

# HLRE Holding Group

## Interim Report February – April 2022

Comparison figures in brackets refer to the corresponding period previous year.

### February – April 2022 in short

- Q1 revenue decreased by 5% to EUR 27,9 million (EUR 29,3 million).
- Q1 gross profit decreased by 10% to EUR 11,3 million (EUR 12,5 million).
- Q1 adjusted EBITDA decreased to EUR 1,9 million (EUR 2,6 million).
- Q1 operating profit was EUR -0,5 million (EUR -0,6 million).
- Q1 net cash from operating activities decreased to EUR -2,0 million (EUR 1,9 million).

### Key Figures

<b>HLRE HOLDING GROUP IN MEUR</b>			
<b>IFRS</b>	<b>Feb -Apr 2022</b>	<b>Feb -Apr 2021</b>	<b>Feb 2021-Jan 2022</b>
Revenue	27,9	29,3	130,4
Gross profit	11,3	12,5	55,3
Gross margin	40,5 %	42,7 %	42,4 %
Adjusted EBITDA	1,9	2,6	13,8
EBIT	-0,5	-0,6	4,4
Net cash from operating activities	-2,0	1,9	7,3

### Company description

HLRE Holding Group (commonly known as Vesivek Group) is a leading provider of roof and roof product renovations offered primarily to detached and row houses in Finland and Sweden under the brand name Vesivek. In addition to roof and roof product installations, Vesivek provides underground drain renovations in five locations in Finland. The Group also develops, manufactures, and sells high quality rainwater systems and roof safety products.

HLRE Holding Group operates currently in 17 locations in Finland and three locations in Sweden and employs more than 850 employees in average. The Group has two in-house manufacturing facilities in Finland, steel roofing profile production in Pirkkala and manufacture of rainwater systems and roof safety products in Orimattila.

### Q1 Revenue, Result and Cash Flow

The Q1 revenue decreased to EUR 27,9 million (29,3 million) and gross profit decreased to EUR 11,3 million (12,5 million). Adjusted EBITDA decreased to EUR 1,9 million (2,6 million) and net cash from operating activities was EUR -2,0 million (1,9 million). Reported EBITDA was EUR 1,5 million (1,4 million). Reported adjustments totalled EUR 0,4 million (EUR 1,2 million) in Q1 including legal and financial advisory costs for the bond listing to Stockholm stock exchange in February 2022 of EUR 0,15 million, other legal costs of EUR 0,1 million and a leadership development project cost of EUR 0,15 million. Impact of the adjustments to the operating cashflow in Q1 amounted to EUR 0,4 million (EUR 0,2 million).

### Q1 Management Overview

Covid-19 infections continued on high level in Q1 both in Sweden and Finland. This together with harsh winter had negative influence on installation effectiveness and sales activities in both countries.

Due to global uncertainty on short-term material availability management has taken action to increase stock levels especially on steel and aluminium to secure delivery capability. This ensuring of material sufficiency for the high summer season together with increased material prices had a negative impact on Q1 net operating cash flow.

### Outlook for the financial year 1 February 2022 – 31 January 2023

No outlook for the financial year 1 February 2022 – 31 January 2023.

### For more information

Jari Raudanpää, CFO

+358 40 566 6399

[jari.raudanpaa@vesivek.fi](mailto:jari.raudanpaa@vesivek.fi)

**Consolidated Statement of Comprehensive Income**  
**1000 EUR**

	<b>1.2.-30.4.2022</b>	<b>1.2.-30.4.2021</b>	<b>1.2.2021-31.1.2022</b>
<b>REVENUE</b>	<b>27 931</b>	<b>29 301</b>	<b>130 352</b>
Other operating income	356	255	1 063
Material and services	-9 888	-9 565	-45 375
Employee benefits expense	-11 376	-12 055	-50 257
Depreciation and amortisation	-1 949	-1 952	-7 855
Other operating expenses	-5 549	-6 574	-23 572
<b>OPERATING PROFIT</b>	<b>-475</b>	<b>-589</b>	<b>4 356</b>
Finance income	153	220	1 146
Finance cost	-1 332	-858	-4 148
Finance cost - net	-1 180	-639	-3 003
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-1 655</b>	<b>-1 228</b>	<b>1 353</b>
Income tax expense	277	-71	-663
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-1 378</b>	<b>-1 299</b>	<b>691</b>
<b>Profit attributable to:</b>			
Owners of the parent company	-1 370	-1 237	623
Non-controlling interests	-8	-62	68
	<b>-1 378</b>	<b>-1 299</b>	<b>691</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations	30	-6	-54
	<b>30</b>	<b>-6</b>	<b>-54</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-1 348</b>	<b>-1 305</b>	<b>637</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent company	-1 342	-1 242	574
Non-controlling interests	-6	-63	63
	<b>-1 348</b>	<b>-1 305</b>	<b>637</b>

**Consolidated Statement of Financial Position**

<b>1000 EUR</b>	<b>30.4.2022</b>	<b>30.4.2021</b>	<b>31.1.2022</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	40 304	40 304	40 304
Intangible assets	712	759	657
Property, plant, equipment	26 050	27 670	27 188
Other non-current financial assets	48	48	48
Loan receivables	7	8	7
Other non-current receivables	14	64	26
Deferred tax assets	405	206	169
<b>NON-CURRENT ASSETS</b>	<b>67 540</b>	<b>69 059</b>	<b>68 400</b>
<b>CURRENT ASSETS</b>			
Inventories	18 207	11 986	15 464
Trade receivables and other receivables	12 772	12 512	9 859
Cash and cash equivalents	2 564	5 435	5 201
<b>CURRENT ASSETS</b>	<b>33 542</b>	<b>29 933</b>	<b>30 524</b>
<b>ASSETS</b>	<b>101 082</b>	<b>98 993</b>	<b>98 923</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Owners of the parent company</b>	<b>26 658</b>	<b>26 227</b>	<b>28 000</b>
<b>Non-controlling interests</b>	<b>-43</b>	<b>-147</b>	<b>-37</b>
<b>EQUITY</b>	<b>26 615</b>	<b>26 081</b>	<b>27 963</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current liabilities, interest-bearing	50 951	52 067	51 197
Non-current interest-free liabilities	422	389	422
Deferred tax liabilities	112	338	216
<b>NON-CURRENT LIABILITIES</b>	<b>51 485</b>	<b>52 793</b>	<b>51 834</b>
<b>CURRENT LIABILITIES</b>			
Current interest-bearing liabilities	5 734	4 542	4 633
Current interest-free liabilities	17 249	15 578	14 493
<b>CURRENT LIABILITIES</b>	<b>22 983</b>	<b>20 119</b>	<b>19 126</b>
<b>Liabilities</b>	<b>74 467</b>	<b>72 913</b>	<b>70 960</b>
<b>EQUITY AND LIABILITIES</b>	<b>101 082</b>	<b>98 993</b>	<b>98 923</b>

**Consolidated Statement of Cash Flows, indirect**

1000 EUR	1.2.2022-30.4.2022	1.2.2021-30.4.2021	1.2.2021-31.1.2022
<b>Cash flows from operating activities</b>			
PROFIT/LOSS FOR THE PERIOD	-1 378	-1 299	691
Adjustments to the profit/loss for the period	2 782	3 582	12 565
Working capital changes	-2 274	475	-2 357
Cash flow from operating activities before finance and taxes	-870	2 758	10 899
Finance income and expense	-559	-577	-2 880
Income taxes paid	-550	-320	-687
<b>Net cash from operating activities</b>	<b>-1 979</b>	<b>1 860</b>	<b>7 332</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible and intangible assets	-411	-1 453	-3 160
Proceeds from sale of tangible and intangible assets	200	1 314	327
Acquisition of subsidiaries, net of cash acquired	0	-194	-201
Addition / deduction of loan receivables	2	-51	271
Addition / deduction of cash equivalents	0	-1	0
<b>Net cash used in investing activities</b>	<b>-208</b>	<b>-385</b>	<b>-2 762</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	0	0	0
Capital investment by non-controlling interests	2	183	0
Purchase of treasury shares	0	0	-28
Proceeds from sale of treasury shares	0	68	78
Proceeds from current borrowings	743	0	0
Repayment of current borrowings	-2	-25 812	-25 820
Addition / deduction of current borrowings	4	0	8
Proceeds from non-current borrowings	0	28 781	29 074
Repayment of non-current borrowings	-1	72	0
Payment of lease liabilities	-1 195	-1 310	-4 900
<b>Net cash used in financing activities</b>	<b>-448</b>	<b>1 981</b>	<b>-1 588</b>
<b>Net change in cash and cash equivalents</b>	<b>-2 635</b>	<b>3 456</b>	<b>2 982</b>
Cash and cash equivalents, opening amount	5 201	2 219	2 219
Net increase/decrease in cash and cash equivalents	-2 635	3 456	2 982
Effects of exchange rate fluctuations on cash held	0	0	0
Cash and cash equivalents	2 564	5 435	5 201
Cash and cash equivalents, other arrangements	0	0	0