



Tulikivi

INTERIM REPORT  
1-9/2022



## Tulikivi Corporation

### Interim report 1–9/2022: Strong profit growth continued

4 November 2022 at 1 pm

- The Tulikivi Group's net sales were EUR 9.9 million (EUR 8.3 million, 7–9/2021) in the third quarter and EUR 30.5 million (EUR 24.1 million, 1–9/2021) in the review period.
- The Tulikivi Group's operating profit was EUR 1.2 (1.0) million in the third quarter and EUR 3.2 (2.1) million in the review period.
- The Tulikivi Group's profit before taxes was EUR 1.1 million (0.8 million) in the third quarter and EUR 2.6 (1.6) million in the review period.
- Net cash flow from operating activities was EUR 1.3 (1.2) million in the third quarter and EUR 3.5 (1.9) million in the review period.
- Order books strengthened significantly in the third quarter and stood at EUR 15.8 (5.9) million at the end of the review period.
- Erkki Kuronen was appointed Managing Director of Nordic Talc Oy, a part of the Tulikivi Group, on 16 September 2022.
- Future outlook: Net sales in 2022 are expected to be EUR 42 to 45 million and the comparable operating profit is expected to be EUR 4.0 to 5.0 million.

#### Key financial ratios

	1-9/22	1-9/21	Change, %	1-12/21	7-9/22	7-9/21	Change, %
Sales, MEUR	30.5	24.1	26.7 %	33.5	9.9	8.3	19.9 %
Operating profit/loss, MEUR	3.2	2.1	53.8 %	2.7	1.2	1.0	19.4 %
Operating profit/loss without impairment loss, MEUR	3.2	2.1	53.8 %	2.7	1.2	1.0	19.4 %
Profit before tax, MEUR	2.6	1.6	59.4 %	2.1	1.1	0.8	25.7 %
Total comprehensive income for the period, MEUR	2.7	1.3	109.8 %	1.7	1.1	0.7	52.7 %
Earnings per share, Euro	0.05	0.02		0.03	0.02	0.01	
Net cash flow from operating activities, MEUR	3.5	1.9		3.0	1.3	1.2	
Equity ratio, %	36.0	28.1		29.4			
Net indebtedness ratio, %	91.8	144.7		142.9			
Return on investments, %	18.7	12.6		12.6			

#### Comments by Heikki Vauhkonen, Managing Director:

The company's order intake increased 64 per cent in the third quarter year-on-year and totalled EUR 14.9 (9.1) million. Demand increased in Scandinavia, as well as in Central Europe, due to the sharp increase in electricity prices. In the principal market area the strong rise in heating energy prices and the increased uncertainty surrounding the availability of energy and homes' security of supply further increased consumers' interest in purchasing alternative heating systems, such as a fireplace.



The growth in sales was also attributable to systematic long-term work to renew the product portfolio, development of online sales and the streamlining of distribution channels in export markets. Tulikivi's order books grew and amounted to EUR 15.8 (5.9) million at the end of the review period.

Profitability improved despite the continued steep rises in the prices of steel, purchased components and energy over the review period, thanks to higher net sales, price increases and successful productivity measures. The company's profitability is also supported by the fact that its operations are to a substantial degree based on the utilisation of its own soapstone reserves in Finland.

The ceramic colour options introduced in the Karelia collection late last year, as well as the Kermansavi collection based on 80 per cent recycled material, have been well received on the market. The new ceramic collections, which meet the Ecodesign requirements that came into force on 1 January 2022, have strengthened Tulikivi's market position in Finland and have expanded the potential customer base in the export markets. The collaboration with the German cooperative Hagos eG, which is rich in tradition and focuses on fireplaces and their accessories, has been launched as planned.

Erkki Kuronen was appointed Managing Director of Nordic Talc Oy, a part of the Tulikivi Group, on 16 September 2022. Kuronen has 20 years of expertise in talc deposits and operations from Mondo Minerals and valuable experience from the financing and launch of the Sotkamo Silver mine and the start-up of its production operations. The objective of Nordic Talc Oy is the industrial exploitation of Tulikivi's talc reserves in the Suomussalmi mining district.

In addition, Tulikivi carried out additional drilling and surveys and updated the JORC mineral resource estimate for the Haaponen talc deposit in the mining district of its Suomussalmi plant. The mineral resources in Suomussalmi increased by 10 million tonnes on the previous estimate. According to the report, the indicated mineral resources of the Haaponen deposit are 22.3 million tonnes and their average talc content is 44.4 per cent.

## **Interim report 1–9/2022**

### **Operating environment**

In the review period, demand for Tulikivi products was increased by the sharp rise in energy prices and the uncertainties related to the availability of energy. Consumers' interest in renovation, holiday homes and living in low-rise housing in both Finland and export countries also boosted demand for Tulikivi products. Demand has also been affected by country-specific construction and emissions regulations and by investment subsidies and high inflation.

The EU Construction Products Regulation entered into force on 1 January 2022, as a result of which emission regulations for fireplaces were harmonised and became stricter in the European Union. In connection with the change, Finland's emissions requirements for ready-made fireplaces also became stricter to match the Central European level. Tulikivi benefitted from this change because its combustion technology already met the new requirements for fireplaces well before the implementation of the change.

### **Net sales and profit**

In the third quarter, the Tulikivi Group's net sales totalled EUR 9.9 million (EUR 8.3 million in 7–9/2021). Net sales increased as consumer demand remained high while energy prices rose rapidly and uncertainties surrounded the availability of energy. The Tulikivi Group's operating profit in the third quarter was EUR 1.2 (1.0) million and profit before taxes was EUR 1.1 (0.8) million. Profitability improved despite the continued steep rises in the prices of steel, purchased components and energy over the review period, thanks to higher net sales, price increases and successful productivity measures. The company's profitability is also supported by the fact that its operations are to a substantial degree based on the utilisation of its own soapstone reserves in Finland.

In the review period, the Tulikivi Group's net sales totalled EUR 30.5 million (EUR 24.1 million, 1–9/2021), its operating profit was EUR 3.2 (2.1) million and its profit before taxes was EUR 2.6 (1.6) million. The company has significantly boosted operational efficiency and improved its cost structure in recent years, which will promote improvement in performance as net sales increase.

In the third quarter, the company's order intake increased 64 per cent and totalled EUR 14.9 (9.1) million. Demand increased in Scandinavia, as well as in Central Europe, due to the sharp increase in electricity prices. In the principal market area the strong rise in heating energy prices and the increased uncertainty surrounding the availability of energy and homes' security of supply increased consumers' interest in purchasing alternative heating systems, such as a fireplace.

The growth in sales was also attributable to systematic long-term work to renew the product portfolio, development of online sales and the streamlining of distribution channels in export markets. Tulikivi's order books grew and amounted to EUR 15.8 (5.9) million at the end of the review period.

In the review period, net sales in Finland were EUR 11.5 (10.8) million, or 37.8 per cent (44.7) of total consolidated net sales. In Finland, higher renovation sales and renewed product ranges improved net sales from fireplaces. Sales efficiency measures continue to be implemented in Finland to further increase renovation sales. The sales of interior decoration stone products developed favourably in the review period.

Net sales in export markets in the review period were EUR 19.0 (13.3) million, or 62.2 per cent (55.3) of the Group's total net sales. The principal export countries were Germany, Russia, France, Sweden and Belgium. The ceramic colour options introduced in the Karelia collection late last year, as well as the Kermansavi collection based on 80 per cent recycled material, have been well received on the market. The new ceramic collections, which meet the Ecodesign requirements that came into force on 1 January 2022, have strengthened Tulikivi's market position in Finland and have expanded the potential customer base in the export markets. The collaboration with the German cooperative Hagos eG, which is rich in tradition and focuses on fireplaces and their accessories, has been launched as planned. In Belgium, Switzerland and Northern France, the transfer during 2021 from using an importer to a single-tier distribution model has made good progress.

The products in the Karelia and Pielinen fireplace collections are based on modern Scandinavian design and feature a new soapstone surface finish technique. The products of the Pielinen collection are compact and easy to install. They are particularly well suited for the Central European market and for markets where there is no expertise in installing heat-retaining fireplaces. The highly successful development work on the Karelia and Pielinen fireplace collections provides us with an opportunity to increase our market share in euros and our profitability in both Finland and exports in 2022.

The Covid-19 pandemic has so far had a positive impact on demand for Tulikivi products, but it has also caused some disruption to the supply of subcontracted parts. Any new turn for the worse in the pandemic may bring along restrictive measures that could hamper business.

## **Financing**

Net cash flow from operating activities was EUR 1.3 (1.2) million in the third quarter and EUR 3.5 (1.9) million in the review period. Working capital totalled EUR 3.2 (2.6) million at the end of the review period. The increase was mainly due to stocks which were increased to secure delivery reliability.

Loan repayments totalled EUR 0.6 (0.4) million in the review period. At the end of the review period, MFI loans and working capital loans totalled EUR 12.8 (14.3) million, and net financial expenses during the period were EUR 0.6 (0.4) million. The equity ratio at the end of the review period was 36.0 per cent (28.1). The ratio of interest-bearing net debt to equity, or gearing, was 91.8 per cent (144.7). The current ratio was 1.3 (0.6), and equity per share was EUR 0.21 (0.15). At the end of the review period, the Group's cash and other liquid assets came to EUR 2.5 (1.6) million.

On 30 November 2021, Tulikivi Corporation signed a financing agreement with its finance providers concerning the 2021–2023 repayment programme in ratio to the finance providers' exposures. The agreement also includes loan covenants given to the finance providers. In other respects, loans will expire in full on 30 April 2024 in accordance with the financing agreement. The company is in compliance with the covenants of the financing agreement according to the situation on 30 September 2022. The company's management estimates that the company will fulfil the financial covenants during the next 12 months. The company has also agreed with its finance providers that it will commence financing negotiations on the financing programme for 2024 and subsequent years and its terms no later than 30 September 2023 and complete the negotiations by 31 December 2023.

The parent company's equity was EUR 5.0 million (consolidated equity EUR 12.3 million) at the end of the review period, while share capital was EUR 6.3 million (consolidated share capital EUR 6.3 million).

### **Investments and product development**

The Group's investments totalled EUR 1.2 (1.0) million during the review period. The launch of ceramic colour options in the Karelia collection, as well as models in the Kermansavi collection based on 80 per cent recycled material continued in the third quarter. The design and features of the collections are designed for customers in both the Finnish and export markets.

With the new collections, all Tulikivi collections meet the emission standards laid down in the EU Ecodesign Directive, which entered into force on 1 January 2022. The products' compliance has been verified by RRF (Rhein-Ruhr Feuerstätten Prüf stelle GmbH), an accredited test facility in Germany. The new ceramic designs strengthen Tulikivi's market position in Finland and expand the potential customer base in the export markets.

Product development expenditure during the review period was EUR 0.9 (0.8) million, or 2.8 per cent (3.3) of net sales. EUR 0.3 (0.2) million of this was capitalised in the balance sheet.

## **Suomussalmi talc reserves**

Erkki Kuronen was appointed Managing Director of Nordic Talc Oy, a part of the Tulikivi Group, on 16 September 2022. Kuronen has 20 years of expertise in talc deposits and operations from Mondo Minerals and valuable experience from the financing and launch of the Sotkamo Silver mine and the start-up of its production operations. The objective of Nordic Talc Oy is the industrial exploitation of Tulikivi's talc reserves in the Suomussalmi mining district.

The JORC-compliant mineral deposit estimate completed in autumn 2019 confirmed that the talc deposit in the Suomussalmi mining district is significant on a European scale. Based on surveys performed, it is estimated that the talc deposit can be utilised profitably.

During 2022, Tulikivi has made progress in its feasibility study of the Suomussalmi talc project, the purpose of which is to further specify the project's profitability, environmental and mining plans for industrial operations. In the second quarter, a more detailed research project was launched with Metso Outotec related to the economic exploitation of talc and the planning of the talc enrichment plant. Surveys were also carried out to improve the accuracy of the ore study on the Haaponen deposit and to facilitate the EIA (environmental impact assessment) process.

In recent years, the company has invested around EUR 1.3 million in the development of the talc project.

In the next phase, an environmental impact assessment report will be compiled on which the ELY centre for Kainuu will issue a reasoned conclusion on the significant environmental impacts of the project. The environmental impact assessment report and the reasoned conclusion are required in order to receive an environmental permit for the project.

It is too early to evaluate whether the project will be carried out or to estimate its financial impacts.

## **Personnel**

The Group had an average of 216 (203) employees in the review period. Salaries and bonuses totalled EUR 7.4 (6.5) million in the review period. In the early part of the year, operations were adjusted with layoffs to match demand. There were fewer layoffs during the review period than in the previous year.

## **Annual General Meeting**

The Annual General Meeting of Tulikivi Corporation held on 27 April 2022 resolved not to distribute a dividend for the 2021 financial year. Jaakko Aspara, Liudmila Niemi, Tarmo Tuominen, Jyrki Tähtinen and Heikki Vauhkonen were re-elected as members of the Board of Directors, and Niko Haavisto was elected as a new member. The Board elected Jyrki Tähtinen as its Chair. The auditor appointed was KPMG Oy Ab, Authorised Public Accountants, with Heli Tuuri, APA, as principal auditor.

The Annual General Meeting authorised the Board of Directors to decide on issuing new shares and on assigning Tulikivi Corporation shares held by the company in accordance with the proposals of the Board. Tulikivi can issue new shares or assign treasury shares as follows: a maximum of 15,656,622 Series A shares and a maximum of 2,304,750 Series K shares.

The authorisation includes the right to decide on a directed rights issue, deviating from the shareholders' right of pre-emption, provided that there is a compelling financial reason for the company. The authorisation also includes the right to decide on a bonus issue to the company itself, where the number of shares issued to the company is no more than one tenth of the total number of the company's shares.

The authorisation also includes the right to issue special rights referred to in chapter 10, section 1 of the Limited Liability Companies Act, which would give entitlement to Tulikivi shares against payment or by setting off a receivable. The authorisation includes the right to pay the company's share rewards. The Board is authorised to decide on other matters concerning share issues. The authorisation is valid until the 2023 Annual General Meeting.

## **Treasury shares**

The company did not purchase or assign any treasury shares during the review period. At the end of the review period, the total number of Tulikivi shares held by the company was 124,200 Series A shares, corresponding to 0.2 per cent of the company's share capital and 0.1 per cent of all voting rights.

## **Near-term risks and uncertainties**

The Group's most significant risk is a decline in net sales in the principal market areas. New construction and renovation projects affect the sales of Tulikivi's products in Finland. Economic uncertainties in the principal market areas also impact the demand for Tulikivi's products.





Russian hostilities in Ukraine and the sanctions imposed on Russia have created significant uncertainty concerning Russia in terms of sales, payment arrangements, logistics, and the prices and availability of raw materials and energy. In the past, net sales from Russia have represented around 10 per cent of the Group's total net sales. Trade with Russia has mainly been based on prepayments, which do not involve significant risks related to receivables or currency. During the latter part of the year, OOO Tulikivi will complete the installation of products and projects delivered to Russia. Changes in the operating environment and in Russia are monitored actively, and the company will rapidly respond to them.

The strong rise in the prices of procured parts, wages, and freight and energy costs may affect the company's profitability. High inflation may also weaken consumer confidence and demand for Tulikivi products. Improving the Group's financial position requires improvements in profitability. If the company's business operations and result do not develop as planned, the repayment of its loans may create a greater burden on the company's cash flow than anticipated. If the profitability of the business does not improve as planned, there is also a risk of the company being forced to recognise impairment on its goodwill and to reduce the amount of deferred tax assets on its balance sheet.

The Covid-19 pandemic could have an impact on the company's market environment, employees and business. The overall financial impact on Tulikivi's operations depends on the scale and duration of the pandemic. A resurgence of the pandemic may lead to decreased consumer demand and postponed investment decisions. On the other hand, the end of the pandemic may reduce consumption demand in construction and renovation, and may therefore have a negative impact on the demand for Tulikivi's products. The Board of Directors and management closely monitor the progress of the pandemic and update their assessment of its impact as the situation progresses. The company has drawn up a preparedness plan and implemented it responsibly in accordance with the industry's recommendations.

The risks are described in more detail on page 86 of the company's 2021 Annual Report.

### **Long-term financial targets**

Tulikivi's goal is to achieve an average annual net sales growth rate of 5% by the end of 2025. In terms of the operating profit, its goal is to exceed 12% of net sales. Its goal for the equity ratio is at least 30% by the end of 2025.

### **Events after the review period**

Tulikivi announced on 3 October 2022 that its mineral resources in Suomussalmi had increased by 10 million tonnes on the previous estimate. Tulikivi has carried out additional drilling and surveys and updated the JORC mineral resource estimate for the Haaponen talc deposit in the mining district

of its Suomussalmi plant. According to the report, the indicated mineral resources of the Haaponen deposit are 22.3 million tonnes and their average talc content is 44.4 per cent. The update of the mineral resources takes into account the results from the new drilling, the test pits made for extracting samples for beneficiation tests and the analyses carried out on these. The new drill holes penetrate adjoining rock and the deep extension of the ore contacts and they confirm that the deposit extends deeper than previously estimated. Based on the samples, the sulphur content of the adjoining rock in the deposit is very low, which significantly reduces the environmental impact of mining operations. The rock mechanical properties were also determined from the samples. The information will be used for risk management in the quarrying plan.

It is too early to evaluate whether the project will be carried out or to estimate its financial impacts.

On 2 November 2022, Tulikivi focused and revised its earlier estimate of net sales and comparable operating profit in 2022 upward. The improved outlook is based on strong order intake from abroad and Finland.

### **Future outlook**

Net sales in 2022 are expected to be EUR 42 to 45 million and the comparable operating profit is expected to be EUR 4.0 to 5.0 million.

### Key financial ratios and share ratios

	1-9/22	1-9/21	7-9/22	7-9/21	1-12/21
Earnings per share, EUR	0.05	0.02	0.02	0.01	0.03
Equity per share, EUR	0.21	0.15	0.21	0.15	0.16
Return on equity, %	31.1	20.1			18.9
Return on investments, %	18.7	12.6			12.6
Equity ratio, %	36.0	28.1			29.4
Net debtness ratio, %	91.8	144.7			142.9
Current ratio	1.3	0.6			1.1
Gross investments, MEUR	1.2	1.0			1.5
Gross investments, % of sales	3.9	4.0			4.5
Research and development costs, MEUR	0.9	0.8			1.1
%/sales	2.8	3.3			3.3
Outstanding orders, MEUR	15.8	5.9			6.3
Average number of staff	216	203			204
Rate development of shares, EUR					
Lowest share price, EUR	0.38	0.25			0.25
Highest share price, EUR	0.95	0.73			0.73
Average share price, EUR	0.63	0.42			0.43
Closing price, EUR	0.61	0.49			0.48
Market capitalization at the end period, 1000 EUR	36 446	29 276			28 559
(Supposing that the market price of the K-share is the same as that of the A-share)					
Number of the shares traded, (1000 pcs)	25 470	61 099			68 398
% of total amount of A-shares	49.2	118.0			132.1
Number of shares average	59 747 043	59 747 043	59 747 043	59 747 043	59 747 043
Number of the shares at the end of period	59 747 043	59 747 043	59 747 043	59 747 043	59 747 043

### Items affecting comparability

To ensure comparability between reporting periods, the Group classifies certain items of expense and income as non-recurring items in its financial reporting. The Group presents as non-recurring items expenses and income related to the restructuring of the Group's operations, non-recurring impairment losses on goodwill and assets, and other exceptional items that materially distort the comparability of the profitability of the Group's core business.

**FINANCIAL STATEMENT Jan-Sep 2022. SUMMARY**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Eur million	1-9/22	1-9/21	Change. %	1-12/21	7-9/22	7-9/21
<b>Sales</b>	30.5	24.1	26.7	33.5	9.9	8.3
Other operating income	0.2	0.2		0.3	0.1	0.1
Increase/decrease in inventories in finished goods and in work in progress	0.5	0.4		0.7	0.9	0.1
Production for own use	0.4	0.3		0.6	0.2	0.1
Raw materials and consumables	-8.6	-6.1		-8.6	-3.1	-2.1
External services	-3.8	-3.1		-4.6	-1.4	-1.2
Personnel expenses	-8.9	-8.0		-11.1	-2.8	-2.4
Depreciation and amortisation	-1.7	-1.8		-2.4	-0.6	-0.7
Other operating expenses	-5.4	-3.9		-5.7	-1.9	-1.3
<b>Operating profit/loss</b>	3.2	2.1	53.8	2.7	1.2	1.0
Finance income	0.1	0.1		0.1	0.1	0.0
Finance expense	-0.7	-0.5		-0.7	-0.2	-0.2
<b>Profit before tax</b>	2.6	1.6	59.4	2.1	1.1	0.8
Direct taxes	0.0	-0.3		-0.4	0.0	-0.2
<b>Profit/loss for the period</b>	2.6	1.3	97.8	1.7	1.1	0.7
Other comprehensive income						
Items that may later have effect on profit or loss						
Translation difference	0.2	0.0		0.0	0.0	0.0
<b>Total comprehensive income for the period</b>	2.7	1.3	109.8	1.7	1.1	0.7
Earnings per share attributable to the equity holders of the parent company, EUR, basic and diluted	0.05	0.02		0.03	0.02	0.01

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>ASSETS (EUR million)</b>	<b>9/22</b>	<b>9/21</b>	<b>12/21</b>
<b>Non-current assets</b>			
Property, plant and equipment			
Land	0.7	0.7	0.7
Buildings	2.8	3.2	3.5
Machinery and equipment	1.4	1.0	1.6
Other tangible assets	1.0	0.9	0.9
Intangible assets			
Goodwill	2.8	2.8	2.8
Other intangible assets	9.6	9.2	9.4
Investment properties	0.0	0.0	0.0
Receivables			
Other receivables	0.1	0.1	0.1
Deferred tax assets	2.5	2.6	2.6
Total non-current assets	21.1	20.8	21.7
<b>Current assets</b>			
Inventories	8.7	7.4	8.0
Trade receivables	2.8	3.4	2.2
Current income tax receivables	0.0	0.0	0.0
Other receivables	1.1	0.8	0.8
Cash and cash equivalents	2.5	1.6	1.1
Total current assets	15.1	13.2	12.0
<b>Total assets</b>	<b>36.2</b>	<b>34.0</b>	<b>33.7</b>

<b>EQUITY AND LIABILITIES (EUR million)</b>	9/22	9/21	12/21
<b>Equity</b>			
Share capital	6.3	6.3	6.3
The invested unstricted equity fund	14.4	14.4	14.4
Revaluation reserve	0.0	0.0	0.0
Treasury shares	-0.1	-0.1	-0.1
Translation difference	0.2	0.0	0.0
Retained earnings	-8.5	-11.5	-11.1
<b>Total equity</b>	<b>12.3</b>	<b>9.2</b>	<b>9.6</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	0.6	0.6	0.6
Provisions	0.2	0.3	0.2
Interest-bearing debt	10.7	0.0	11.3
Other debt	0.8	1.1	1.3
Total non-current liabilities	12.3	2.0	13.4
<b>Current liabilities</b>			
Trade and other payables	9.9	9.0	9.1
Short-term interest bearing debt	0.0	0.0	0.0
Current liabilities	1.7	13.8	1.6
<b>Total current liabilities</b>	<b>11.6</b>	<b>22.8</b>	<b>10.8</b>
<b>Total liabilities</b>	<b>23.9</b>	<b>24.8</b>	<b>24.2</b>
<b>Total equity and liabilities</b>	<b>36.2</b>	<b>34.0</b>	<b>33.7</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS (EUR million)**

	1-9/22	1-9/21	1-12/21
<b>Cash flows from operating activities</b>			
Profit for the period	2.6	1.3	1.7
Adjustments			
Non-cash transactions	1.9	1.9	2.4
Interest expenses and interest income and taxes	0.6	0.8	1.0
Change in working capital	-0.8	-1.6	-1.4
Interest paid and received and taxes paid	-0.7	-0.5	-0.7
<b>Net cash flow from operating activities</b>	<b>3.5</b>	<b>1.9</b>	<b>3.0</b>
<b>Cash flows from investing activities</b>			
Investment in property, plant and equipment and intangible assets	-1.2	-0.9	-1.4
Grants received for investments and sales of property, plant and equipment	0.0	0.1	0.1
<b>Net cash flow from investing activities</b>	<b>-1.2</b>	<b>-0.8</b>	<b>-1.4</b>
<b>Cash flows from financing activities</b>			
Proceeds from non-current and current borrowings			
Repayment of non-current and current borrowing	-0.6	-0.4	-1.3
Payments of lease liabilities	-0.5	-0.4	-0.6
Dividends paid and treasury shares			
<b>Net cash flow from financing activities</b>	<b>-1.1</b>	<b>-0.8</b>	<b>-1.9</b>
<b>Change in cash and cash equivalents</b>	<b>1.4</b>	<b>0.2</b>	<b>-0.3</b>
Cash and cash equivalents at beginning of period	1.1	1.3	1.3
<b>Cash and cash equivalents at end of period</b>	<b>2.5</b>	<b>1.6</b>	<b>1.1</b>

**Consolidated statement of changes in equity (EUR Million)**

	Share capital	The invested unstricted equity fund	Revaluation reserve	Treasury shares	Translations diff.	Retained earnings	Total
Equity Jan. 1, 2022	6.3	14.4	0.0	-0.1	0.1	-11.1	9.6
Total comprehensive income for the period			0.0		0.2	2.6	2.7
Transactions with the owners							
Dividends paid						0.0	0.0
Equity Sep. 30, 2022	6.3	14.4	0.0	-0.1	0.2	-8.5	12.3
Equity Jan. 1, 2021	6.3	14.4	0.0	-0.1	0.0	-12.7	7.9
Total comprehensive income for the period			0.0		0.0	1.3	1.3
Transactions with the owners							
Dividends paid						0.0	0.0
Equity Sep. 30, 2021	6.3	14.4	0.0	-0.1	0.0	-11.4	9.2

## Notes to the financial statements

The information presented in the interim report is unaudited.

This interim report has been prepared in accordance with the standard IAS 34 *Interim Financial Reporting*. Tulikivi has applied the same IFRS accounting principles in this interim report release as in the previous consolidated financial statements. The key figures presented in the interim report have been calculated using the same formulas as in the financial statements for 2021. The formulas are presented on page 48 of the 2021 Annual Report.

<b>Sales (EUR Million)</b>	1-9/2022	1-9/2021	1-12/2021
Finland	11.5	10.8	14.5
Other european countries	18.1	12.5	17.9
North America	0.8	0.8	1.1
Total	30.5	24.1	33.5

**Commitments (EUR million)**

	9/22	9/21	12/21
Loans from credit institutions and other long term debts and loan guarantees, with related mortgages and pledges	12.3	13.8	12.9
Mortgages granted and collaterals pledged	35.8	35.8	35.8
Other given guarantees and pledges on behalf of own liabilities	0.5	0.5	0.5

## Maturity of financial liabilities

The figures are undiscounted and include both interest payments and capital.



**Maturities of financial liabilities (EUR Million)**

Sep. 30, 2022	Balance sheet	Total	< 6	6 - 12	> 12 - 24	> 24-60	> 60
Type of credit	value	cash flows	months	months	months	months	months
Loans from credit institution and TyEL pension lo	12.3	12.7	1.4	0.5	10.8	0.0	0.0
Lease liabilities	1.4	1.6	0.3	0.3	0.6	0.4	0.0
Trade and other payables	6.1	6.1	6.1	0.0	0.0	0.0	0.0
<b>Total</b>	<b>19.8</b>	<b>20.4</b>	<b>7.8</b>	<b>0.8</b>	<b>11.3</b>	<b>0.4</b>	<b>0.0</b>
Sep. 30, 2021	Balance sheet	Total	< 6	6 - 12	> 12 - 24	> 24-60	> 60
Type of credit	value	cash flows	months	months	months	months	months
Loans from credit institution and TyEL pension lo	13.8	14.0	1.1	12.9	0.0	0.0	0.0
Lease liabilities	1.1	1.2	0.3	0.3	0.5	0.1	0.0
Trade and other payables	5.5	5.0	4.5	0.5	0.0	0.0	0.0
<b>Total</b>	<b>20.4</b>	<b>20.2</b>	<b>5.9</b>	<b>13.7</b>	<b>0.5</b>	<b>0.1</b>	<b>0.0</b>

On 30 November 2021, Tulikivi Corporation signed a financing agreement with its finance providers concerning the 2021–2023 repayment programme in ratio to the finance providers' exposures. The agreement also includes loan covenants given to the finance providers. In other respects, loans will expire in full on 30 April 2024 in accordance with the financing agreement. The company is in compliance with the covenants of the financing agreement according to the situation on 30 September 2022. The company's management estimates that the company will fulfil the financial covenants during the next 12 months. The company maintains constant contact with the financiers. The meetings include a monthly information covenant presentation, which includes a forecast of the order books, cash and profit, and a report on the progress of the talc project.

**Provisions (EUR million)**

	Environmental provision	Warranty provision
	9/22	9/22
Provisions Jan. 1.	0.2	0.1
Increase in provisions	0.0	0.0
Used Provisions	0.0	0.0
Discharge on reserves	0.0	0.0
Provisions Sep. 30.	0.2	0.1
	9/22	
Non-current	0.3	
Current provisions	0.0	
<b>Total</b>	<b>0.3</b>	

**Changes in tangible assets are classified as follows (EUR million):**

	1-9/22	1-9/21	1-12/21
Acquisition costs	0.2	0.2	0.4
Proceeds from sale	0.0	-0.1	-0.1
Total	0.2	0.2	0.4

**Changes in intangible assets are classified as follows (EUR million):**

	1-9/22	1-9/21	1-12/21
Acquisition costs, net	1.0	0.7	1.1
Amortisation loss	0.0	0.0	0.0
Total	1.0	0.7	1.1

**Share capital**
**Share capital by share series**

	Shares, number	Percentage, % shares	Percentage, % votes	Percentage, EUR share capital
Series K shares (10 votes)	7,682,500	12.8	59.5	810,255
Series A shares (1 vote)	52,188,743	87.2	40.5	5,504,220
Total, 30 September 2022	59,871,243	100.0	100.0	6,314,475

There have been no changes in Tulikivi Corporation's share capital during the review period. According to the Articles of Association, the dividend paid on Series A shares must be EUR 0.0017 higher than the dividend paid on Series K shares. The Series A share is listed on Nasdaq Helsinki Ltd. At the end of the review period, the company held 124,200 Series A shares.

**Related party transactions**

EUR 7 thousand was paid to LTL Consulting Oy Ab, owned by Tarmo Tuominen, a member of Tulikivi Corporation's Board of Directors, in connection with consultation services related to the Advisory Board of Nordic Talc Oy.

**Management benefits (EUR 1,000)**

	1–9/22	1–9/21
Board members' and Managing Director's salaries and other short-term employee benefits	235	217



## Principal shareholders on 30 September 2022

Name of shareholder	Shares	Percentage of votes
1. Heikki Vauhkonen	6,873,839	45.9%
2. Elo Mutual Pension Insurance Company	4,545,454	3.5%
3. Ilmarinen Mutual Pension Insurance Company	3,420,951	2.7%
4. Eliisa Elo	3,108,536	5.7%
5. Finnish Cultural Foundation	2,258,181	2.4%
6. Jarkko Nikkola	1,679,000	1.3%
7. Susanna Mutanen	1,597,221	6.8%
8. Jouko Toivanen	1,574,259	1.9%
9. Fennia Mutual Insurance Company	1,515,151	1.3%
10. Reijo Vauhkonen	738,030	0.6%
Others	32,564,811	27.9%

The companies included in the Group are the parent company Tulikivi Corporation Nordic Talc Oy, Tulikivi U.S. Inc. in the United States and OOO Tulikivi in Russia. Group companies also include Tulikivi GmbH and The New Alberene Stone Company, Inc., which are dormant.

## TULIKIVI CORPORATION

## Board of Directors

Distribution: Nasdaq Helsinki

Key media

[www.tulikivi.com](http://www.tulikivi.com)

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