

The Tulikivi logo consists of a grey, rounded rectangular shape with a white registered trademark symbol (®) to the left of the word "Tulikivi" in a white, sans-serif font.

®
Tulikivi

INTERIM REPORT 1-9/2021



Tulikivi Corporation

Interim report 1–9/2021: Higher net sales, substantially better operating profit and stronger order books

5 November 2021 at 1 pm

- The Tulikivi Group's third-quarter net sales were EUR 8.3 million (EUR 6.9 million, 7–9/2020) and EUR 24.1 million (EUR 20.1 million, 1–9/2020) in the review period.
- The Tulikivi Group's operating profit for the third quarter was EUR 1.0 (0.6) million, and EUR 2.1 (0.6) million in the review period.
- The Tulikivi Group's third-quarter profit before taxes was EUR 0.8 million (0.4 million) and EUR 1.6 (0.0) million for the review period.
- Net cash flow from operating activities was EUR 1.2 (0.8) million in the third quarter and EUR 1.9 (1.5) million in the review period.
- Order books stood at EUR 5.9 (4.0) million at the end of the review period.
- The feasibility study being carried out by Tulikivi's subsidiary Nordic Talc is making progress.
- Future outlook: Net sales are expected to be between EUR 32 and 35 million, and the comparable operating profit is expected to improve substantially.

Key financial ratios

	1-9/21	1-9/20	Change, %	1-12/20	7-9/21	7-9/20	Change, %
Sales, MEUR	24,1	20,1	20,0 %	29,2	8,3	6,9	19,8 %
Operating profit/loss, MEUR	2,1	0,6	249,7 %	1,2	1,0	0,6	75,4 %
Operating profit/loss without impairment loss, MEUR	2,1	0,6	249,7 %	1,2	1,0	0,6	75,4 %
Profit before tax, MEUR	1,6	0,0	14945,5 %	0,4	0,8	0,4	138,7 %
Total comprehensive income for the period, MEUR	1,3	-0,1	1796,1 %	0,2	0,7	0,3	109,1 %
Earnings per share, Euro	0,02	0,00		0,00	0,01	0,01	
Net cash flow from operating activities, MEUR	1,9	1,5		2,6	1,2	0,8	
Equity ratio, %	28,1	23,7					
Net indebtedness ratio, %	144,7	189,5					
Return on investments, %	12,6	3,9		5,6	17,9	10,5	

Comments by Heikki Vauhkonen, Managing Director:

The company's order intake increased 21 per cent in the third quarter and totalled EUR 9.1 (7.5) million. The demand for the new Karelia and Pielinen collections was particularly strong in Central Europe and Finland. The change in remote working habits due to the COVID-19 pandemic has increased consumers' interest in renovation, holiday homes and low-rise housing in both Finland and export countries.

The growth in sales was also attributable to successful development of online sales, an updated renovation concept and the streamlining of distribution channels on the export markets. The order intake that significantly improved in the first quarter of the year means that it will be possible to achieve a higher year-on-year net sales growth and profitability than in previous years. Tulikivi's order books at the end of the review period amounted to EUR 5.9 (4.0) million.

Despite the steep rises in the prices of steel and other purchased components, profitability improved in 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.

During autumn 2021, ceramic colour options were completed in product development for the Karelia collection. The design and features of the collections are designed for customers in both the Finnish and export markets. In addition, a completely revamped Kermansavi model based on recycling materials will be launched during the final months of the year.

With the new collections, all Tulikivi collections meet the emission standards laid down in the EU Ecodesign Directive that will enter into force on 1 January 2022. The products' compliance has been verified by the RRF test facility in Germany. The new ceramic designs strengthen Tulikivi's market position in Finland and expand the potential customer base on the export markets.

Tulikivi Corporation's subsidiary Nordic Talc Oy 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 third quarter, rock mechanics surveys were carried out to specify the plans, as were surveys required by the EIA (environmental impact assessment) procedure.

In the next phase, Nordic Talc Oy will compile an environmental impact assessment report 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.

Interim report 1–9/2021

Operating environment

In the review period, consumers' interest in renovation, holiday homes and living in low-rise housing in both Finland and export countries boosted demand for Tulikivi products. In the EU area, the volume of low-rise housing construction and the demand for fireplaces increased in the first half

of the year. Demand may be affected by country-specific construction and emissions regulations and by investment subsidies. Demand for Tulikivi products is also growing in Russia.

Recent rises in energy prices are increasing consumers' interest in alternative environmentally friendly heating solutions, including heat-retaining fireplaces.

The EU Construction Products Regulation entered into force on 1 January 2022, as a result of which emission regulations for fireplaces will be harmonised and become stricter in the European Union. In conjunction with the change, Finland's emissions requirements for ready-made fireplaces will also become stricter to match the Central European level. Tulikivi benefits from this change because its combustion technology already meets the new requirements for fireplaces.

Net sales and profit

The Tulikivi Group's third-quarter net sales totalled EUR 8.3 million (EUR 6.9 million in 7–9/2020). Net sales increased in the third quarter as the COVID-19 pandemic increased consumers' interest in renovation, holiday homes and low-rise housing in both Finland and export countries. The Tulikivi Group's third-quarter operating profit was EUR 1.0 (0.6) million and the profit before taxes was EUR 0.8 (0.4) million. Profitability improved in the third quarter thanks to higher net sales, price increases and successful productivity measures. Despite the steep rises in the prices of steel and other purchased components, profitability improved in 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 24.1 million (EUR 20.1 million, 1–9/2020), its operating profit was EUR 2.1 (0.6) million and its profit before taxes was EUR 1.6 (0.0) million. The company has significantly boosted operational efficiency and improved its cost structure in recent years, which will enable improvement in performance as net sales increase.

The company's order intake increased 21 per cent in the third quarter and totalled EUR 9.1 (7.5) million. The order intake grew by 26 per cent during the review period and was EUR 27.0 (21.3) million. The change in remote working habits due to the COVID-19 pandemic has increased consumers' interest in renovation, holiday homes and low-rise housing in both Finland and export countries. The demand for the new Karelia and Pielinen collections was particularly strong in Central Europe and Finland. The growth in sales was also attributable to successful development of online sales, an updated renovation concept and the streamlining of distribution channels on the export markets. The significant improvement of the order intake in the review period means that it will be possible to achieve a higher year-on-year net sales growth and profitability than in previous years. Tulikivi's order books at the end of the review period amounted to EUR 5.9 (4.0) million.

In the review period, net sales in Finland were EUR 10.8 (9.4) million, or 44.7 per cent (46.7) of total net sales. In Finland, higher renovation sales and renewed product ranges improved net sales in fireplaces. Efforts to enhance sales efficiency are being continued in Finland to further increase renovation sales. The sales of saunas and interior decoration stone products developed favourably in the review period.

Net sales in export markets in the review period were EUR 13.3 (10.7) million, or 55.3 per cent (53.3) of the Group's total net sales. The principal export countries were Germany, Russia, France, Sweden and Belgium. Total net sales from fireplace exports increased in the review period. In Russia, our revamped collections have enabled a stronger focus in sales on the premium market. The new products developed for the Karelia and Pielinen fireplace collections continued to significantly increase dealers' and consumers' interest in Tulikivi products also in Central Europe. In the Benelux countries and Northern France the transfer from using an importer to a single-tier distribution model has been very successful. The single-tier distribution model was also adopted in Switzerland in June 2021.

The products in the Karelia and Pielinen fireplace collections are based on modern Scandinavian design and feature a new soapstone surface finish technique. The Pielinen products 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 2021.

The COVID-19 pandemic has so far had a positive effect 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 1.2 (0.8) million in the third quarter and EUR 1.9 (1.5) million in January–September. Working capital increased by EUR 1.5 (0.4) million during the review period, mainly due to an increase in the component reserve in order to secure delivery reliability in the autumn season and increased trade receivables. Working capital totalled EUR 2.6 (1.1) million at the end of the review period.

Loan repayments totalled EUR 0.4 (0.3) million in the review period. At the end of the review period, MFI loans and working capital loans totalled EUR 14.3 (15.3) million, and net financial expenses during the period were EUR 0.4 (0.6) million. The equity ratio at the end of the review period was 28.1 per cent (23.7). The ratio of interest-bearing net debt to equity, or gearing, was 144.7 per cent (189.5). The current ratio was 0.6 (0.5), and equity per share was EUR 0.15 (0.13).

At the end of the review period, the Group's cash and other liquid assets came to EUR 1.6 (1.4) million.

On 27 November 2020, Tulikivi Corporation signed a financing agreement with its finance providers concerning the 2020–2021 repayment programme in ratio to the finance providers' exposures. The agreement also includes loan covenants given to the finance providers. Otherwise, the loans will mature fully on 30 April 2022 and due to this they are classified as current financial liabilities. The company is in compliance with the covenants of the financing agreement according to the situation on 30 September 2021. The company's management estimates that the company will fulfil the 2021 financial covenants. The company is in regular contact with its finance providers and this includes monthly situation report meetings. The meetings include a report on the progress of the talc project and a monthly information covenant including a forecast of the order books, cash and profit. The company has also agreed with its finance providers that it will commence financing negotiations on the financing programme for 2022 and subsequent years and its terms no later than 30 September 2021 and complete the negotiations by 31 December 2021. The company's management commenced negotiations with the company's finance providers on 20 September 2021. In assessing the principle of business continuity, the company's management has taken into account the risks associated with the company's financing agreement. The management estimates that the company will be able to negotiate the financing agreement with its finance providers by 31 December 2021 on the basis of the improved operating profit, the achieved targets, the making of agreed repayments and the regular meetings with the finance providers. In view of the above, the company's executive management has considered it justified to prepare an interim report in accordance with the principle of business continuity.

The parent company's equity was EUR 2.2 million (consolidated equity EUR 9.2 million) at the end of the review period, while share capital was EUR 6.3 million (consolidated share capital EUR 6.3 million). An external expert has prepared an appraisal of the fair value of the machinery in Suomussalmi, according to which the difference between the probable current price and the book value of the machinery and equipment at the Suomussalmi factory is EUR 1.3 million. This has been accounted for as an addition to equity, as referred to in Chapter 20, section 23(2), of the Limited Liability Companies Act.

Investments and product development

The Group's investments totalled EUR 1.0 (0.4) million during the review period. During autumn 2021, ceramic colour options were completed in product development for the Karelia collection. The design and features of the collections are designed for customers in both the Finnish and export markets. The new ceramic designs strengthen Tulikivi's market position in Finland and expand the potential customer base on the export markets. In addition, a completely revamped Kerman-savi model based on recycling materials will be launched during the final months of the year. With

the new collections, all Tulikivi collections meet the emission standards laid down in the EU Ecodesign Directive that will enter into force on 1 January 2022. The products' compliance has been verified by the RRF test facility in Germany.

Research and development expenditure in the review period was EUR 0.8 (0.4) million, or 3.3 per cent (2.1) of net sales. EUR 0.2 (0.1) million of this was capitalised in the balance sheet.

Suomussalmi talc reserves

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 deposit can be utilised profitably.

Tulikivi Corporation's subsidiary Nordic Talc Oy 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. According to a statement issued by the Kainuu Centre for Economic Development, Transport and the Environment (ELY centre) in July 2021 regarding the environmental impact assessment (EIA) procedure, Nordic Talc Oy's assessment programme meets the content requirements of the EIA procedure. In its statement, the Kainuu ELY centre also proposed specifications to the programme, which Nordic Talc Oy will take into account in the further planning of the project. In the third quarter, rock mechanics surveys were carried out to improve the accuracy of the plans, as were surveys required by the EIA procedure.

In the next phase, Nordic Talc Oy will compile an environmental impact assessment report 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 203 (187) employees in the review period. Salaries and bonuses totalled EUR 6.5 (5.9) million in the period. The operations have been adjusted according to demand with layoffs. During the review period there were fewer layoffs than in the previous year.

Annual General Meeting

The Annual General Meeting of Tulikivi Corporation held on 28 April 2021 resolved not to distribute a dividend for the 2020 financial year. Jaakko Aspara, Liudmila Niemi, Markku Rönkkö, Jyrki Tähtinen and Heikki Vauhkonen were re-elected as members of the Board of Directors, and Tarmo Tuominen 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 2022 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 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 COVID-19 pandemic, which cannot be estimated precisely. A prolonged COVID-

19 pandemic may lead to decreased consumer demand and postponed investment decisions. The Board of Directors and management are closely monitoring the progress of the pandemic and will update their assessment of its impact as the situation progresses. The company has drawn up a COVID-19 preparedness plan and implemented it responsibly in accordance with the industry's recommendations.

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 products in Finland. Economic uncertainties in the principal market areas also impact the demand for Tulikivi's products.

Improving the Group's financing position and securing the continuity of financing require an improvement 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. The risks also include uncertainties regarding the progress of the Suomussalmi talc project. A further risk is that the company will not succeed in negotiating sufficiently good terms with its finance providers. 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.

With regard to the company's foreign currency risk, the most significant currencies are the Russian rouble and the US dollar. About 90 per cent of the company's cash flow is in euros, meaning that the company's exposure to foreign currency risks is low. A weakening of currencies may have an adverse effect on the sales margin.

The risks are described in more detail on page 84 of the Annual Report 2020.

Future outlook

Net sales are expected to be between EUR 32 and 35 million, and the comparable operating profit is expected to improve substantially.

FINANCIAL STATEMENT Jan–Sep 2021. SUMMARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Eur million	1–9/21	1–9/20	Change. %	1–12/20	7–9/21	7–9/20
Sales	24,1	20,1	20,0	29,2	8,3	6,9
Other operating income	0,2	0,2		0,2	0,1	0,1
Increase/decrease in inventories in finished goods and in work in progress	0,4	0,1		0,1	0,1	0,2
Production for own use	0,3	0,2		0,3	0,1	0,1
Raw materials and consumables	-6,1	-4,9		-6,9	-2,1	-1,7
External services	-3,1	-2,6		-3,9	-1,2	-1,0
Personnel expenses	-8,0	-7,2		-10,4	-2,4	-2,2
Depreciation and amortisation	-1,8	-1,7		-2,5	-0,7	-0,6
Other operating expenses	-3,9	-3,6		-5,0	-1,3	-1,2
Operating profit/loss	2,1	0,6	249,7	1,2	1,0	0,6
<i>Percentage of sales</i>	8,6 %	3,0 %		4,0 %	12,1 %	8,2 %
Finance income	0,1	0,1		0,1	0,0	0,0
Finance expense	-0,5	-0,7		-0,9	-0,2	-0,2
Share of the profit of associated company	0,0	0,0		0,0	0,0	0,0
Profit before tax	1,6	0,0	14945,5	0,4	0,8	0,4
<i>Percentage of sales</i>	6,8 %	-0,1 %		1,3 %	10,2 %	5,1 %
Direct taxes	-0,3	0,0		-0,1	-0,2	0,0
Profit/loss for the period	1,3	0,0	4267,7	0,2	0,7	0,3
Other comprehensive income						
Items that may later have effect on profit or loss						
Interest rate swaps	0,0	0,0		0,0	0,0	0,0
Translation difference	0,0	0,0		-0,1	0,0	0,0
Total comprehensive income for the period	1,3	-0,1	1796,1	0,2	0,7	0,3
Earnings per share attributable to the equity holders of the parent company, EUR, basic and diluted	0,02	0,00		0,00	0,01	0,01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (EUR million)	9/21	9/20	12/20
Non-current assets			
Property, plant and equipment			
Land	0,7	0,8	0,7
Buildings	3,2	3,7	3,8
Machinery and equipment	1,0	1,1	1,2
Other tangible assets	0,9	1,0	0,9
Intangible assets			
Goodwill	2,8	2,8	2,8
Other intangible assets	9,2	9,4	9,3
Investment properties	0,0	0,1	0,1
Available-for sale-investments	0,0	0,0	0,0
Receivables			
Other receivables	0,1	0,1	0,1
Deferred tax assets	2,6	3,1	3,0
Total non-current assets	20,8	22,0	22,1
Current assets			
Inventories	7,4	6,5	6,7
Trade receivables	3,4	2,6	2,0
Current income tax receivables	0,0	0,0	0,0
Other receivables	0,8	0,6	0,4
Cash and cash equivalents	1,6	1,4	1,3
Total current assets	13,2	11,1	10,5
Total assets	34,0	33,1	32,6

EQUITY AND LIABILITIES (EUR million)	9/21	9/20	12/20
Equity			
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	0,0	0,0	0,0
Retained earnings	-11,5	-13,0	-12,7
Total equity	9,2	7,6	7,9
Non-current liabilities			
Deferred income tax liabilities	0,6	0,7	0,7
Provisions	0,3	0,3	0,3
Interest-bearing debt	0,0	0,0	12,9
Other debt	1,1	1,1	1,5
Total non-current liabilities	2,0	2,0	15,3
Current liabilities			
Trade and other payables	9,0	8,7	8,1
Short-term interest bearing debt	0,0	0,0	0,0
Current liabilities	13,8	14,8	1,3
Total current liabilities	22,8	23,4	9,4
Total liabilities	24,8	25,4	24,7
Total equity and liabilities	34,0	33,1	32,6

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR million)

	1-9/21	1-9/20	1-12/20
Cash flows from operating activities			
Profit for the period	1,3	0,0	0,2
Adjustments			
Non-cash			
transactions	1,9	1,7	2,4
Interest expenses and interest income and taxes	0,8	0,6	0,9
Change in working capital	-1,6	-0,3	-0,2
Interest paid and received			
and taxes paid	-0,5	-0,5	-0,8
Net cash flow from operating activities	1,9	1,5	2,6
Cash flows from investing activities			
Investment in property, plant and			
equipment and intangible assets	-0,9	-0,5	-0,9
Grants received for investments			
and sales of property, plant and equipment	0,1	0,0	0,0
Net cash flow from investing activities	-0,8	-0,5	-0,9
Cash flows from financing activities			
Proceeds from non-current and current borrowings			
Repayment of non-current and current borrowings	-0,4	-0,3	-0,9
Payments of lease liabilities	-0,4	-0,5	-0,6
Dividends paid and treasury shares			
Net cash flow from financing activities	-0,8	-0,8	-1,5
Change in cash and cash equivalents	0,2	0,2	0,1
Cash and cash equivalents at beginning of period	1,3	1,2	1,2
Cash and cash equivalents at end of period	1,6	1,4	1,3

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, 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
Equity Jan. 1, 2020	6,3	14,4	0,0	-0,1	0,1	-13,0	7,7
Total comprehensive income for the period			0,0		-0,1	0,0	-0,1
Transactions with the owners							
Dividends paid						0,0	0,0
Equity Sep. 30, 2020	6,3	14,4	0,0	-0,1	0,0	-13,0	7,6

Key financial ratios and share ratios

	1-9/21	1-9/20	7-9/21	7-9/20	1-12/20
Earnings per share, EUR	0,02	0,00	0,01	0,01	0,00
Equity per share, EUR	0,15	0,13	0,15	0,13	0,13
Return on equity, %	20,1	-0,5	30,9	18,4	3,0
Return on investments, %	12,6	3,9	17,9	10,5	5,6
Equity ratio, %	28,1	23,7			24,6
Net debtness ratio, %	144,7	189,5			175,3
Current ratio	0,6	0,5			1,1
Gross investments, MEUR	1,0	0,4			0,8
Gross investments, % of sales	4,0	2,1			2,6
Research and development costs, MEUR	0,8	0,4			0,7
%/sales	3,3	2,1			2,5
Outstanding orders, MEUR	5,9	4,0			3,2
Average number of staff	203	187			192
Rate development of shares, EUR					
Lowest share price, EUR	0,25	0,08			0,08
Highest share price, EUR	0,73	0,18			0,54
Average share price, EUR	0,42	0,12			0,21
Closing price, EUR	0,49	0,13			0,39
Market capitalization at the end period, 1000 EUR	29 276	7 707			23 003
(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)	61 099	17 843			40 771
% of total amount of A-shares	118,0	34,5			78,7
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

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 2020. The formulas are presented on page 88 of the Annual Report 2020.

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.

	1-9/2021	1-9/2020	1-12/2020
Sales (EUR Million)			
Finland	10,8	9,4	12,9
Other european countries	12,5	10,0	15,4
North America	0,8	0,7	0,9
Total	24,1	20,1	29,2
Commitments (EUR million)			
		9/21	9/20
Loans from credit institutions and other long term debts and loan guarantees, with related mortgages and pledges		13,8	14,9
Mortgages granted and collaterals pledged		35,8	35,8
Other given guarantees and pledges on behalf of own liabilities		0,5	0,5
			12/20

Maturity of financial liabilities

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

Maturities of financial liabilities (EUR Million)

Jun. 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 loans	13,8	14,0	1,1	12,9	0,0	0,0	0,0
Lease liabilities	1,1	1,1	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
Total	20,4	20,1	5,9	13,7	0,5	0,1	0,0
Jun. 30, 2020	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 loans	14,8	14,9	14,9	0,0	0,0	0,0	0,0
Lease liabilities	1,1	1,1	0,3	0,3	0,5	0,1	0,0
Trade and other payables	4,8	4,8	4,3	0,0	0,5	0,0	0,0
Total	20,7	20,9	19,5	0,3	1,0	0,1	0,0

Principle of business continuity

The interim report is based on the principle of business continuity. In assessing the principle of business continuity, the company's management has taken into account the risks associated with the company's financing agreement. On 27 November 2020, Tulikivi Corporation signed a financing agreement with its finance providers concerning the 2020–2021 repayment programme in ratio to the finance providers' exposures. The agreement also includes loan covenants given to the finance providers. Otherwise, the loans will mature fully on 30 April 2022 and due to this they are classified as current financial liabilities. The company is in compliance with the covenants of the financing agreement according to the situation on 30 September 2021. The company's management estimates that the company will fulfil the 2021 financial covenants. The company is in regular contact with its finance providers and this includes monthly situation report meetings. 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. The company has agreed with its finance providers that it will commence financing negotiations on the financing programme for 2022 and subsequent years and its terms no later than 30 September 2021 and complete the negotiations by 31 December 2021. The company's management commenced negotiations with the company's finance providers on 20 September 2021. The management estimates that the company will be able to negotiate the financing agreement with its finance providers by 31 December 2021 on the basis of the improved operating profit, the achieved targets, the making of agreed repayments and the regular meetings with the finance providers.

Provisions (EUR million)

	Environmental provision	Warranty provision
	9/21	9/21
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
	9/21	
Non-current provisions	0,3	
Current provisions	0,0	
Total	0,3	

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

	1-9/21	1-9/20	1-12/20
Acquisition costs	0,2	0,1	0,2
Proceeds from sale	-0,1	0,0	0,0
Total	0,2	0,1	0,2

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

	1-9/21	1-9/20	1-12/20
Acquisition costs, net	0,7	0,3	0,6
Amortisation loss	0,0	0,0	0,0
Total	0,7	0,3	0,6

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 2021	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 A share is listed on the Nasdaq Helsinki. At the end of the review period, the company held 124,200 Series A shares.

Related party transactions

There were no transactions with related parties during the review period.

Management benefits (EUR 1,000)

	1–9/21	1–9/20
Board members' and Managing Director's salaries and other short-term employee benefits	217	214

Principal shareholders on 30 September 2021

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	1,605,600	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	1.2%
10. Mikko Vauhkonen	741,310	3.4%
Others	32,632,231	25.2%



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

Further information: Heikki Vauhkonen, Managing Director, tel. +358 (0)207 636 555