

The image features a large, stylized logo for 'NORR HYDRO' on the left side. The word 'NORR' is in a light blue, sans-serif font, and 'HYDRO' is in a slightly darker blue, with the final 'O' being a vibrant green. The background is a scenic landscape of a forested area with a large blue lake in the middle ground, under a clear blue sky. The foreground is filled with tall, green pine trees.

NORR HYDRO

Norrhydro Group Plc

Half-year report 1 January - 30 June 2023

Business ID: 2144656-2



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Norrhydro Group Plc is a Finnish pioneer in motion control and one of the leading providers of energy-efficient hydraulic cylinders in the Nordic countries, whose vision is to be the global leader in smart and environmentally friendly linear motion solutions.

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Turnover growth and implementation of the strategy continued

Norrhydro is a Finnish forerunner in motion control and one of the leading providers of energy-efficient hydraulic cylinders in the Nordic countries.

Company develops and manufactures innovative and environmentally friendly hydraulic solutions for the needs of forestry, material handling, mining and construction mobile machinery as well as for marine industry, among others. Our motion control systems, combining artificial intelligence and digitalization, represent a globally leading-edge technology that significantly reduces emissions and will revolutionize the entire industry.

Norrhydro has more than 35 years of experience in providing high-quality hydraulic solutions for demanding environments. Our customers are global manufacturers of mobile machinery and equipment for whom we are a long-term strategic partner. Our solutions create a competitive advantage for our customers and contribute to a cleaner tomorrow.

This half-year report is un-audited and includes consolidated financial data of the Norrhydro Group Plc.

January-June 2023 in brief

Turnover

18.3 M€ (16.6 M€)

EBITDA

1.4 M€ (1.7 M€)

EBITDA margin

7.5 % (10 %)

Operating profit

0.7 M€ (1.3 M€)

Earnings per share

0.013 € (0.07 €)



Key Figures

Thousand euros	1 January-30 June 2023	1 January-30 June 2022	Change	1 January-31 December 2022
Turnover	18,321	16,617	10.3 %	29,705
EBITDA	1,366	1,662	-17.8 %	1,697
EBITDA, %	7.5 %	10.0 %		5.7 %
Operating profit	716	1,281	-44.2 %	825
Operating profit, %	3.9 %	7.7 %		2.8 %
Profit for the financial period	136	777	-82.5 %	43
Profit for the financial period, %	0.7 %	4.7 %		0.1 %
Cash flow from business operations	-92	112		-408
Return on investments, %	3.5 %	7.2 %		4.2 %
Return on equity, %	1.3 %	6.8 %		0.4 %
Equity ratio, %	39.6 %	50.1 %		38.3 %
Current ratio	1,36	1,81		1,53
Quick ratio	0,33	0,68		0,53
Earnings per share, undiluted, €	0,013	0,07		0,004
Earnings per share, diluted, €	0,013	0,07		0,004
Personnel at the end of the period	187	159		175



Guidance for 2023

Norrhydro Group's turnover for 2023 is forecasted to grow from 2022 turnover (29,7 M €) and EBITDA to be better than in 2022 (5,7 % of turnover).

The geopolitical situation and globally uncertain economic conditions make it difficult to predict the rest of 2023 and may bring unpredictable changes to the customer demand and thus affect the company's revenue and earnings in 2023.





Yrjö Trög
Chairman of the Board,
CEO

CEO's review

Strategy implementation continued on a strong growth path

Norrhydro's net sales continued to grow in the first half of 2023 as the growth of the overall market came to a halt and our growth was again higher than the market growth. Growth was strongest in the mining segment, while the demand increased moderately in material handling and marine segments. Demand in the forest machinery industry, on the other hand, decreased somewhat compared to the demand in the corresponding period last year.

The implementation of the strategy and the measures required by it continued, and this is reflected in the company's profitability. The ramp-up of the new production plant, product development of digital business and investments in various customer projects in the conventional hydraulic business have caused significant expenditures during the first half of 2023. The implementation of strategic measures will continue to affect the company's profitability in near term, until the implemented actions become visible as improved profitability and growing net sales.

I'm particularly pleased that the new production facility has been ramped up into serial production and that the production operations have stabilised after a long and challenging ramp-up process. We are well positioned to grow our business.

Our sales operations are very active, especially in new customer acquisition. Therefore, it is great to note that, according to our strategy, we have succeeded in acquiring new customers, which is especially important for our long-term growth. The annually increasing cylinder manufacturing capacity of the new production facility is sufficient to support both the needs of current customers and completely new customers. Our goal is to continue to grow faster than the market as a whole.

The manufacture of hydraulic cylinders has been at the core of our operations, but the development of our new digital services continued intensively in the first half of the year. We have numerous active development projects in our portfolio for both the NorrDigi® motion control system and the Motiomax by Norrhydro, electromechanical cylinder. We have succeeded in opening doors with potential customers interested in our digital solutions. In 2023, as part of ongoing projects, we will deliver prototypes to our customers for customer tests and manufacture prototypes for our own test purposes. Major product testing operations to ensure serial production readiness are ongoing. There is still a long way to go from the projects to the start of large-scale serial production, but as in the previous year, the development has been encouraging, and

has strengthened our belief that there will be demand for our digital solutions from both existing and new customers in the future.

In addition to increasing cylinder capacity, we have further developed the operations and processes of our new production facility in Rovaniemi. Continuous development is part of our strategy and everyday operations, as Norrhydro's core values creativity and excellence state.

The biggest price increases in materials and components seem to have finally passed, and the availability situation also seems to have levelled off for the main materials. The starting point for the second half of the year from this point of view would therefore seem to be calmer than a year ago. On the other hand, the global situation under the threat of recession creates some uncertainty for our customers and thus for our own operations. However, I am confident that we have a good foundation to continue on Norrhydro's growth path in line with the strategy we have created.

Strategy

The cornerstones of Norrhydro's strategy for 2021-2027

GROWTH IN TURNOVER ORGANICALLY AND THROUGH SELECTED ACQUISITIONS

Norrhydro's aim is to increase turnover organically and through acquisitions. The target is to achieve profitable growth and a turnover of over EUR 70 million in 2027, with growth coming from international business in addition to the current cylinder business, and by increasing the share of digital solutions to over 30 per cent of turnover.

EXPANSION INTO NEW GEOGRAPHICAL MARKETS, IN PARTICULAR THROUGH THE COMMERCIALISATION OF ENERGY-EFFICIENT DIGITAL SOLUTIONS

Norrhydro's business consists of two main pillars: a profitable and steadily cash-generating cylinder business and a digital solutions business, from which the company is looking for strong growth and opportunities to expand into new geographic markets in the future.

The NorrDigi® motion control system, which combines artificial intelligence and digitalisation, represents a global, leading-edge technology that is about to be introduced in the excavators of Volvo, the company's development partner. The aim is to significantly reduce emissions and increase efficiency through the system, which will revolutionise the entire industry. The current esti-

mate is that commercialisation, the start of series production and the introduction of the system to new customers will take place in 2024.

Digital solutions also include electromechanical cylinders, Motiomax by Norrhydro, which provide energy-efficient and electromechanical linear motion solutions for both mobile machinery and industrial processes. There is a lot of potential for electromechanical solutions, especially in industry, and this is a segment that is partly a new market for the company. Norrhydro's customer base for mobile machinery is partly made up of existing customers looking for environmentally friendly and energy-efficient alternatives to replace their current hydraulic solutions.

EXPANDING TECHNOLOGICAL KNOW-HOW AND PRODUCTION CAPACITY

Norrhydro aims to renew the mobile machinery and equipment industry with its innovations. Norrhydro is a technology leader in its field, with its patented products and proprietary product development providing a decisive competitive advantage. The company will continue to work closely with leading OEMs and research institutes.

Norrhydro also aims to expand its technological expertise through acquisitions and systematically

increase its production capacity by investing in the new production facility in Rovaniemi. The new facility, which was commissioned in 2022, will serve both the digital solutions business and the traditional cylinder business.

POSITION HIGHER IN THE CUSTOMER'S VALUE CHAIN

The global commercialisation of NorrDigi® and partnership models that give the customer a competitive advantage enable a position higher in the customer's value chain.

A significant part of Norrhydro's turnover comes from customer relationships that go back decades. The company wants to continue to be more than a supplier of components to its customers – a long-term strategic partner that develops its solutions together with its customers. The company offers services throughout the product life cycle, from design to manufacturing, service and maintenance, and sells its solutions to equipment manufacturers without intermediaries.

Norrhydro's new energy-efficient solutions, such as NorrDigi® and Motiomax by Norrhydro, create a competitive advantage for customers in industries with huge potential for energy efficiency and emission reduction, enabling the company to position itself higher up the customer's value chain.

KEY FACTORS FOR THE IMPLEMENTATION OF THE STRATEGY

Key factors for Norrhydro to implement this strategy are the ability of the new facility to meet growing demand, efficient sourcing through a global supply network, local presence and own production close to customers, and ensuring fast delivery, high quality and cost-effective operations. In addition, the company's attractiveness as an employer and its ability to recruit skilled workforce are also important factors for its ability to achieve strategic objectives.



Business Environment

The total hydraulics market has declined globally this year and overall demand in the market is expected to be at a lower level over the next 9-12 months. This is due to, among other things, the decline in the investment ratio due to rising interest rates, the reduction of inventories in supply chains, economic uncertainty and fear of recession.

FOREST MACHINE INDUSTRY

Demand in the forest machine industry has been experiencing a slight downturn trend during the first six months of 2023, due to the unstable geopolitical situation. As the geopolitical situation has changed, the business of forest machinery customers in Russia has decreased almost to zero. The demand and market situation for forest industry products – sawn timber, pulp and cardboard – has been unstable at the beginning of the year. The uncertainty and caution have affected the utilisation rates and demand of forest machinery. As a result, the volume and turnover of hydraulic cylinders for forest machines have decreased. The market situation in the forest machine industry is expected to remain at the current level or even decline slightly during the present year.

MATERIAL HANDLING MACHINERY AND EQUIPMENT INDUSTRY

Material handling machinery and equipment demand was fluctuating in the first half of 2023. However, sales and deliveries to customers in the material handling segment increased slightly compared to the previous year, due to increased customer volumes and new product categories. The

market for material handling machines and equipment is expected to remain stable or perhaps even decline slightly during 2023.

CONSTRUCTION AND MINING INDUSTRY

Demand for machinery and equipment in the construction and mining industries has been strong during the first half of 2023. Turnover and delivery volumes to customers increased compared to the previous year due to growth in customer business and new product categories offered by Norrhydro. We expect the demand for this specific segment to remain stable also during the second half of 2023.

MARINE INDUSTRY

The protracted geopolitical situation has led to increased demand in various vessel segments in the marine and shipbuilding markets during the first half of 2023. The demand for hydraulic cylinders for the marine industry manufactured by Norrhydro increased somewhat compared to the reference period due to growth in the customers' business. The market situation in the marine industry is expected to remain unchanged or even increase slightly during 2023.



ENERGY EFFICIENCY IMPROVEMENT AND ELECTRICAL SOLUTIONS

The changes in the business environment are very similar in all of Norrhydro's customer segments, and the demand for new technologies is increasingly focused on improving energy efficiency and electronic solutions. The digital product and service solutions developed by the company, which are an integral part of Norrhydro's strategy, offer good options for customers to solve precisely these challenges.



Turnover, profitability and performance

January-June 2023

In January–June 2023, turnover was EUR 18,321 (16,617) thousand, an increase of 10.3 per cent. The EBITDA was EUR 1,366 (1,662) thousand, representing 7.5 (10.0) per cent of turnover in the period under review. The Group's return on capital employed (ROCE) was 3.5 (7.2) per cent.

Personnel expenses during the period amounted to EUR 5,195 (4,214) thousand. Other operating expenses amounted to EUR 2,296 (1,614) thousand. Net financial expenses amounted to EUR 545 (246) thousand. Exchange rate gains and losses due to changes in exchange rates have been recognised in financial items, with a net effect of EUR 0 (6) thousand during the period.

Profit for the period was EUR 136 (777) thousand. Diluted and undiluted earnings per share were EUR 0.013 (0.07). Number of shares outstanding on 30 June 2023 was 10,862,638 (10,865,638).

Balance sheet and financial position

The balance sheet total on 30 June 2023 was EUR 26,514 (22,993) thousand. Current assets amounted to EUR 9,163 (7,563) thousand. Short-term receivables amounted to EUR 1,889 (1,781) thousand and liquid assets to EUR 94 (316) thousand. Group equity amounted to EUR 10,487 (11,426) thousand.

Interest-bearing liabilities amounted to EUR 9,812 (5,918) thousand. The company has a funding limit (EUR 490 thousand) at its disposal to ensure liquidity.

The Group's loans from financial institutions consist of both secured and unsecured loans. Part of the loans relates to financial covenants that may have an impact on the conditions, mainly on the amount of interest payable. The review date of the covenants is at the end of the financial year on 31 December 2023. The Group's net debt amounted to EUR 9,218 (3,602) thousand, and the net gearing ratio was 87.9 (31.5) per cent. The equity ratio at the end of the reporting period was 39.6 (50.1) per cent. Cash flow from operating activities in January–June 2023 amounted to EUR -92 (112) thousand. Cash flow from investing activities amounted to EUR -310 (-2,769) thousand.



Sustainability

For Norrhydro, sustainability means operating sustainably in terms of the environment, people and the economy. Sustainability is important throughout the company's value chain, from the global supply chain to the use of the end product.

Norrhydro's strategic goal is to increase the turnover of digital solutions and thus also the share of environmentally friendly solutions in the business. Norrhydro is a pioneer in its field, and the company's digital motion control solutions can significantly improve the energy efficiency of mobile machines. The NorrDigi® motion control system enables significant energy savings on mobile machines, especially in many different machines and equipment in the material handling segment. In addition to previously mentioned application possibilities, the NorrDigi® motion control system is also an efficient and environmentally friendly option in the forest, construction and mining industries.

From the perspective of responsibility and environmental friendliness, it is noteworthy that the electrification of the fleet even enables the customer to completely move away from the use of fossil fuels. The Motiomax by Norrhydro electric cylinders offered by the company are energy-efficient and nearly oil-free products that are suitable for, among other things, electrifying mobile machines and different kind of production automation solutions of the process industry.

The new production facility in Rovaniemi has been designed and built in accordance with strict environmental targets, and the company has applied for a

gold-level LEED certificate that verifies the environmental performance of the property. As the volume of business grows and processes improve, the company's goal is to reduce carbon dioxide emissions by 20 per cent per year compared to the old production plant through various measures, such as utilising solar power and waste heat.

Norrhydro is committed to reducing hazardous environmental impacts by protecting the environment, reducing production waste and emissions, and utilizing the resources it uses as efficiently and responsibly as possible. The objectives of Norrhydro's environmental management system have been defined in accordance with the ISO 14001 standard, and the company's environmental policy is followed both in its own production and in the solutions delivered to its customers. The company's production operations are under continuous development in accordance with sustainable development goals, and the company is a significant player in the circular economy by recycling almost 90 per cent of the waste generated in production.

Norrhydro bears social responsibility by taking care of occupational safety, well-being at work, competence development and employee engagement. Norrhydro values equality and non-discrimination, the realisa-

tion of which is monitored regularly and systematically. The company does not tolerate any kind of discrimination and any shortcomings are addressed immediately with concrete measures.

Norrhydro is a significant local employer in Rovaniemi and offers a healthy and safe working environment for all its employees, subcontractors and others working with the company. The "0 accidents" programme, which focuses on occupational safety, aims to avoid all injuries, accidents and health risks.

Norrhydro ensures its profitability and competitiveness by organizing production efficiently, developing high-quality and innovative products and utilizing its global sourcing networks.

By investing in profitable growth, the company strengthens its position as a good investment, stable employer, reliable partner and good corporate citizen.



Personnel and management

In January–June 2023, the Group employed an average of 195 (153) people, and on 30 June 2023 the Group employed 187 (159) people. In addition to its own personnel, the Group uses leased workers in its operations. The average number of leased personnel during the reporting period was 13 (30).

The company's Executive Management Team consists of CEO Yrjö Trög, CFO Hanne Sarajärvi, Director of Sales and Marketing Anniina Piira-Wendeler, Head of Operations Marko Mylläri, HR Manager Johanna Kaikkonen and QEHS Manager Heidi Sederholm.

The company's Board of Directors has launched a search for a new CEO after Matias Parviainen's term as CEO ended by mutual agreement in May 2023. Chairman of the Board Yrjö Trög, who has served as CEO and member of the Board of Directors of Norrhydro since 2007 and as Chairman of the Board since 17.3.2022, will act as CEO until further notice. Mr. Trög is the largest shareholder in Norrhydro through his ownership of Economica Business Services Ltd., with a share of 38,8 per cent.



Annual General Meeting and current Board authorisations

The Annual General Meeting of Norrhydro Group Plc was held on 3rd of April 2023 in Rovaniemi, Finland, with exceptional arrangements. The resolutions can be read in full in the minutes of the General Meeting on Norrhydro Group Plc's website at <https://www.norrhydro.com/en/investors-agm>

The Annual General Meeting of Norrhydro Group Plc approved the company's and the Group's financial statements for 2022 and granted discharge to the members of the Board of Directors and the CEOs for the financial year 2022.

The Annual General Meeting unanimously resolved on the distribution of funds in accordance with the primary proposal of the Board of Directors as follows: the profit for the period was added to retained earnings and no dividend was distributed.

Based on the balance sheet to be adopted for the financial year ended 31.12.2022, it was decided to pay a return of capital from the reserve for invested unrestricted equity and authorize the Board of Directors to decide on the payment of the return of capital as follows:

Based directly on the decision of the Annual General Meeting, a capital repayment of EUR 0,03 per share was paid on 14 April 2023, totalling EUR 327,049,14. The return of capital was paid to shareholders who were registered in the shareholders' register of the cCom-

pany maintained by Euroclear Finland Ltd on the record date, 5.4.2023.

In addition, the Annual General Meeting authorized the Board of Directors to decide on the payment of capital repayment so that a maximum of EUR 0,03 per share will be paid based on the authorization, i.e. a maximum total of EUR 327,049,14 based on the situation on the date of the Annual General Meeting invitation notice. Based on the authorization, the Board of Directors is entitled to decide on the amount of capital repayment within the maximum amount mentioned above, the record date of the capital repayment, the payment date of the capital repayment and other measures required by the matter. The possible return of capital to be paid on the basis of the authorization will be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date. The company discloses any decision made by the Board of Directors on the basis of the authorization, as well as the record and payment dates. The authorization is valid until the beginning of the next Annual General Meeting.

The Annual General Meeting resolved that the monthly remuneration payable to the Chairman of the Board of Directors shall be EUR 10,000 and that of the members of the Board of Directors shall be EUR 1,600 per month, regardless of the number of meetings. The Chairman or member of the Board of Directors is not separately

paid the remuneration of the Board of Directors if he/she works for Norrhydro Group Plc or a company belonging to the Group. In addition, reasonable travel expenses incurred from meetings will be reimbursed.

The General Meeting resolved that 5 members would be elected to the Board. The General Meeting re-elected the current Board members Yrjö Trög, Asko Myllymäki, Tapio Lehti and Hanna-Maria Heikkinen as members of the Board. Pekka Helle was elected as a new member of the Board. At the constitutive meeting held after the General Meeting, the Board elected Yrjö Trög from among its members as Chairman of the Board. Pekka Helle was elected Vice-Chairman.

The General Meeting resolved that the current auditing firm PricewaterhouseCoopers Oy will continue as the company's auditor with Sami Posti as the principal auditor and that the auditor will be paid a fee according to a reasonable invoice approved by the company. The term of office of the auditor will last until the end of the next Annual General Meeting.

The General Meeting authorised the Board of Directors to decide on the share issue and the issue of warrants and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act in one or more instalments, so that a maximum of 1,000,000 new shares or shares held by the company may be issued on the basis of the authorisation. The maximum

number of shares covered by the authorisation corresponds to approximately 9.17 per cent of all shares in the company, calculated on the basis of the situation on the day of the notice to the Annual General Meeting.

On the basis of the authorisation, the Board of Directors may also decide on a directed share issue, i.e. in deviation from the shareholders' pre-emptive subscription rights. The Board of Directors may decide on the issue of shares either without payment or against payment and on all other terms and conditions of the share issue.

The Board of Directors may use the authorisation for the implementation of corporate transactions or other arrangements related to the company's business, for the implementation of the personnel incentive scheme or for other purposes decided by the Board of Directors.

The authorisation is valid until the next Annual General Meeting, but not later than 30 June 2024.

The Annual General Meeting decided to add to the Articles of Association the possibility for the Board of Directors to decide, at its discretion, on arranging the General Meeting as a hybrid meeting or as a remote meeting without a meeting venue at all.

Shares and Shareholders

The company has one category of shares. All shares have one vote at the General Meeting of Shareholders and are equally entitled to dividends.

The number of shares outstanding on 30 June 2023 was 10,862,638 (10,865,638 on 30 June 2022). The Group holds 39,000 (36,000) treasury shares.

During the period 1 January–30 June 2023, a total of 552,793 Norrhydro's shares, or 5.1 per cent of the total number of shares, were traded on the Nasdaq First North Growth Market Finland marketplace.

The value of the stock exchange was EUR 1.8 million.

The closing share price on the last trading day of the period was EUR 2.72 per share. The lowest trading price for the period was EUR 2.71 per share, the highest was EUR 3.7 per share, and the average price for the period was EUR 3.22 per share. Norrhydro's market value at the end of the reporting period was EUR 29.7 million.

At the end of the reporting period, the company had 6,189 shareholders.

BIGGEST SHAREHOLDERS ON 30 JUNE 2023

	SHARES, PCS	OWNERSHIP, %
1. Economica Yrityspalvelut Oy	4 231 033	38,81
2. Helle-Kangas Consulting Oy	1 660 362	15,23
3. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	595 238	5,46
4. Kari Juha Elias	350 993	3,22
5. Myllymäki Invest Oy	285 714	2,62
6. Penttinen Hannu Sakari	220 759	2,03
7. Reinzen Oy	119 048	1,09
8. Triton Seasafety Oy	76 492	0,70
9. Saana Partners Oy	62 906	0,58
10. Wastmäki Invest Oy	59 524	0,55
10 biggest, total	7 662 069	70,28

The average price 1 January–30 June 2023

3,22 € / share

Market value 30 June 2023

29,7 M€



Option programmes and share-based incentive plans

The company has two option programmes, 2020a and 2020b for its key personnel. The option programmes are targeted for key employees who are responsible for the development of the company's business. The implementation of the option programme is conditional on the growth and profitability of the business and the successful launch of the digital business. The maximum number of shares subscribed with stock options is 117,000 shares.

The share-based incentive plan for the Group's key employees combines the objectives of the company's shareholders and key employees to increase the value of the company in the long term and to commit the key personnel to the company. The earning of share rewards is determined primarily on the basis of the company's net sales and profitability development and, secondarily, on the share of digital solutions in relation to the Group's net sales. The performance period of the reward concerns the financial years 2023–2025 and it will be paid in shares and cash. 30.6.2023 a total of 103,500 shares have been allocated to key employees from the share-based incentive plan.

Near-term risks and business uncertainties

Global economic uncertainty and the geopolitical situation as well as possible recession may affect the demand for hydraulic cylinders and reduce the availability of components and raw materials. Component availability and logistical challenges, if realised, could cause disruptions in the production of the company and at its customers. The company's management is actively monitoring the situation and is prepared to use alternative solutions.

In terms of financing, the company has taken necessary measures to ensure the continuity of the company's business. The Group sells the majority of its trade receivables and the risk associated with them to financial institutions. The company has not identified any indication of possible impairment of capitalised development costs.

The main objective of the company's financial risk management is to manage liquidity, interest rate and currency risks. To ensure liquidity, the company has undrawn credit lines signed with financiers. The impact of adverse changes in interest rates is minimised by the use of fixed interest rates in addition to credit lines linked to various reference rates. The Group's exposure to foreign exchange risks is low, as the main currency for sales and purchases is the euro.



ROVANIEMI 11 AUGUST 2023

**Norrhydro Group Plc
Board of Directors**

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<https://www.norrhydro.com/en>

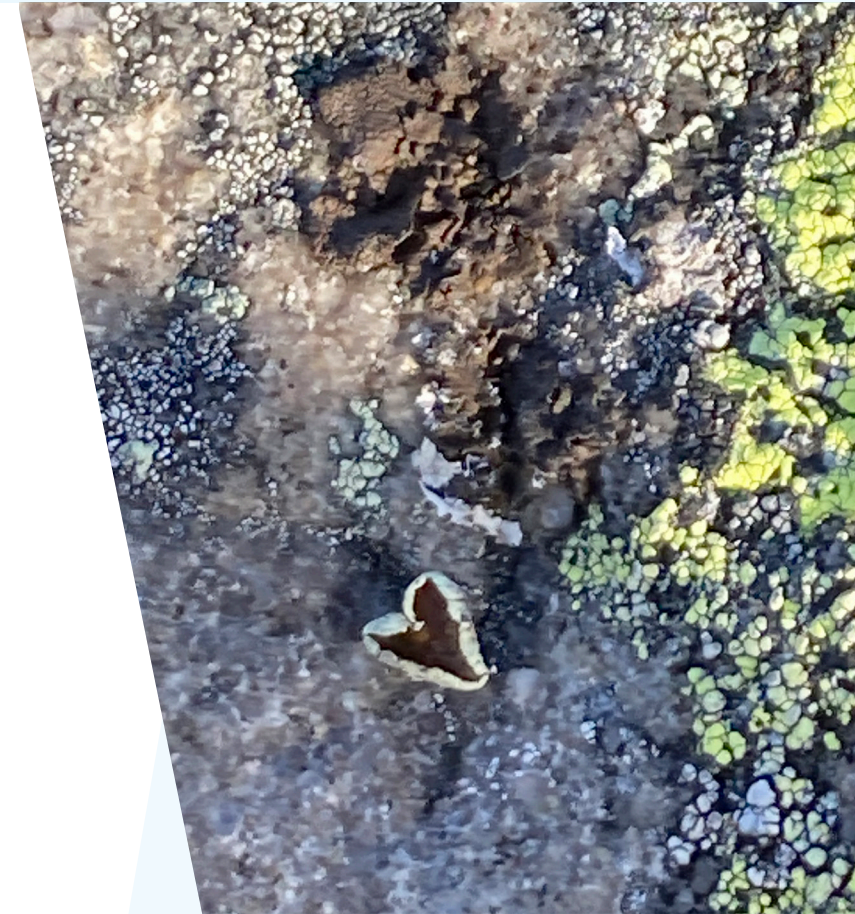


Tables, 1 January- 30 June 2023

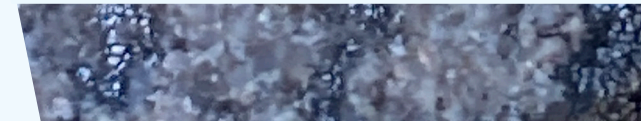
This half-year financial report, which includes the periods 1 January–30 June 2023, 1 January–30 June 2022 and 1 January–31 December 2022, has been prepared in accordance with good accounting practice and Finnish legislation. The figures are unaudited and have been prepared in accordance with Finnish Accounting Standards (FAS). Figures are presented in thousands of euros unless otherwise stated, and the figures presented have been rounded to the nearest thousand, so that the sum of the figures in a column or row may not always correspond exactly to the figure presented as the final total of the column or row.

CONSOLIDATED INCOME STATEMENT

Thousand euros	1 January- 30 June 2023	1 January- 30 June 2022	1 January-31 December 2022
Turnover	18,321	16,617	29,705
Increase (+) or decrease (-) in stocks of finished goods and work in progress	570	731	1,305
Other operating income	433	266	984
Materials and services	-10,466	-10,124	-18,216
Personnel expenses	-5,195	-4,214	-8,039
Depreciation, amortisation and impairment	-651	-380	-873
Other operating expenses	-2,296	-1,614	-4,042
Operating profit	716	1,281	825
Financial income	26	58	134
Financial expenses	-571	-304	-745
Profit before tax	171	1,036	214
Income taxes	-34	-258	-171
Minority share	0	0	0
Profit for the financial period	136	777	43



The financial information presented here does not include all the notes to the financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2022.





Key figures

Return on
investments %
3.5 % (7.2 %)

Return on
equity %
1.3 % (6.8 %)

Equity ratio %
39.6 % (50.1 %)

CONSOLIDATED BALANCE SHEET

Thousand euros	30 June 2023	30 June 2022	31 December 2022
ASSETS			
Fixed assets			
Intangible rights	8,027	6,017	7,843
Material goods	6,840	5,315	6,865
Investments	1	1	1
<u>Fixed assets, total</u>	14,868	11,333	14,708
Short-term assets			
Current assets	9,163	7,563	8,847
Short-term receivables	1,889	1,781	1,941
Liquid assets	500	2,000	1,000
Cash and cash equivalents	94	316	1,428
<u>Short-term assets, total</u>	11,647	11,660	13,216
ASSETS, TOTAL	26,514	22,993	27,925

Thousand euros	30 June 2023	30 June 2022	31 December 2022
LIABILITIES			
Equity			
Share capital	4,252	4,252	4,252
Invested unrestricted equity	10,030	10,362	10,362
Profit/loss from previous financial periods	-3,931	-3,965	-3,965
Profit/loss for the financial period	136	777	43
<u>Total equity</u>	10,487	11,426	10,692
Current liabilities			
Long-term liabilities			
Loans from financial institutions	7,124	4,890	8,574
<u>Long-term liabilities, total</u>	7,124	4,890	8,574
Short-term liabilities			
Loans from financial institutions	2,688	1,028	1,844
Deferred income	0	168	0
Trade payables and other current liabilities	6,215	5,480	6,815
<u>Short-term liabilities, total</u>	8,903	6,676	8,659
<u>Current liabilities, total</u>	16,027	11,566	17,233
LIABILITIES, TOTAL	26,514	22,993	27,925

CASH FLOW STATEMENT

Thousand euros	30 June 2023	30 June 2022	31 December 2022
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit (loss) before accounting transfers and taxes	171	1,036	214
<u>Adjustments:</u>			
Depreciation according to plan	651	380	873
Financial income and expenses	545	246	611
Cash flow before working capital changes	1,366	1,662	1,697
Working capital changes			
Increase (-) / decrease (+) in short-term non-interest-bearing accounts receivable	46	-567	-727
Increase (-) / decrease (+) in current assets	-316	-1,671	-2,956
Increase (+) / decrease (-) in short-term non-interest-bearing liabilities	-643	1,008	2,407
Cash flow from operating activities before financial items and taxes	453	431	421
<u>Financial items and taxes:</u>			
Interest paid and payments on other financial expenses for operating activities	-545	-246	-550
Direct taxes paid	0	-74	-279
CASH FLOW FROM OPERATING ACTIVITIES (A)	-92	112	-408

Thousand euros	30 June 2022	30 June 2022	31 December 2022
CASH FLOW FROM INVESTING ACTIVITIES:			
Investments in tangible and intangible assets	-1,359	-2,769	-7,437
Investments in other financial securities	500	0	1,000
Investment grants received	549	0	800
Sale of shares	0	0	0
Sale of fixed assets	0	0	0
Investments in other investments	0	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	-310	-2,769	-5,637
CASH FLOW FROM FINANCING ACTIVITIES:			
Sale of (+) acquisition (-) of treasury shares	0	0	0
Dividends paid and other distributions	-326	-653	-653
Loan disbursements	664	1,694	7,532
Loan repayments	-1,270	-2,722	-4,059
CASH FLOW FROM FINANCING (C)	-932	-1,680	2,819
Change in cash and cash equivalents (A + B + C) increase (+) / decrease (-)	-1,334	-4,337	-3,226
Cash and cash equivalents at the beginning of the period	1,428	4,653	4,653
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	94	316	1,428

STATEMENTS OF CHANGES IN EQUITY

Thousand euros 1 January-30 June 2023	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity at the beginning of the period	4,252	10,362	-3,931	10,683
Return of capital		-326		
Profit for the financial period			136	
Other changes, acquisition of own shares		-6		
Equity at the end of the period	4,252	10,030	-3,795	10,487

Thousand euros 1 January-30 June 2022	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity at the beginning of the period	4,252	10,398	-3,312	11,338
Dividend payments			-653	
Profit for the financial period			777	
Other changes, acquisition of own shares		-36		
Equity at the end of the period	4,252	10,362	-3,188	11,426

Thousand euros 1 January-30 June 2023	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity at the beginning of the period	4,252	10,398	-3,312	11,338
Dividend payments			-653	
Profit for the financial period			43	
Other changes, acquisition of own shares		-36		
Other changes, disposal of treasury shares				
Equity at the end of the period	4,252	10,362	-3,922	10,692



CALCULATION OF KEY FIGURES

CHANGE IN TURNOVER, % =
$$\frac{\text{turnover} - \text{previous year's turnover}}{\text{previous year's turnover}} \times 100$$

OPERATING PROFIT = turnover + change in stocks of finished goods and work in progress (+/-) + other operating income – materials and services – personnel expenses – depreciation, amortisation and impairment – other operating expenses

OPERATING PROFIT, % =
$$\frac{\text{Net operating profit}}{\text{turnover}} \times 100$$

EBITDA = turnover + change in stocks of finished goods and work in progress (+/-) + other operating income – materials and services – personnel expenses – other operating expenses

EBITDA, % =
$$\frac{\text{EBITDA}}{\text{turnover}} \times 100$$

CASH FLOW FROM OPERATING ACTIVITIES = Profit (loss) before accounting transfers and taxes + depreciation according to plan + financial income and expenses +/- working capital changes – interest paid + interest received from operations – direct taxes paid

RETURN ON INVESTED CAPITAL =
$$\frac{\text{Net operating profit before tax + financial expenses}}{\text{equity (average over the year) + interestbearing financial liabilities (average over the year)}} \times 100$$

NET INTEREST-BEARING LIABILITIES= interest-bearing liabilities – cash and cash equivalents

RETURN ON EQUITY =
$$\frac{\text{net result}}{\text{equity (average over the year)}} \times 100$$

PROFIT FOR THE FINANCIAL PERIOD = Net operating profit +/- financial expenses + taxes

EQUITY RATIO, % =
$$\frac{\text{equity}}{\text{total capital on the balance sheet - deferred income}} \times 100$$

NET GEARING, % =
$$\frac{\text{interest-bearing liabilities – cash and cash equivalents}}{\text{equity}} \times 100$$

EARNINGS PER SHARE =
$$\frac{\text{profit for the period}}{\text{weighted average number of shares outstanding during the period}} \times 100$$

CURRENT RATIO =
$$\frac{\text{current assets + short-term receivables + liquid assets + cash and cash equivalents + unused limit}}{\text{short-term liabilities}} \times 100$$

QUICK RATIO =
$$\frac{\text{short-term receivables + liquid assets + cash and cash equivalents + unused limit}}{\text{short-term liabilities}} \times 100$$



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