



# INTERIM REPORT

THIRD QUARTER 2022



**RANA  
GRUBER**



**CEO Gunnar Moe comments:**

## **RECORD HIGH PRODUCTION AND REDUCED COSTS PER TON**

The third quarter of the year was characterised by record high production of iron ore concentrate, reduced costs per metric ton produced, and good progress with our strategic development projects. All our operational activities were conducted without related injuries.

The production increase was partly due to the continuous work to improve the capacity of the processing plant. It was also due to operational adjustments ensuring a more stable quality of the ore transported to the processing plant, which enables better utilisation of the processing plant. While total costs remained stable, the increased production volumes resulted in reduced costs per ton.

We progressed well with all three development projects. As part of our project to eliminate carbon emissions from the production by the end of 2025, we ordered a new electric heating facility, which will replace the propane-based heating of the underground mine before the third quarter of 2023. We have also started the planning of the on-site infrastructure needed for electrified operations.

To increase the minimum iron content in the hematite concentrate from 63 to 65 per cent, we are making investments in the processing plant. The delivery of some of the equipment has been delayed due to the global supply chain challenges. Despite this, we have already seen improvements after the adjustments we made in the processing plant this summer. We still expect to produce hematite concentrate with an iron content of at least 65 per cent by the end of 2024.

To increase the magnetite production, we have identified the equipment needed in the processing plant and planned the organising of the upgrade. The next step is to order the relevant equipment. Today, Rana Gruber produces around 100 000 metric tons (mt) of magnetite concentrate annually. The plan is to increase this production volume by 50 per cent within the end of 2024.

Despite market uncertainties associated with Covid-related restrictions in China and the geopolitical situation in Europe and East Asia, the outlook for Rana Gruber remains positive. With our stable production level, strong employee culture, strategic off-take agreement with Cargill, vast resources, investments in strategic projects, and solid financial position, we are well positioned for the time ahead.

A handwritten signature in black ink that reads "Gunnar Moe". The signature is written in a cursive, flowing style.

Gunnar Moe  
CEO Rana Gruber ASA

# REVIEW OF THE THIRD QUARTER OF 2022<sup>1</sup>

## THIRD QUARTER HIGHLIGHTS

- Production of iron ore concentrate increased to record high levels and amounted to 469 thousand mt (407 thousand mt)<sup>2</sup>.
- Cash cost/mt decreased to NOK 435 (NOK 496).
- The company progressed with its strategic development projects.

## KEY FINANCIAL FIGURES (IFRS)

Amounts in NOK million,  
except where indicated otherwise

	Q3 2022	Q3 2021	Change (%)	YTD 2022	YTD 2021	Change (%)
Revenues	<b>230.5</b>	197.4	16.8	<b>1 040.5</b>	1 392.0	(25.3)
EBITDA	<b>64.0</b>	(8.3)	(868.8)	<b>428.1</b>	839.8	(49.0)
EBITDA margin (%)	<b>27.7</b>	(4.2)	31.9pp	<b>41.1</b>	60.3	(19.2pp)
Net profit	<b>50.6</b>	212.3	(76.2)	<b>228.6</b>	583.8	(60.8)
Adjusted net profit	<b>55.4</b>	30.7	(80.6)	<b>246.1</b>	397.0	(38.0)
Cash cost	<b>204.6</b>	202.8	0.9	<b>629.3</b>	569.6	10.5
Cash cost per mt produced (NOK)	<b>435</b>	496	(12.3)	<b>495</b>	466	6.1
EPS (NOK)	<b>1.36</b>	5.68	(76.0)	<b>6.16</b>	15.62	(60.5)
Adjusted EPS (NOK)	<b>1.49</b>	0.81	84.1	<b>6.64</b>	10.61	(37.5)
Equity ratio (%)	<b>49.9</b>	48.5	1.4pp	<b>48.5</b>	51.1	(2.6pp)

The interim reports of 2022 are based on the IFRS, in contrast to the NGAAP-based interim reports of 2021. The historical figures included in this report have therefore been restated in accordance with the IFRS. For a description of relevant financial reporting principles of the IFRS and effects resulting from the

transition from NGAAP to IFRS, please see the interim report for the fourth quarter of 2021 or the annual report for 2021.

Quarterly financial figures are unaudited.

<sup>1</sup> This interim report is based on the IFRS, in contrast to the interim report for the corresponding period last year, which was based on NGAAP. The historical results included in this report therefore differ from the results communicated last year.

<sup>2</sup> Information in parentheses refers to the corresponding period in the previous year.

## OPERATIONAL REVIEW

### PRODUCTION

Amounts in thousand metric tons,  
except where indicated otherwise

	Q3 2022	Q3 2021	Change (%)	YTD 2022	YTD 2021	Change (%)
<b>Production concentrate</b>	<b>469</b>	407	15.1%	<b>1 268</b>	1 218	4.1
Production hematite	<b>442</b>	378	16.8%	<b>1 195</b>	1 139	4.9
Production magnetite	<b>27</b>	29	(7.2%)	<b>73</b>	79	(7.7)
<b>Production Colorana</b>	<b>1.1</b>	1.5	(22.9%)	<b>3.9</b>	4.1	(4.0)
<b>Production ore</b>	<b>1 273</b>	1 171	8.7%	<b>3 748</b>	3 727	0.6
Production underground (ore)	<b>650</b>	643	1.1%	<b>2 013</b>	2 027	(0.7)
Production open pit (ore)	<b>623</b>	528	18.0%	<b>1 734</b>	1 700	2.0
Production open pit (waste rock)	<b>1 007</b>	1 436	(29.9%)	<b>3 400</b>	3 559	(4.5)
Production open pit (waste rock)	<b>1 190</b>	1 055	12.8%	<b>2 393</b>	2 123	12.8%
<b>Volumes sold</b>						
Volume hematite	<b>364</b>	362	0.8%	<b>147</b>	1 075	6.8
Volume magnetite	<b>22</b>	27	(18.2%)	<b>66</b>	78	(14.6)
Volume Colorana	<b>1.4</b>	1.5	(5.9%)	<b>4.3</b>	4.5	(4.6)

The production in the quarter totalled 469 thousand mt (407 thousand mt) of iron ore concentrate. This is the largest amount produced in one quarter in the history of Rana Gruber. The production increase was partly due to the continuous work to improve the capacity of the processing plant. It was also due to operational adjustments ensuring a more stable quality of the ore transported to the processing plant, which enables better utilisation of the plant.

Hematite concentrate amounted to 442 thousand mt (378 thousand mt) of the produced volume. In addition, 27 thousand mt (29 thousand mt) of magnetite concentrate and 1.1 thousand mt (1.5 thousand mt) of Colorana were produced.

Due to the timing of shipments, the volumes sold in the quarter were moderate compared to the volumes produced. The company has stored masses of produced volumes. These volumes will be shipped in later quarters and the amounts of stored volumes are expected to normalise during the first half of 2023.

In the third quarter, the company continued the development of the next mining level (L91). Production drilling is planned to begin towards the end of 2023, while blasting and full production of the mining level is expected to begin in 2024.

### PRODUCT AREAS

	Hematite		Magnetite		Colorana, special products	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Revenues (NOK million)	<b>189</b>	155	<b>26</b>	27	<b>12</b>	12
Volume sold (mt)	<b>364 491</b>	361 598	<b>21 867</b>	26 727	<b>1 415</b>	1 504
Revenues per mt (NOK)	<b>518</b>	429	<b>1 175</b>	1 006	<b>8 479</b>	7 912
Cash cost per mt (NOK)*	<b>418</b>	478	<b>418</b>	478	<b>7492</b>	5 564
Cash margin per mt (NOK)	<b>100</b>	(49)	<b>757</b>	529	<b>987</b>	2 348
Margin per mt (%)	<b>19.3</b>	(11.3)	<b>65.4</b>	52.5	<b>11.6</b>	29.7
Production (mt)	<b>442 188</b>	378 493	<b>26 896</b>	28 972	<b>1 131</b>	1 468

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

The hematite production yielded a margin of 19.3 per cent (-11.3 per cent) per mt, and the magnetite production a margin of 65.4 per cent (52.2 per cent) per mt. The increase in margin for the hematite production compared to third quarter of 2021

is largely explained by the fall in the prices for iron ore during the comparable period in 2021. For more information about the booking of revenues, please see note 6 in the consolidated annual report for 2021.

## DEVELOPMENT PROJECTS

The company has made good progress with its strategic development projects. As part of the ongoing project to eliminate carbon emissions from the production by the end of 2025, the company has ordered a new electric heating facility, which will replace the propane-based heating of the underground mine before the third quarter of 2023. The company has also started the planning of the on-site infrastructure needed for electrified operations. This involves an efficient charging structure and safety measures. The company works closely with external advisors and suppliers to identify and plan the best solution for the on-site infrastructure. The completion of this strategic development project will enable Rana Gruber to replace an annual consumption of 5 million litres diesel with electricity. Electrified operations are also expected to reduce operating costs.

To increase the minimum iron content in the hematite concentrate from 63 to 65 per cent, the company is making investments in the processing plant. The delivery of some of the equipment has been delayed due to the global supply chain challenges. Despite this, the company still expects to produce

hematite concentrate with an iron content of at least 65 per cent by the end of 2024. The completion of this strategic development project will enable Rana Gruber to link its hematite product to the premium price index Platts Fe 65%.

To increase the magnetite production, the company has identified the equipment needed in the processing plant and planned the organising of the upgrade. The next step is to order the relevant equipment. Today, Rana Gruber produces around 100 000 mt magnetite concentrate annually. The plan is to increase this production volume by 50 per cent by the end of 2024. The completion of this strategic development project will enable Rana Gruber to exploit the high demand for its chemical free magnetite concentrate. It will also provide security in times with less demand for hematite.

## HSE

There were no injuries leading to absence from work in the third quarter of the year, which represents a continuation of the positive trend from the previous quarters. Once again, this confirms that the company's tailored safety measures have been successful and provide a healthy work environment at Rana Gruber.

## FINANCIAL REVIEW

Amounts in NOK million,  
except where indicated otherwise

	Q3 2022	Q3 2021	Change (%)	YTD 2022	YTD 2021	Change (%)
Revenues	<b>230.5</b>	197.4	17	<b>1 040.5</b>	1 392.0	(25)
Raw materials and consumables used	<b>(92.4)</b>	(88.3)	5	<b>(265.7)</b>	(241.2)	10
Other costs	<b>(112.2)</b>	(114.5)	(2)	<b>(363.6)</b>	(328.4)	11
Change in inventory	<b>38.1</b>	(2.9)	(1 429)	<b>16.9</b>	17.4	(3)
EBITDA	<b>64.0</b>	(8.3)	(869)	<b>428.1</b>	839.8	(49)
Depreciation	<b>(38.8)</b>	(45.8)	(15)	<b>(118.6)</b>	(128.1)	(7)
EBIT	<b>25.2</b>	(54.1)	(147)	<b>309.5</b>	711.7	(57)
Net financial income/(expenses)	<b>39.7</b>	326.3	(88)	<b>(16.4)</b>	36.9	(144)
Pre tax profit	<b>64.9</b>	272.2	(76)	<b>293.1</b>	748.7	(61)
Tax	<b>(14.3)</b>	(59.9)	(76)	<b>(64.5)</b>	(164.9)	(61)
Net profit	<b>50.6</b>	212.3	(76)	<b>228.6</b>	583.8	(61)
Adjustments*	<b>6.2</b>	(232.9)	(103)	<b>22.4</b>	(239.5)	(109)
Tax on adjustments	<b>(1.4)</b>	51.2	(103)	<b>(4.9)</b>	52.7	(109)
Adjusted net profit	<b>55.4</b>	30.7	81	<b>246.1</b>	397.0	(38)
EPS	<b>1.36</b>	5.68	(76)	<b>6.16</b>	15.62	(61)
Adjusted EPS	<b>1.49</b>	0.81	84	<b>6.64</b>	10.61	(37)

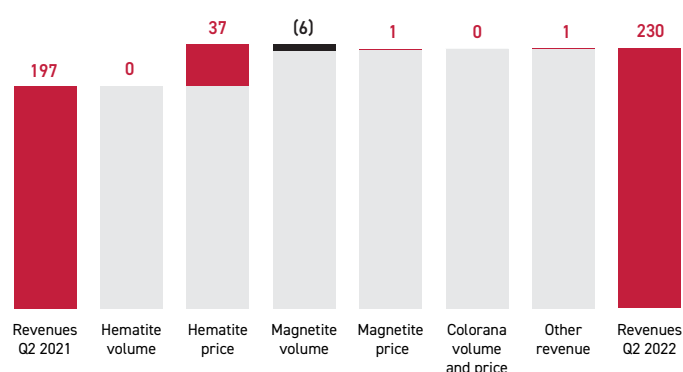
\* For explanation, see the appendix to the interim financial statements.

## PROFIT AND LOSS

Total revenues for the third quarter came in at NOK 230.5 million (NOK 197.4 million). The increase is largely explained by the fall in the prices for iron ore during the third quarter of 2021. This resulted in revenues being subtracted relative to the difference between the final prices and previously booked prices for shipments the prices for which were concluded in that quarter. For more information about the booking of revenues, please see note 6 in the consolidated annual report for 2021.

### Revenues

Amounts in NOK million

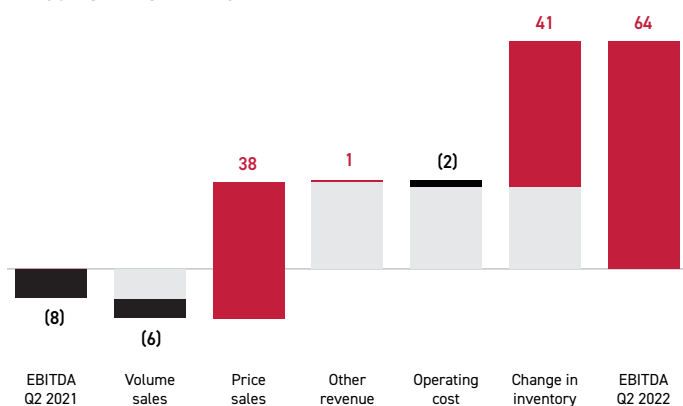


The cash costs ended at a total of NOK 204.6 million (NOK 202.8 million), and correspondingly NOK 435/mt produced (NOK 496/mt produced). This reduction in cash cost/mt produced was due to the increase in production.

These factors affected the operating profit (EBITDA), which ended at NOK 64.0 million (NOK -8.3 million). The increase was impacted by the same event that impacted the increase in revenues, i.e. the fall in the prices for iron ore during the third quarter of 2021.

### EBITDA

Amounts in NOK million



Net financial income of NOK 39.7 million in the third quarter of 2022 consists mainly of unrealised gains related to the hedging of iron ore established in forward contracts entered into in 2021.<sup>3</sup> In addition, net financial items include interest expenses and losses from currency hedges.

In the third quarter of 2021, net financial income of NOK 326.3 million mainly consisted of unrealised gains related to the hedging of iron ore. The fall in prices for iron ore during that quarter resulted in increased value of the hedging position portfolio. The gains in net financial items in that quarter therefore had the same cause as the loss in revenues.

In the third quarter of 2022, the above-mentioned factors resulted in a net profit of NOK 50.6 million (NOK 212.3 million). This corresponds to earnings per share (EPS) of NOK 1.36 (NOK 5.68).

The adjusted net profit for the quarter amounted to NOK 55.4 million (NOK 30.7 million), which gives an adjusted EPS of NOK 1.49 (NOK 0.81).

According to the company's dividend policy, the adjusted net profit shall constitute the IFRS based net profit after tax, adjusted for unrealised gains and losses from the portfolio of hedging positions related to iron ore and currency. 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 third quarter for which the final price is concluded in the fourth.

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. This part of the dividend policy was developed to enable more accurate evaluations of the company's performance, excluding accounting effects from factors which do not relate to the production and sales of the reporting period.

For the third quarter, the net profit was adjusted relative to the unrealised gain from the hedging of iron ore and the unrealised loss from the hedging of USD.

The board decided to pay out quarterly dividends per share (DPS) of NOK 1.05 (NOK 1.05 in 2021 based on NGAAP).

<sup>3</sup> The company does not apply hedge accounting.

## FINANCIAL POSITION AND LIQUIDITY

<i>Amounts in NOK million, except where indicated otherwise</i>	<b>Q3 2022</b>	Q2 2022	Change (%)	Q4 2021	Change (%)
Total assets	<b>1 333</b>	1 226	9	1 130	18
Total equity	<b>606</b>	612	(1)	582	4
Equity ratio (%)	<b>45.5</b>	49.9	(4.4pp)	51.5	(6.0pp)
Cash and cash equivalents	<b>339</b>	378	(10)	264	28
Interest bearing debt	<b>132</b>	127	4	114	16

The 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. The company has an unused credit facility of NOK 100 million.

After dividend distributions for the second quarter of the year, the company's equity ratio was 45.5 per cent (49.9 per cent in the second quarter).

Total cash holdings at the end of the quarter were NOK 339 million.

### CASH FLOW

The total cash flow from the operations amounted to NOK 69.6 million (NOK 200.2 million).

The capex for the period totalled NOK 46.4 million (NOK 42.4 million), of which NOK 31.7 million was development capex, mainly related to the new mine level and the strategic development project to increase the minimum iron content in the hematite concentrate from 63 to 65 per cent. NOK 14.7 million was related to maintenance.

Of financing activities, NOK 56.0 million (NOK 144.1 million) was pay-out of dividends and NOK 6.7 million was payment of the principal portion of the lease liabilities.

In sum, the total cash flow for the quarter was negative by NOK 39.5 million (positive NOK 2.7 million).

## MARKET AND HEDGING POSITIONS

The market prices for iron ore fell through the quarter. The decrease was largely caused by Chinese authorities' maintaining Covid-related restrictions, which caused pessimism about the short-term demand for iron ore.

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.

In the third quarter, the company entered into a fixed freight rate contract securing rates of USD 22.5/mt for 900 thousand mt in the period starting with the beginning of the fourth quarter of 2022 and ending at the end of the second quarter of 2023.

At 30 September, 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 390 000 mt, at an average price of USD 142/mt. Please see note 10 in 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 operations, performance, finances, and share price. These risks are monitored by the corporate 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.

For the upcoming reporting period, sources of uncertainty include the geopolitical situation in Europe and East Asia, the European energy market, and challenges with the global supply chain. In addition, the company faces risk related to lockdowns in China reducing global demand for iron ore, and risk related to higher input costs.

For a more detailed description of potential risks, please see an overview in the annual report for 2021.

## SHARE INFORMATION

On 30 September, the company had 6 187 shareholders. The 20 largest shareholders held a total of 60 per cent of the shares.

The share was traded between NOK 50.70 and 38.75 per share in the quarter, with a closing price of NOK 39.50 per share on 30 September 2022.

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 positions related to iron ore and exchange rate. 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 third quarter for which the final price is concluded in the fourth. 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 1.05 per share will be paid out for the second quarter. This will be paid out at or around 24 November.

Ex. date	Dividend (NOK/share)
14 November 2022	1.05
26 August 2022	1.51
16 May 2022	2.09
15 February 2022	1.51
09 December 2021	2.50
12 November 2021	1.05
30 August 2021	3.86
18 May 2021	2.90

## OUTLOOK

Iron ore is essential to build and develop infrastructure, buildings, and a range of other products, and the long-term market outlook remains positive. In the short-term, the market demand may be more volatile due to the handling of Covid-19 in China. China is the main global demand driver, and the potential imposition of restrictions there may reduce the global demand. Still, progress with the long-term strategic projects is expected to contribute to solid product margins.

Rana Gruber plans investments related to the company's ongoing strategic projects – the Fe65 project, the M40 project, and the zero carbon emissions project. The capex related to these projects will increase in the coming years. For the zero carbon emissions project, the company is currently in the process of identifying the most suitable solutions and suppliers. The company will not finance these projects with either new

interest-bearing debt or share issues. The company plans to finance the projects with earnings from operations and lease obligations for vehicles and mobile machinery. The zero carbon emissions project is also expected to be subject to governmental support. The company is in close dialogue with Enova regarding the project. The completion of these projects is expected to be within the previously communicated time frame.

Rana Gruber's production is expected to remain stable in the following quarters.

With stable production, vast resources, strategic off-take agreement with Cargill, a solid financial position, and investments in strategic projects, the outlook for Rana Gruber remains positive.



# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK thousand</i>	<i>Notes</i>	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
Revenue	5	<b>230 484</b>	197 361	<b>1 040 497</b>	1 392 049
Changes in inventories		<b>38 081</b>	(2 866)	<b>16 877</b>	17 359
Raw materials and consumables used		<b>(92 425)</b>	(88 312)	<b>(265 674)</b>	(241 230)
Employee benefit expenses		<b>(74 741)</b>	(65 280)	<b>(212 260)</b>	(188 252)
Depreciation	7, 8	<b>(38 764)</b>	(45 775)	<b>(118 619)</b>	(128 068)
Other operating expenses		<b>(37 445)</b>	(49 222)	<b>(151 347)</b>	(140 131)
<b>Operating profit/(loss)</b>		<b>25 191</b>	(54 094)	<b>309 474</b>	711 727
Financial income		<b>2 795</b>	3	<b>5 927</b>	1 345
Financial expenses		<b>(3 178)</b>	(1 493)	<b>(7 535)</b>	(6 698)
Other financial gains/(losses)	6	<b>40 072</b>	327 786	<b>(14 816)</b>	42 297
<b>Financial income/(expenses), net</b>		<b>39 689</b>	326 296	<b>(16 424)</b>	36 944
<b>Profit/(loss) before income tax</b>		<b>64 880</b>	272 202	<b>293 050</b>	748 671
Income tax expense		<b>(14 274)</b>	(59 885)	<b>(64 471)</b>	(164 885)
<b>Profit/(loss) for the period</b>		<b>50 606</b>	212 317	<b>228 579</b>	583 786
<b>Other comprehensive income from items that will not be reclassified to profit or loss:</b>					
Actuarial gains and losses		-	(486)	-	(972)
Tax on items not reclassified to profit or loss		-	107	-	214
<b>Net other comprehensive income/(loss)</b>		-	(379)	-	(758)
<b>Comprehensive profit for the period</b>		<b>50 606</b>	211 938	<b>228 579</b>	583 028
<b>Earnings per share (in NOK):</b>					
Basic and diluted earnings per ordinary share		<b>1.36</b>	5.68	<b>6.16</b>	15.62

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK thousand</i>	<i>Notes</i>	<b>30 September 2022</b>	30 June 2022	31 December 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Mine properties	8	<b>285 854</b>	277 969	303 768
Property, plant, and equipment	7	<b>169 977</b>	162 391	153 416
Right-of-use assets		<b>129 780</b>	125 897	114 284
Other non-current financial assets		-	-	1 500
<b>Total non-current assets</b>		<b>585 611</b>	566 257	572 968
<b>Current assets</b>				
Inventories		<b>133 502</b>	78 437	89 215
Trade receivables	9	<b>45 142</b>	38 051	63 087
Other current receivables	9	<b>29 500</b>	31 645	36 802
Derivative financial assets	9, 10	<b>200 930</b>	133 170	103 247
Cash and cash equivalents	9	<b>338 765</b>	378 242	264 363
<b>Total current assets</b>		<b>747 839</b>	659 545	556 714
<b>Total assets</b>		<b>1 333 450</b>	1 225 802	1 129 682
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		<b>9 271</b>	9 271	9 348
Share premium		<b>92 783</b>	92 783	92 783
Other equity		<b>504 292</b>	509 684	479 680
<b>Total equity</b>		<b>606 346</b>	611 738	581 811
<b>Liabilities</b>				
Lease liabilities		<b>92 791</b>	89 662	82 601
Deferred tax liabilities		<b>94 822</b>	80 548	30 351
Provisions		<b>15 000</b>	15 000	15 000
Other non-current liabilities		<b>3 868</b>	3 868	1 553
Net defined benefit liabilities		-	2 282	975
<b>Total non-current liabilities</b>		<b>206 481</b>	191 360	130 480
Trade payables		<b>154 562</b>	107 634	119 115
Lease liabilities (current portion)		<b>38 755</b>	36 864	31 107
Current tax liabilities		<b>112 354</b>	112 354	145 653
Derivative financial liabilities	9, 10	<b>121 900</b>	64 775	7 680
Other current liabilities		<b>93 052</b>	101 077	113 836
<b>Total current liabilities</b>		<b>520 623</b>	422 704	417 391
<b>Total liabilities</b>		<b>727 104</b>	614 064	547 871
<b>Total equity and liabilities</b>		<b>1 333 450</b>	1 225 802	1 129 682

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>Amounts in NOK thousand</i>	<i>Notes</i>	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
<b>Cash flow from operating activities:</b>					
Profit before income tax		<b>64 880</b>	272 203	<b>293 050</b>	748 671
<b>Adjustments for:</b>					
Movements in provisions, pensions and government grants		-	-	-	-
Depreciation of tangible assets	7, 8	<b>38 764</b>	45 775	<b>118 619</b>	128 068
Unrealised loss/(gain) on derivative financial instruments	6	<b>(10 635)</b>	(371 955)	<b>16 537</b>	(357 910)
Net interest income / expense		<b>384</b>	1 490	<b>3 181</b>	5 353
<b>Working capital changes:</b>					
Change in inventories		<b>(55 065)</b>	8 238	<b>(44 287)</b>	(7 530)
Change in receivables and payables		<b>31 676</b>	245 931	<b>42 749</b>	317 699
Income tax paid		-	-	<b>(33 299)</b>	-
Interests received		<b>2 795</b>	3	<b>4 355</b>	1 345
Interests paid		<b>(3 179)</b>	(1 493)	<b>(7 536)</b>	(6 698)
<b>Net cash flow from operating activities</b>		<b>69 620</b>	200 192	<b>393 369</b>	828 998
<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>					
Expenditures on mine development	8	<b>(22 738)</b>	(25 245)	<b>(43 814)</b>	(59 288)
Expenditures on property, plant and equipment	7	<b>(23 672)</b>	(17 189)	<b>(50 787)</b>	(54 079)
Cash receipt from repayment of loans		-	-	-	133 939
<b>Net cash flow from investing activities</b>		<b>(46 410)</b>	(42 434)	<b>(94 601)</b>	20 572
<b>Cash flow from financing activities:</b>					
Acquisition of treasury shares		-	-	<b>(14 163)</b>	(2 776)
Payment of principal portion of lease liabilities		<b>(6 689)</b>	(3 947)	<b>(20 322)</b>	(21 471)
Cash repayments of amounts borrowed		-	(6 983)	-	(208 400)
Cash receipts from amounts borrowed		-	-	-	65 360
Dividends paid		<b>(55 998)</b>	(144 112)	<b>(189 881)</b>	(280 049)
<b>Net cash flow from financing activities</b>		<b>(62 687)</b>	(155 042)	<b>(224 366)</b>	(447 336)
Net increase/(decrease) in cash and cash equivalents		<b>(39 476)</b>	2 716	<b>74 402</b>	402 234
Cash and cash equivalents at the beginning of the period		<b>378 241</b>	424 512	<b>264 363</b>	24 994
Cash and cash equivalents at the end of the period		<b>338 765</b>	427 228	<b>338 765</b>	427 228

## STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK thousand</i>	Share capital	Share premium	Treasury shares	Retained earnings	<b>Total equity</b>
<b>Balance at 1 January 2021</b>	9 348	92 783	-	276 565	<b>378 696</b>
Profit for the year	-	-	-	583 786	<b>583 786</b>
Other comprehensive income	-	-	-	(758)	<b>(758)</b>
<b>Total comprehensive income</b>	-	-	-	583 028	<b>583 028</b>
Dividends paid	-	-	-	(252 550)	<b>(252 550)</b>
Acquisition of treasury shares	-	-	(2 776)	-	<b>(2 776)</b>
<b>Balance at 30 September 2021</b>	9 348	92 783	(2 776)	607 043	<b>706 398</b>
					-
<b>Balance at 1 January 2022</b>	9 348	92 783	(2 835)	482 515	<b>581 811</b>
Profit for the year	-	-	-	228 580	<b>228 580</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	228 580	<b>228 580</b>
Dividends paid	-	-	-	(189 882)	<b>(189 882)</b>
Issue of ordinary shares	-	-	-	-	-
Acquisition of treasury shares	-	-	(14 163)	-	<b>(14 163)</b>
Share capital reduction	(77)	-	16 998	(16 921)	-
<b>Balance at 30 September 2022</b>	9 271	92 783	-	504 293	<b>606 346</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### NOTE 1: GENERAL INFORMATION

The accompanying interim financial statements for the period ending 30 September 2022 include the financial statements of Rana Gruber ASA. The comparable financial statements for the period ending 30 September 2021 include Rana Gruber ASA and its subsidiary Rana Gruber Minerals AS. The two group entities were merged in December 2021.

The consolidated financial statements for the year ended 31 December 2021 are available at [www.ranagruber.no](http://www.ranagruber.no).

### 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 2021.

These interim financial statements are unaudited.

The accounting policies applied by the group in these interim financial statements are the same as those applied by the group in its financial statements for the year ended 31 December 2021. Because of rounding differences, numbers or percentages may not add up to the sum totals.

In the interim financial statements, the third quarter (Q3) is defined as the reporting period from 1 July to 30 September.

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 2021 annual report.

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

The board has decided that a dividend of NOK 1.05 per share will be paid for the third quarter. The dividend will be paid out at or around 24 November.

The financial position and the performance of the group was not particularly affected by any significant events or transactions, other than those mentioned above, during the third quarter of 2022.

### 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.

#### **Seasonality of operations**

The mining operations for the group is not significantly affected by any seasonality fluctuations, and the production output for the current quarter has been in line with the management's operational production estimates.

## NOTE 5: REVENUE

Revenue from sources other than contracts with customers stem primarily from the fair value changes in the value of the trade receivables due to the provisional price mechanisms. For further information please see note 6 in the 2021 consolidated annual report.

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

<i>Amounts in NOK thousand</i>	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
Sales of hematite	<b>294 114</b>	484 066	<b>1 062 666</b>	1 405 268
Sales of magnetite	<b>25 720</b>	26 937	<b>77 538</b>	83 447
Sales of Colorana	<b>12 009</b>	11 956	<b>37 907</b>	34 720
<b>Total revenue from contracts with customers</b>	<b>331 843</b>	522 959	<b>1 178 111</b>	1 523 435
Effect from provisionally priced receivables (Hematite)	<b>(105 337)</b>	(328 903)	<b>(154 010)</b>	(141 783)
Other income	<b>3 978</b>	3 305	<b>16 396</b>	10 397
<b>Total revenue</b>	<b>230 484</b>	197 361	<b>1 040 497</b>	1 392 049

## NOTE 6: OTHER FINANCIAL GAINS AND LOSSES

<i>Amounts in NOK thousand</i>	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
Net gain/(loss) on financial assets at fair value through profit or loss - derivatives on exchange rates	<b>(83 468)</b>	(12 672)	<b>(165 115)</b>	(34 108)
Net gain/(loss) on financial assets at fair value through profit or loss - derivatives on iron ore prices	<b>124 368</b>	338 556	<b>127 468</b>	56 446
Net gain/(loss) on financial assets at fair value through profit or loss - derivatives on interest rates	-	965	-	2 615
Net foreign exchange gains (losses)	<b>(828)</b>	937	<b>22 831</b>	17 344
<b>Total other financial gains and losses</b>	<b>40 072</b>	327 786	<b>(14 816)</b>	42 297

## NOTE 7: PROPERTY, PLANT, AND EQUIPMENT

<b>Property, plant, and equipment</b> <i>Amounts in NOK thousand</i>	Land and buildings	Machinery and plants	Operating equipment etc.	<b>Total</b>
<b>Year ended 31 December 2021</b>				
Opening net book amount (1 January 2021)	16 803	110 844	7 044	<b>134 691</b>
Additions	34 037	22 947	1 658	<b>58 642</b>
Depreciation charge	(4 093)	(33 735)	(2 089)	<b>(39 917)</b>
<b>Closing net book amount (31 December 2021)</b>	<b>46 747</b>	<b>100 056</b>	<b>6 613</b>	<b>153 416</b>
<b>At 31 December 2021</b>				
Cost	87 205	611 866	57 037	<b>756 108</b>
Accumulated depreciation and impairment	(40 458)	(511 810)	(50 424)	<b>(602 692)</b>
<b>Net book amount (31 December 2021)</b>	<b>46 747</b>	<b>100 056</b>	<b>6 613</b>	<b>153 416</b>
<b>Period ended 30 September 2022 (YTD)</b>				
Opening net book amount (1 January 2022)	46 747	100 056	6 613	<b>153 416</b>
Additions	19 605	21 363	2 847	<b>43 815</b>
Depreciation charge	(4 208)	(21 130)	(1 916)	<b>(27 254)</b>
<b>Closing net book amount (30 September 2022)</b>	<b>62 144</b>	<b>100 289</b>	<b>7 544</b>	<b>169 977</b>
<b>At 30 September 2022</b>				
Cost	106 810	633 229	59 884	<b>799 923</b>
Accumulated depreciation and impairment	(44 666)	(532 940)	(52 340)	<b>(629 946)</b>
<b>Net book amount (30 September 2022)</b>	<b>62 144</b>	<b>100 289</b>	<b>7 544</b>	<b>169 977</b>

<b>Property, plant, and equipment</b> <i>Amounts in NOK thousand</i>	Land and bulidings	Machinery and plants	Operating equipment etc.	<b>Total</b>
<b>Period ended 30 June 2022</b>				
Opening net book amount (1 January 2022)	46 747	100 056	6 613	<b>153 416</b>
Additions	13 408	11 548	2 160	<b>27 116</b>
Depreciation charge	(2 702)	(14 200)	(1 239)	<b>(18 141)</b>
<b>Closing net book amount (30 June 2022)</b>	<b>57 453</b>	<b>97 404</b>	<b>7 534</b>	<b>162 391</b>

<b>At 30 June 2022</b>				
Cost	100 613	623 414	59 197	<b>783 224</b>
Accumulated depreciation and impairment	(43 160)	(526 010)	(51 663)	<b>(620 833)</b>
<b>Net book amount (30 June 2022)</b>	<b>57 453</b>	<b>97 404</b>	<b>7 534</b>	<b>162 391</b>

<b>Property, plant, and equipment</b> <i>Amounts in NOK thousand</i>	Land and bulidings	Machinery and plants	Operating equipment etc.	<b>Total</b>
<b>Period ended 30 September 2022 (Q3)</b>				
Opening net book amount (1 July 2022)	57 453	97 404	7 534	<b>162 391</b>
Additions	6 197	9 815	687	<b>16 699</b>
Depreciation charge	(1 506)	(6 930)	(677)	<b>(9 113)</b>
<b>Closing net book amount (30 September 2022)</b>	<b>62 144</b>	<b>100 289</b>	<b>7 544</b>	<b>169 977</b>

## **NOTE 8: MINE PROPERTIES**

<b>Mine properties</b> <i>Amounts in NOK thousand</i>	Exploration and evaluation assets	Producing mines	<b>Total</b>
<b>Year ended 31 December 2021</b>			
Opening net book amount (1 January 2021)	-	346 344	<b>346 344</b>
Additions	8 539	58 472	<b>67 011</b>
Depreciation charge	-	(109 587)	<b>(109 587)</b>
<b>Closing net book amount (31 December 2021)</b>	<b>8 539</b>	<b>295 229</b>	<b>303 768</b>

<b>At 31 December 2021</b>			
Cost	8 539	914 276	<b>922 815</b>
Accumulated depreciation and impairment	-	(619 047)	<b>(619 047)</b>
<b>Net book amount (31 December 2021)</b>	<b>8 539</b>	<b>295 229</b>	<b>303 768</b>

<b>Period ended 30 September 2022 (YTD)</b>			
Opening net book amount (1 January 2022)	8 539	295 229	<b>303 768</b>
Additions	40 481	10 306	<b>50 787</b>
Depreciation charge	-	(68 701)	<b>(68 701)</b>
<b>Closing net book amount (30 September 2022)</b>	<b>49 020</b>	<b>236 834</b>	<b>285 854</b>

<b>At 30 September 2022</b>			
Cost	49 020	924 582	<b>973 602</b>
Accumulated depreciation and impairment	-	(687 748)	<b>(687 748)</b>
<b>Net book amount (30 September 2022)</b>	<b>49 020</b>	<b>236 834</b>	<b>285 854</b>

<b>Mine properties</b> <i>Amounts in NOK thousand</i>	Exploration and evaluation assets	Producing mines	<b>Total</b>
<b>Period ended 30 June 2022</b>			
Opening net book amount (1 January 2022)	8 539	295 229	<b>303 768</b>
Additions	12 908	8 168	<b>21 076</b>
Depreciation charge	-	(46 875)	<b>(46 875)</b>
<b>Closing net book amount (30 June 2022)</b>	<b>21 447</b>	<b>256 522</b>	<b>277 969</b>

<b>At 30 June 2022</b>			
Cost	21 447	922 444	<b>943 891</b>
Accumulated depreciation and impairment	-	(665 922)	<b>(665 922)</b>
<b>Net book amount (30 June 2022)</b>	<b>21 447</b>	<b>256 522</b>	<b>277 969</b>

<b>Mine properties</b> <i>Amounts in NOK thousand</i>	Exploration and evaluation assets	Producing mines	<b>Total</b>
<b>Period ended 30 September 2022 (Q3)</b>			
Opening net book amount (1 July 2022)	21 447	256 522	<b>277 969</b>
Additions	27 573	2 138	<b>29 711</b>
Depreciation charge	-	(21 826)	<b>(21 826)</b>
<b>Closing net book amount (30 September 2022)</b>	<b>49 020</b>	<b>236 834</b>	<b>285 854</b>

## NOTE 9: FINANCIAL ASSETS AND LIABILITIES

### 9.1. Financial assets

<i>Amounts in NOK thousand</i>	<b>30 September 2022</b>	30 June 2022	31 December 2021
<b>Debt instruments measured at amortised cost:</b>	<b>413 364</b>	447 938	325 196
Other current receivables	<b>29 500</b>	31 645	36 802
Trade receivables not subject to provisional pricing mechanism (amortised cost)	<b>45 099</b>	38 051	22 531
Other non-current financial assets	-	-	1 500
Cash and cash equivalents	<b>338 765</b>	378 242	264 363
<b>Debt instruments measured at fair value through profit or loss:</b>	<b>-</b>	-	40 736
Trade receivables subject to provisional pricing mechanism (fair value)	-	-	40 736
Derivatives (measured at fair value through profit or loss):	<b>200 930</b>	133 170	103 247
Foreign exchange forward contracts	-	-	-
Iron ore forward contracts	<b>200 930</b>	133 170	103 247
<b>Total financial assets</b>	<b>614 294</b>	581 108	469 179

### 9.2. Financial liabilities

<i>Amounts in NOK thousand</i>	<b>30 September 2022</b>	30 June 2022	31 December 2021
<b>Liabilities measured at amortised cost</b>	<b>243 130</b>	174 199	234 504
Trade payables and other current liabilities	<b>239 262</b>	170 331	232 951
Other non-current liabilities	<b>3 868</b>	3 868	1 553
<b>Liabilities measured at fair value through profit or loss:</b>	<b>8 310</b>	38 380	-
Prepayments subject to provisional pricing mechanism	<b>8 310</b>	38 380	-
<b>Derivatives (measured at fair value through profit or loss):</b>	<b>121 900</b>	64 775	7 680
Foreign exchange forward contracts	<b>121 900</b>	64 775	7 680
Iron ore forward contracts	-	-	-
<b>Total financial liabilities</b>	<b>373 340</b>	277 354	242 184



### 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 2021

<i>Amounts in NOK thousand</i>	Level 1	Level 2	Level 3	<b>Total</b>
<b>Financial assets valued at FVPL:</b>				
Trade receivables subject to provisional pricing mechanism	-	40 736	-	<b>40 736</b>
Derivatives (assets)	-	200 930	-	<b>200 930</b>
<b>Total financial assets measured at fair value</b>	-	<b>241 666</b>	-	<b>241 666</b>
<b>Financial liabilities valued at FVPL:</b>				
Other liabilities subject to provisional pricing mechanism	-	-	-	-
Derivatives (liabilities)	-	(7 680)	-	<b>(7 680)</b>
<b>Total financial liabilities measured at fair value</b>	-	<b>(7 680)</b>	-	<b>(7 680)</b>

#### At 30 June 2022

<i>Amounts in NOK thousand</i>	Level 1	Level 2	Level 3	<b>Total</b>
<b>Financial assets valued at FVPL:</b>				
Trade receivables subject to provisional pricing mechanism	-	-	-	-
Derivatives (assets)	-	133 170	-	<b>133 170</b>
<b>Total financial assets measured at fair value</b>	-	<b>133 170</b>	-	<b>133 170</b>
<b>Financial liabilities valued at FVPL:</b>				
Prepayments subject to provisional pricing mechanism	-	(38 380)	-	<b>(38 380)</b>
Derivatives (liabilities)	-	(64 775)	-	<b>(64 775)</b>
<b>Total financial liabilities measured at fair value</b>	-	<b>(103 155)</b>	-	<b>(103 155)</b>

#### At 30 September 2022

<i>Amounts in NOK thousand</i>	Level 1	Level 2	Level 3	<b>Total</b>
<b>Financial assets valued at FVPL:</b>				
Trade receivables subject to provisional pricing mechanism	-	-	-	-
Derivatives (assets)	-	200 930	-	<b>200 930</b>
<b>Total financial assets measured at fair value</b>	-	<b>200 930</b>	-	<b>200 930</b>
<b>Financial liabilities valued at FVPL:</b>				
Other liabilities subject to provisional pricing mechanism	-	(8 310)	-	<b>(8 310)</b>
Derivatives (liabilities)	-	(121 900)	-	<b>(121 900)</b>
<b>Total financial liabilities measured at fair value</b>	-	<b>(130 210)</b>	-	<b>(130 210)</b>

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 6 in the 2021 consolidated 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 group'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 group 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 (thousand NOK)
Maturity within 3 months	36 000	8.58	9.27	(2 195)
Maturity within 3 to 6 months	30 000	8.58	9.38	(2 904)
Maturity within 6 to 9 months	6 000	8.52	9.43	(1 285)
Maturity within 9 to 12 months	6 000	8.52	9.55	(1 296)
<b>Balances at 31 December 2021</b>	<b>78 000</b>	<b>8.57</b>	<b>9.35</b>	<b>(7 680)</b>

Foreign exchange derivatives by maturity:	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (thousand NOK)
Maturity within 3 months	19 800	8.80	9.58	(19 274)
Maturity within 3 to 6 months	22 800	8.81	9.67	(20 409)
Maturity within 6 to 9 months	21 000	8.92	9.72	(16 642)
Maturity within 9 to 12 months	12 000	8.99	9.85	(8 450)
<b>Balances at 30 June 2022</b>	<b>75 600</b>	<b>8.87</b>	<b>9.69</b>	<b>(64 775)</b>

Foreign exchange derivatives by maturity:	Sell USD (thousand)	Floor FX rate (USD/NOK)	Cap FX rate (USD/NOK)	Fair value (thousand NOK)
Maturity within 3 months	22 800	8.81	9.67	(46 711)
Maturity within 3 to 6 months	33 000	9.48	10.25	(43 933)
Maturity within 6 to 9 months	24 000	9.72	10.56	(24 992)
Maturity within 9 to 12 months	24 000	10.46	11.41	(6 264)
<b>Balances at 30 September 2022</b>	<b>103 800</b>	<b>9.61</b>	<b>10.46</b>	<b>(121 900)</b>

## 10.2. Iron ore price derivatives

The group 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 group in relation to the iron ore derivative instruments:

### Balances at 31 December 2021:

	Quantity (metric tons)	Weighted average fixed price (USD)	Fair value (thousand NOK)
<b>Derivatives already matured and recognised as other current receivables:</b>	<b>120 000</b>	<b>118.70</b>	<b>17 522</b>
Matured iron ore derivatives (*)	120 000	118.70	17 522
<b>Iron ore derivatives recognised as financial assets:</b>	<b>660 000</b>	<b>136.29</b>	<b>103 247</b>
Maturity within 3 months	360 000	133.81	43 278
Maturity within 3 to 6 months	240 000	134.90	37 055
Maturity within 6 to 9 months	30 000	156.75	11 060
Maturity within 9 to 12 months	30 000	156.75	11 853

### Balances at 30 June 2022

	Quantity (metric tons)	Weighted average fixed price (USD)	Fair value (thousand NOK)
<b>Derivatives already matured and recognised as other current receivables:</b>	<b>80 000</b>	<b>133.29</b>	<b>2 616</b>
Matured iron ore derivatives (*)	80 000	133.29	2 616
<b>Iron ore derivatives recognised as financial assets:</b>	<b>520 000</b>	<b>142.67</b>	<b>133 170</b>
Maturity within 3 months	130 000	145.61	34 421
Maturity within 3 to 6 months	150 000	143.69	39 037
Maturity within 6 to 9 months	150 000	137.58	32 773
Maturity within 9 to 12 months	90 000	145.23	26 939

### Balances at 30 September 2022

	Quantity (metric tons)	Weighted average fixed price (USD)	Fair value (thousand NOK)
<b>Derivatives already matured and recognised as other current receivables:</b>	<b>50 000</b>	<b>147.21</b>	<b>26 186</b>
Matured iron ore derivatives (*)	50 000	147.21	26 186
<b>Iron ore derivatives recognised as financial assets:</b>	<b>390 000</b>	<b>142.67</b>	<b>200 930</b>
Maturity within 3 months	150 000	143.69	78 669
Maturity within 3 to 6 months	150 000	137.58	71 299
Maturity within 6 to 9 months	90 000	145.23	50 962
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.

## NOTE 11: RELATED PARTY TRANSACTIONS

### Transactions with related parties

<i>Amounts in NOK thousand</i>	Party	Relationship	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
Purchase of services open-pit production services	Leonhard Nilsen & Sønner AS	Significant influence over the group	<b>(35 903)</b>	(34 855)	<b>(104 850)</b>	(96 828)
Purchase of services concerning mine levels	Leonhard Nilsen & Sønner AS	Significant influence over the group	<b>(23 107)</b>	(6 431)	<b>(43 023)</b>	(48 761)
Sales of services various operations and maintenance	Leonhard Nilsen & Sønner AS	Significant influence over the group	<b>18</b>	15	<b>333</b>	381
Sales of various administrative services	Greenland Ruby/LNS Greenland AS	Significant influence over the group	<b>203</b>	351	<b>497</b>	816
Sales of various administrative services	LNS Mining AS	Other related parties	<b>618</b>	600	<b>1 854</b>	1 800
<b>Total related party profit or loss items</b>			<b>(58 171)</b>	(40 320)	<b>(145 189)</b>	(142 592)

## NOTE 12: COMMITMENTS

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

### Capital commitments

<i>Amounts in NOK thousand</i>	<b>30 September 2022</b>	30 June 2022	31 December 2021
Property, plant, and equipment	<b>5 970</b>	5 958	-
Leases	<b>64 499</b>	41 378	16 459
<b>Total capital commitments</b>	<b>70 469</b>	47 336	16 459

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 Kvannevang

underground mine in the Ørtfjell area, where production is expected to commence during 2024. Infrastructure development includes both areas for maintenance, as well as 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 2022 third quarter interim financial report for the company.

## APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

The group 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 group 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 group 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 group's operating activities.

**EBIT margin** is defined as EBIT in percentage of revenues. The group 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 group's operating activities.

**EBITDA margin** is defined as EBITDA in percentage of revenues. The group 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 group'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 and extraordinary events not being part of the company's core business.

**Equity ratio** is defined as total equity in percentage of total assets. The group 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 the owners' equity.

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

**Net interest-bearing debt** is defined as the group'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 group, 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:

<i>Amounts in NOK thousand</i>	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
Profit/(loss) for the year	<b>50 606</b>	212 317	<b>228 579</b>	583 786
Income tax expense	<b>14 274</b>	59 885	<b>64 471</b>	164 885
Net financial income/(expenses)	<b>(39 689)</b>	(326 296)	<b>16 424</b>	(36 944)
<b>(a) EBIT</b>	<b>25 191</b>	(54 094)	<b>309 474</b>	711 727
Depreciation and amortisation	<b>38 764</b>	45 775	<b>118 619</b>	128 068
<b>(b) EBITDA</b>	<b>63 955</b>	(8 319)	<b>428 093</b>	839 795
(c) Revenues	<b>230 484</b>	197 361	<b>1 040 497</b>	1 392 049
<b>EBIT margin (a/c)</b>	<b>11%</b>	(27%)	<b>30%</b>	51%
<b>EBITDA margin (b/c)</b>	<b>28%</b>	(4%)	<b>41%</b>	60%

The table below sets forth reconciliation of adjusted net profit:

<i>Amounts in NOK thousand</i>	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
Profit before tax for the period	<b>64 880</b>	272 202	293 050	748 671
One-offs	-	-	15 000	-
Unrealised hedging positions iron ore	<b>(23 512)</b>	(245 523)	(62 293)	(273 628)
Unrealised hedging positions FX	<b>29 688</b>	12 673	69 704	34 109
<b>Adjusted profit before tax</b>	<b>71 056</b>	39 352	315 461	509 152
Ordinary income tax	<b>(14 274)</b>	(59 885)	(64 471)	(164 885)
Tax on adjustments	<b>(1 359)</b>	51 227	(4 930)	52 694
<b>Adjusted net profit</b>	<b>55 424</b>	30 694	246 060	396 961

The table below sets forth reconciliation of equity ratio:

<i>Amounts in NOK thousand</i>	<b>30 September 2022</b>	30 June 2022	31 December 2021
(a) Total equity	<b>606 346</b>	611 738	581 811
(b) Total assets	<b>1 333 450</b>	1 225 802	1 129 682
<b>Equity ratio (a/b)</b>	<b>45%</b>	50%	52%

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

<i>Amounts in NOK thousand</i>	<b>Q3 2022</b>	Q3 2021	<b>YTD 2022</b>	YTD 2021
Raw materials and consumables used	<b>92 425</b>	88 312	265 674	241 230
Employee benefit expenses	<b>74 741</b>	65 280	212 260	188 252
Other operating expenses	<b>37 445</b>	49 222	151 347	140 131
<b>(a) Cash cost</b>	<b>204 611</b>	202 814	629 281	569 613
Metric tons of hematite produced	<b>442</b>	378	1 195	1 138
Metric tons of magnetite produced	<b>27</b>	29	73	79
Metric tons of Colorana produced	<b>1.1</b>	1.5	3.9	4.1
<b>(b) Metric tons of iron ore produced</b>	<b>470</b>	409	1 272	1 221
<b>Cash cost per metric tons (a/b)</b>	<b>435</b>	496	495	466

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

<i>Amounts in NOK thousand</i>	<b>30 September 2022</b>	30 June 2022	31 December 2021
Lease liabilities	<b>131 546</b>	126 526	113 708
<b>Total interest-bearing debt</b>	<b>131 546</b>	126 526	113 708
Cash and cash equivalents	<b>(338 765)</b>	(378 242)	(264 363)
<b>Net interest-bearing debt</b>	<b>(207 219)</b>	(251 716)	(150 655)



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