)
Adjusted net profit	158.1	102.3
Adjusted EPS (NOK)	4.26	2.74
DPS (NOK)	3.00	1.51 (NGAAP)

← Unrealised gain/losses from hedging of iron ore, USD, and electric power

Excluding effects from Q4 shipments for iron ore and USD.

# Cash flow and financial position

Amounts in NOK million (Except where otherwise stated)	Q4-22	Q4-21
Net cash flow from operations	<b>(9.8)</b>	39.4
Net cash flow from investing activities	<b>(67.1)</b>	(12.3)
Net cash flows from financing activities	<b>(49.0)</b>	(190.0)
Total cash flow	<b>(125.9)</b>	(162.9)

Amounts in NOK million (Except where otherwise stated)	31.12.2022	30.09.2021	Change (%)
Total assets	<b>1 445</b>	1 333	8
Total equity	<b>835</b>	606	38
Equity ratio (%)	<b>57.8</b>	45.5	12.3pp
Cash and cash equivalents	<b>213</b>	339	(37)
Interest-bearing debt*	<b>138</b>	132	5

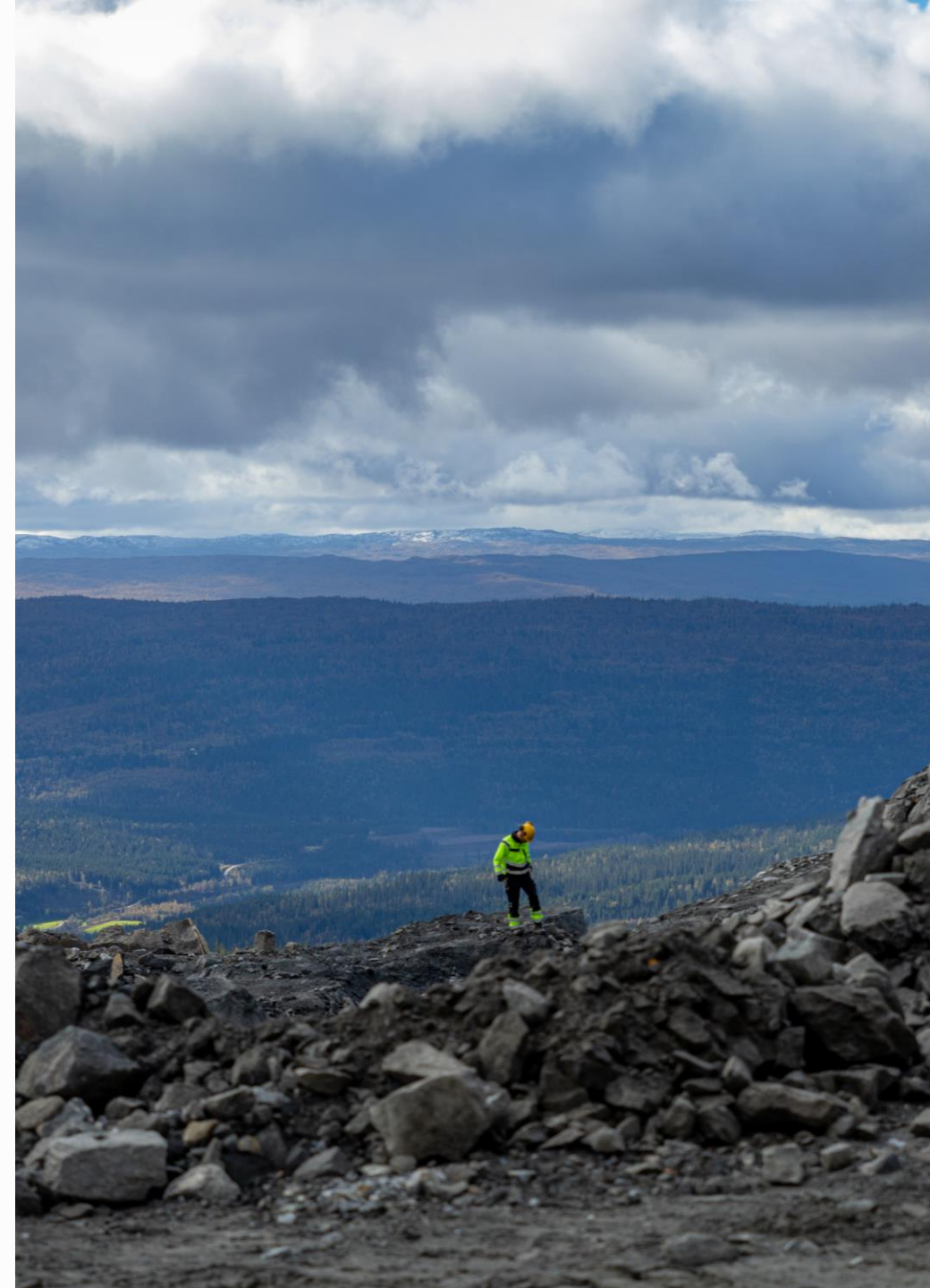
\*The interest-bearing debt consists of lease and rent obligations. The company has an unused credit facility of NOK 100 million.

# Key takeaways and outlook

Continued strong production trend, agreement with Sandvik, second largest dividend distribution since listing

Long-term market outlook remains positive despite turbulent global economic situation

Positive production trend and progress with strategic projects provide promising foundation for 2023



# Q&A

Contact: [ir@ranagruber.no](mailto:ir@ranagruber.no)

Next report: Q1 2023 – 11 May 2023



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