Purmo Group Plc

Half-year report January-June 2022

Purmo Group's Half-year report 1 January–30 June 2022:

Solid earnings and strategy execution on track

April-June 2022

- Net sales improved by 16 per cent to EUR 245.0 million (212.1). Organic growth[1] was 10 per cent.
- Adjusted EBITDA improved by 4 per cent to EUR 27.8 million (26.8), corresponding to an adjusted EBITDA margin of 11.4 per cent (12.6).
- EBIT was EUR 15.9 million (17.7), which included EUR -3.6 million (-1.0) of comparability adjustments.
- Cash flow from operating activities was EUR 32.0 million (12.6)

January-June 2022

- Net sales improved by 20 per cent to EUR 481.2 million (402.5). Organic growth1) was 15 per cent.
- Adjusted EBITDA improved by 2 per cent to EUR 57.0 million (55.9), corresponding to an adjusted EBITDA margin of 11.9 per cent (13.9).
- EBIT was EUR 30.0 million (36.4), which included EUR -11.1 million (-3.9) of comparability adjustments.
- Cash flow from operating activities was EUR -6.9 million (5.6)
- The acquisition of Thermotech was completed on 1 March 2022

Financial guidance for 2022

Purmo Group reiterates its financial guidance for 2022: For 2022, Purmo Group expects net sales to increase from 2021 (EUR 843.6 million). Adjusted EBITDA is expected to be comparable to 2021 (EUR 103.9 million). Comparable means a change within +/- 5 per cent from the previous year.

Key figures and financial performance

EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	2021
Net sales	245.0	212.1	16%	481.2	402.5	20%	843.6
Adjusted EBITDA	27.8	26.8	4%	57.0	55.9	2%	103.9
Adjusted EBITDA margin	11.4%	12.6%		11.9%	13.9%		12.3%
Adjusted EBITA	20.6	19.5	6%	43.0	41.8	3%	76.6
Adjusted EBITA margin	8.4%	9.2%		8.9%	10.4%		9.1%
EBIT	15.9	17.7	-10%	30.0	36.4	-17%	3.5
EBIT margin	6.5%	8.4%		6.2%	9.0%		0.4%
Profit for the period	8.4	12.3	-32%	14.9	24.2	-39%	-18.8
Adjusted profit for the period	12.0	13.3	-10%	25.9	28.2	-8%	51.4
Earnings per share, basic, EUR[2]	0.20	0.43	-53%	0.36	0.84	-57%	-0.65
Adjusted earnings per share, basic, EUR[2]	0.29	0.46	-37%	0.63	0.98	-36%	1.77
Cash flow from operating activities	32.0	12.6	154%	-6.9	5.6	-224%	35.4
Adjusted operating cash flow, last 12 months[3]				38.8	94.1	-59%	53.1
Cash conversion[4]				37.0%	89.5%		51.1%
Operating capital employed[5]				307.3	271.5	13%	271.8
Return on operating capital employed[6]				-0.9%	22.3%		1.3%
Net debt				279.3	102.7	172%	239.5
Net debt / Adjusted EBITDA[7]				2.7	1.0	172%	2.3

1) Adjusted for currency effects and impacts from acquisitions and divestments.
2) The number of shares in the comparison period are those of Purmo Group Ltd, 30 June 2021 Purmo Group Ltd shares amounted to 11,073,834 which have been converted using 31 December 2021 merger conversion ratio 2.600334506.
3) Adjusted EBITDA on a rolling 12-month basis less by the change in net working capital and capex on a rolling 12-month basis.
4) Adjusted operating cash flow divided by Adjusted EBITDA, both on a rolling 12-month basis.
5) Net working capital, other intangible assets, property, plant and equipment, and right-of-use-assets.
6) EBIT based on a rolling 12-month calculation divided by operating capital employed. Return on operating capital employed without non-recurring items was 24% (28%).
7) Adjusted EBITDA based on a rolling 12-month basis.

Unless otherwise stated, the comparison figures in parentheses refer to the corresponding period in 2021. The full year 2021 non-adjusted key figures are affected by a one-time, non-cash IFRS 2 merger impact of EUR 52.3 million as a result of the merger of Virala Acquisition Company Plc and Purmo Group Ltd on 31 December 2021, as well as EUR 17.9 million other items affecting comparability.

CEO's review

During the second quarter of 2022, net sales improved by 16 per cent to EUR 245.0 million. Adjusted EBITDA grew by 4 per cent to EUR 27.8 million and the adjusted EBITDA margin declined slightly to 11.4 per cent. Cash flow from operating activities improved to EUR 32.0 million.

The European construction market started to show signs of softening in both the new-build and renovation markets. A notable exception was Italy, an important market for Purmo Group, where we benefited from a strong trend to improve energy efficiency of buildings. Energy efficiency of buildings is at the heart of what we do and a key growth driver for Purmo Group.

Demand for electrical emitters and low-temperature convectors increased and the transition to solar power, heat pumps and underfloor heating continued. These trends were further supported by government incentives encouraging de-carbonisation through improved energy efficiency of buildings, and are good examples that show how sustainability affects our industry. Rising energy prices accelerate the green transition, which supports our strategic direction.

Purmo Group showed resilience in an exceptional market environment and was able to deliver solid earnings in the second quarter.

Compared to 2019, Purmo Group's adjusted EBITDA has increased by over 60 per cent thanks to revenue growth, structural cost improvements, and a more attractive sales mix. Our strategic transition to a solutions business, our continued cost improvements, and our active focus on M&A provide a great foundation for realising continued adjusted EBITDA growth and to meet our mid- to long term financial targets.

Continued strength in the ICS division

The ICS division's net sales increased by 28 per cent. Demand continued to be on a good level in core markets and the Thermotech acquisition supported growth. The adjusted EBITDA margin was 12.4 per cent, at the same level as last year. ICS had an improved sales mix driven by increased system sales in Italy.

The Radiators division's net sales increased by 6 per cent. Sales price increases were implemented to mitigate significant cost inflation. These more than offset lower sales volumes. The adjusted EBITDA margin was 12.1 per cent, slightly below last year's level. The margin was impacted by reduced operational efficiencies caused by lower production volumes.

On 4 July, Barry Lynch was appointed new Senior Vice President of the Radiators division and member of the Management Team. We welcome Barry and thank Tomasz Tarabura for his strong contribution and integral role in developing Purmo Group and the Radiators division.

Solid progress in strategy execution

We made tangible progress in developing our solutions business. The newly acquired Thermotech was fully onboarded during the second quarter. Both Emmeti in Italy and Thermotech in the Nordics performed well during the review period and they continue to be our flagship performers in selling complete systems. We also made investments in solution-sales training to grow sales to specifiers in other key geographies. Overall, we continue to see great growth potential in our solutions business, both organically and through further acquisitions.

In smart products, we launched a new version of our ULOW emitter, which offers fast reaction time and low energy consumption. We also launched Unisenza, our own electronic control system for underfloor heating and cooling, which provides ease of installation for installers and an intuitive digital platform for comfort control to end-users.

We continued to improve operational efficiency. The completed plant closure in Ireland will bring consolidation synergies when relocating operations to our existing sites in Italy and Sweden. The implementation of Purmo Group Operating System (PGOS), based on LEAN manufacturing principles, have delivered further benefits through our pilot-implementations in Hungary, Poland and Germany.

We are actively assessing various M&A opportunities to support the realisation of our strategic objectives. Our process for exiting Russia is also proceeding according to plan.

Financial guidance for 2022 remains unchanged

Purmo Group reiterates its guidance for 2022. Net sales are expected to increase from 2021 (EUR 843.6 million). Adjusted EBITDA is expected to be comparable to 2021 (EUR 103.9 million).

The softening construction market and increased uncertainty in the macroeconomic outlook is offset by potential upside from successfully mitigating raw material price inflation. On balance, this gives us confidence to keep the guidance unchanged.

We are passionate about sustainable indoor climate comfort solutions. We want to thank our people, partners and customers for continuing to develop our business in a positive and exciting direction.

John Peter Leesi
CEO, Purmo Group

News conference and webcast for analysts, investors and media

Purmo Group's half-year report January–June 2022 has been published today and is available in English and Finnish on Purmo Group's website at https://investors.purmogroup.com/ir-material/

CEO John Peter Leesi and CFO Erik Hedin will present the results to analysts, investors and media representatives in a live webcast at https://purmogroup.videosync.fi/half-year-report-2022/ on Thursday 11 August 2022 at 10:00 Finnish time (EEST). The event, including the Q&A session, will be held in English.

The webcast can also be attended via teleconference. To participate in the teleconference, participants are asked to dial in at least 5 minutes before the start of the event using one of the following telephone numbers and teleconference pin:

Finland Toll: +358 (0)9 7479 0572
Sweden Toll: +46 (0)8 5664 2754
United Kingdom Toll: +44 (0)330 165 3641
United States Toll: +1 646-828-8082

Teleconference PIN: 996752#

A recording of the event will be available on https://investors.purmogroup.com/ir-material/ shortly after the event has ended.

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Group financial overview

Net sales

EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	2021
Net sales, by segment							
Radiators	127.6	120.5	6%	262.7	230.8	14%	506.3
ICS	117.4	91.6	28%	218.5	171.7	27%	337.2
Total	**245.0**	**212.1**	**16%**	**481.2**	**402.5**	**20%**	**843.6**

In April-June 2022, Purmo Group's net sales reached EUR 245.0 million (212.1), an increase of 16 per cent. Organic growth, adjusted for currency effect, acquisitions and divestments, was 10 per cent. Acquisitions contributed 4 per cent to net sales growth. The net currency effect was positive 1 per cent, mainly due to stronger RUB and BRL.

The Radiators division achieved organic sales growth driven by sales price increases that more than offset reduced sales volumes. The Radiators division enjoyed unusually high volumes during the first and second quarter of 2021, driven by the recovery from the COVID-19 pandemic and high renovation activity as well as wholesalers restocking. The lower volumes during the reporting period represented a market correction from those high levels. Markets were adversely affected by the war in Ukraine, weaker demand in European renovation markets and lockdowns in China.

The ICS division's strong organic growth continued, supported by good demand in its core markets and sales price increases. Demand in Italy continued exceptionally strong supported by government incentives to improve energy efficiency of buildings. Supply chain constraints continued to temper ICS net sales growth.

Net sales in Western Europe (36 per cent of the Group's total sales) grew by 1 per cent. Northern Europe (20 per cent of total) grew by 26 per cent in total or by 7 per cent excluding the Thermotech acquisition. Central and Eastern Europe excluding CIS (18 per cent of total) grew by 23 per cent. CIS countries (4 per cent of total) declined by 3 per cent (including the positive effect of consolidating Evroradiator for a full quarter, compared with only May-June in 2021). Southern Europe (16 per cent of total) grew by 45 per cent supported by government incentives. The Rest of the World region (6 per cent of total) grew by 12 per cent even if it was negatively impacted by lockdowns in China.

In January-June 2022, Purmo Group's net sales reached EUR 481.2 million (402.5), an increase of 20 per cent. Organic growth was 15 per cent. The Thermotech and Evroradiator acquisitions contributed 3 per cent to net sales growth. The net currency effect was positive 1 per cent, mainly due to stronger RUB, BRL and GBP.

Results and profitability

EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	2021
Adjusted EBITDA, by segment							
Radiators	15.4	16.3	-5%	32.9	35.7	-8%	66.0
ICS	14.6	11.4	28%	28.2	22.1	28%	43.7
Other	-2.2	-0.9	133%	-4.1	-1.9	119%	-5.8
Total	**27.8**	**26.8**	**4%**	**57.0**	**55.9**	**2%**	**103.9**
Total adjusted EBITDA margin, %	**11.4%**	**12.6%**		**11.9%**	**13.9%**		**12.3%**

In April-June 2022, Purmo Group's adjusted EBITDA reached EUR 27.8 million (26.8), an increase of 4 per cent. The adjusted EBITDA margin was 11.4 per cent (12.6). The slightly lower margin was mainly due to temporarily lower production efficiency in the Radiators division and slight delays in sales price increases in the ICS division.

Both divisions implemented multiple price increases to mitigate cost inflation. The Radiators division started to adjust capacity and cost to the lower demand situation in order to restore efficiency. The ICS division also experienced margin pressure in the second quarter, following a rapid increase in raw material costs which is mitigated by sales price adjustments, but with some delay.

The 28 per cent increase in ICS division's adjusted EBITDA to EUR 14.6 million (11.4) more than offset the Radiators division's 5 per cent decline to EUR 15.4 million (16.3). The unallocated cost in Others increased to EUR -2.2 million (-0.9), mainly due to new roles and external costs for the stock-listing that supports the growth strategy including notable M&A.

Comparability adjustments amounted to EUR -3. million (-1.0). This related mainly to a EUR 3.2 million non-cash write-down of the Irish defined benefit pension plan's net assets following the wind-up and transfer to a third party in connection with the restructuring of Purmo Group Ireland Ltd.

In January-June 2022, Purmo Group's adjusted EBITDA reached EUR 57.0 million (55.9), an increase of 2 per cent. The adjusted EBITDA margin declined to 11.9 per cent (13.9). Comparability adjustments amounted to EUR -11.1 million (-3.9).

Net financial items amounted to EUR -5.8 million (-3.7).

Profit before tax was EUR 24.2 million (32.7). Income taxes were EUR 9.3 million (8.5) corresponding to an effective tax rate of 38.6 per cent (25.9). When excluding the following non-deductible items, the effective tax rate was 25.6 per cent (24.7): EUR 6.9 million impairment and write-down of the Russian business, EUR 3.7 million restructuring costs of the Irish subsidiary and EUR 1.8 million trademark depreciations.

Profit for the review period was EUR 14.9 million (24.2) and adjusted profit for the period EUR 25.9 million (28.2). Earnings per share was EUR 0.36 (0.84) and adjusted earnings per share EUR 0.63 (0.98). The earnings per share in the comparison period is based on Purmo Group Ltd shares amounting to 28,967,530 shares. After the merger on 31 December 2021 between Virala Acquisition Company Plc and Purmo Group Ltd the combined company's shares amounted to 40,374,531 class C shares and 1,565,217 class F shares. The directed share issue in March 2022 of 671,779 class C shares also diluted the earnings per share in the review period.

Cash flow and financial position

In April-June 2022, cash flow from operating activities was EUR 32.0 million (12.6). The increase was mainly due to a favourable change in net working capital, which reached EUR 10.6 million (-10.0) in the second quarter.

In January-June 2022, cash flow from operating activities was EUR -6.9 million (5.6). The decrease was mainly resulting from an unfavourable change in net working capital to EUR -50.9 million (-41.2). The change was mainly due to increased capital tied to inventories and reduced account payables. Net working capital was also impacted by cost and sales price inflation.

The seasonal low point for net working capital is December, after which it builds up during the first and second quarter and then reduces during the third and fourth quarters.

Adjusted operating cash flow for the last 12 months decreased by 59 per cent to EUR 38.8 million (94.1) and the cash conversion declined to 37.0 per cent (89.5). The decrease was mainly affected by an unfavourable change in net working capital of EUR -48.2 million (-1.2) and increased capex spend in the last 12 months of EUR 18.0 million (9.8). The adjusted EBITDA during the last 12 months was stable at EUR 105.0 million (105.2).

Cash flow from investing activities was EUR -18.7 million (-8.6). The change was mainly attributable to the Thermotech acquisition of EUR 14.6 million (0.0) as well as investments in property, plant and equipment and intangible assets of EUR 7.3 million (4.1). The higher cash flow from investing activities was offset by EUR 3.1 million (0.0) proceeds from sale of property, plant and equipment and intangible assets mainly relating to the sale of the production site of Purmo Group Ireland Ltd, Newcastle West.

Cash flow from financing was EUR -92.4 million (-13.9), comprising mainly of repayment of the bridge loan facility of EUR 95.0 million in January. In May the first instalment of the return of capital of EUR 0.18 per class C share and EUR 0.03 per class F share, totalling EUR 7.4 million was paid. The second instalment of the return of capital is EUR 0.18 per class C share and EUR 0.04 per class F share based on the class F shares' current right to asset distribution in accordance with the Articles of Association, and it is planned to be paid in October 2022 totalling EUR 7.5 million.

At the end of June, the Group's net debt was EUR 279.3 million (31 Dec 2021: 239.5) and the equity ratio was 41.3 per cent (31 Dec 2021: 37.3). The net debt to adjusted EBITDA ratio, based on the last 12 month's adjusted EBITDA, was 2.7 (31 Dec 2021: 2.3).

At the end of the review period, the liquidity position in terms of cash and cash equivalents totalled EUR 51.3 million (31 Dec 2021: 177.6). The company has a Finnish commercial paper program totalling EUR 100.0 million of which EUR 15.0 million was outstanding. The company also had an EUR 80.0 million undrawn committed revolving credit facility and EUR 17.5 million of undrawn overdraft facilities with core financial institutions.

Equity attributable to owners of the parent company totalled EUR 423.1 million (31 Dec 2021: 390.6).

Radiators Division

Purmo Group’s Radiators division is the leading European manufacturer of premium-quality radiators with strong local brands globally. Demand is driven by residential repair and maintenance (about 60 per cent of sales) and new construction (about 40 per cent of sales). The division manufactures panel, tubular and electric radiators, which are sold mainly to installers through wholesalers, either as individual units or as part of complete indoor climate comfort solutions.

EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	2021
Net sales	127.6	120.5	6 %	262.7	230.8	14%	506.3
Adjusted EBITDA	15.4	16.3	-5 %	32.9	35.7	-8%	66.0
Adjusted EBITDA margin, %	12.1%	13.5%		12.5%	15.5%		13.0%
Depreciations, amortisations and impairments	-5.3	-5.9	-11 %	-18.0	-11.0	64%	-21.1

Market overview

Compared to exceptionally high market volumes during the first half of 2021, demand for radiators weakened in the first and second quarter of 2022. The radiator market was affected by a slowdown in both new-build and renovation activity across many European countries. The reduced demand was primarily driven by a normalisation from the high levels in 2021 and further suppressed by the effects of increased price levels for building materials, material shortages and reduced consumer confidence. During the review period wholesalers were also seeking to right-size inventory levels. This contrasted with the first half of 2021 when customers were restocking inventory.

After reaching all-time-high levels in April the steel market price ended the quarter lower. Nevertheless, the quarterly average market price of steel increased by 10 per cent compared to the first quarter of 2022. In the Radiators division, the effect of changes in the market price comes with a slight delay, due to advance purchase contracts with long-standing suppliers to secure supply. Due to increase in cost, new sales price increases are effective in the third quarter.

Net Sales

In April-June 2022, net sales of the Radiators division increased by 6 per cent to EUR 127.6 million (120.5) of which 4 per cent was organic. Acquisitions contributed 1 per cent to the division’s net sales growth. The currency impact was positive 1 per cent.

Softening renovation and new-build markets, compared with unusually high demand during the first and second quarter in 2021, led to an organic sales volume decline of circa 19 per cent. However, these declines were more than offset by a 23 per cent improvement in sales prices and improved sales mix. Cost inflation was overall mitigated through sales price increases.

Among the key markets, sales growth was achieved in Germany, the UK, Poland and the Nordics whereas sales declined in France, Belgium, Romania and China in the second quarter. The planned exit from Russia and war in Ukraine contributed further to the market situation and sales decline. Sales in the Chinese market remained affected by the COVID-19 lockdowns and the short-term outlook remains dependent on the political handling of the situation there. Despite general weakness in the hydronic radiator sales, electric radiators grew by 3 per cent compared to the second quarter of 2021.

In January-June 2022, net sales of the Radiators division increased by 14 per cent to EUR 262.7 million (230.8), of which 12 percent was organic growth. An increase in sales prices and improved sales mix of 27 per cent more than offset 15 per cent organic volume declines. Acquisitions contributed 1 per cent to the division’s net sales growth. The currency impact was positive 1 per cent.

Profitability

In April-June 2022, adjusted EBITDA of the Radiators division declined by 5 per cent to EUR 15.4 million (16.3). The adjusted EBITDA margin was 12.1 per cent (13.5).

The decline in adjusted EBITDA margin was mainly driven by reduced efficiencies in production due to the rapid decline in sales volumes and hence in production volumes. The radiator plants started adapting to the new situation already during the second quarter as the workforce was re-aligned with the lower volumes and temporary transfer of production to low-cost plants was introduced. Higher operating expenses relating to marketing and strategic product development also impacted profitability. The sales mix was favourable and good cost control continued.

In January-June 2022, adjusted EBITDA of the Radiators division declined by 8 per cent to EUR 32.9 million (35.7). The adjusted EBITDA margin was 12.5 per cent (15.5).

Key activities during the review period

After successful product launches during the first quarter, sales of new products including Purmo Flex, Tinos H and the Figuresse design range continued to grow during the second quarter. Preparations for exiting Purmo Group's Russian business progressed according to plan. Separation of the former Russian operation into a stand-alone business was completed, now operating under a separate local brand (EVRA). The divestment process was initiated, and Purmo Group is evaluating various options. The development of the division’s largest manufacturing plant in Rybnik, Poland continued according to plan.

ICS Division

Purmo Group's Indoor Climate Systems (ICS) division provides a broad range of components as well as products and systems to specifiers, developers, installers and wholesalers primarily in the residential and institutional sectors. Demand is driven by new construction (about 70 per cent of sales) as well as repair, renovation and maintenance of buildings (about 30 per cent of sales). The division offers Radiant Heating and Cooling (RHC) including underfloor heating systems, Air Heating and Cooling including air-conditioning, heat pumps, fan convectors and ventilation, water-distribution and connection systems, as well as HVAC system components such as hydronic and electronic controls and flow balancing technology.

EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	2021
Net sales	117.4	91.6	28%	218.5	171.7	27%	337.2
Adjusted EBITDA	14.6	11.4	28%	28.2	22.1	28%	43.7
Adjusted EBITDA margin, %	12.4%	12.5%		12.9%	12.9%		13.0%
Depreciations, amortisations and impairments	-3.0	-2.2	37%	-5.6	-4.6	22%	-9.0

Market overview

Demand in the European ICS market continued to be generally on a high level, above pre-pandemic levels, although growth continued at a slower pace in the core markets. A notable exception was the Italian renovation market where strong growth continued in the second quarter supported by government incentives for improving energy efficiency of buildings.

While net sales grew above last year's level, restricted supply of key raw materials globally, such as EVOH (oxygen barrier pipes) and semi-conductors slowed down sales growth of systems for Radiant Heating and Cooling. Shortages of other construction materials caused delays in completion of construction projects, particularly in the new housing sector. Increases in raw material, distribution and energy costs were significant but generally offset by higher sales prices.

Demand for products linked to low temperature systems, renewable energy and sustainable solutions was good. Government incentives to promote energy efficiency of buildings continued to support market growth and demand in countries like Italy and Germany.

Net sales

In April-June 2022, net sales of the ICS division increased by 28 per cent to EUR 117.4 million (91.6), of which 19 per cent was organic growth. The Thermotech acquisition contributed 8 per cent to the division's net sales growth. The net currency effect was 1 per cent.

The growth was driven by successful implementation of sales price increases across the portfolio, but particularly in pipe and brass products. Volume growth was achieved in key product areas including UFH systems, pipe systems and valves but particularly in heat pumps, which the ICS division sells under its Emmeti brand in Italy. Considering normal seasonality, net sales growth of the ICS division continued exceptionally strong in the second quarter of 2022.

The growth in the second quarter was strong in many markets including Italy, Benelux, Romania, France and Germany. Thermotech, acquired in the first quarter of 2022, continued to perform well in its core Nordic markets.

In January-June 2022, net sales of the ICS division increased by 27 per cent to EUR 218.5 million (171.7), of which 21 per cent was organic growth. The Thermotech acquisition contributed 6 per cent to the division's net sales growth. The net currency effect was positive by 1 per cent.

Profitability

In April-June 2022, adjusted EBITDA of the ICS division increased by 28 per cent to EUR 14.6 million (11.4). The adjusted EBITDA margin was 12.4 per cent (12.5).

Profit improvement was driven by continued high demand in Italy and a strong product mix of heat pumps and other related systems, as well as price increases in most markets. Further, the Thermotech acquisition contributed about EUR 1.0 million to the adjusted EBITDA (14.0% margin). The margin was adversely impacted by delays in sales price realisation in certain markets.

In January-June 2022, adjusted EBITDA of the ICS division increased by 28 per cent to EUR 28.2 million (22.1). The adjusted EBITDA margin was 12.9 per cent (12.9).

Key activities during the review period

The newly acquired Thermotech was fully onboarded during the second quarter. In June, ICS successfully completed the plant relocation of its brass site in Ireland, in line with earlier announced timeline and restructuring cost. The site relocation is expected to improve efficiency in the production of brass components through outsourcing or consolidation of the brass production from Newcastle West, Ireland, to other existing ICS sites in Italy and Sweden. The site in Ireland was closed in June and the property was sold to a third party.

Investments, acquisitions, structural changes and R&D

Investments

Capital expenditure excluding business combinations and leased assets totalled EUR 10.5 million (7.1) in April-June 2022. Capital expenditure in January-June 2022, excluding business combinations and leased assets, totalled EUR 12.9 million (8.6). The investments related mainly to strategic projects and maintenance.

Acquisitions and disposals

On 1 March 2022 Purmo Group announced that it had acquired the entire share capital of the Nordic heating system company TT Thermotech Intressenter AB. The company manufactures and supplies customised and prefabricated underfloor heating systems to its customers in the Nordic region. In 2021, the company's total net sales were about EUR 23.8 million and it had about 80 employees. Thermotech is reported under ICS segment. The acquisition supports Purmo Group's growth strategy: it brings in smart technologies to the company's Indoor Climate System (ICS) offering, supports its solution-selling approach and strengthens Purmo Group's position on the Nordic underfloor heating market.

There were no disposals during the review period.

Structural changes

In the end of March 2022, Purmo Group took the decision to exit its business in Russia. The company will seek to divest and complete an orderly transfer of the business to a new owner, in compliance with international and local laws in Russia. Upon completion of the divestment, the company will no longer have a manufacturing operation or sales in Russia. Purmo Group has classified the Russian business as assets held for sale, resulting in a non-recurring impairment and write-down of EUR 6.9 million. For accounting purposes, the Russian business is presented as continuing operations as it does do not meet criteria for discontinued operations. Russia represented less than 5 per cent of Purmo Group's total net sales in 2021.

During the review period, the separation of the Russian entities into a stand-alone business was completed and the business in now using a local brand (EVRA) and local sourcing from Evroradiators.

The restructuring of Purmo Group's Irish subsidiary, Purmo Group Ireland Ltd was completed according to plan in June 2022. At completion of the restructuring EUR 3.7 million was recorded to other operating expenses, which refer to a non-cash write-down of the Irish defined benefit pension plan's net assets and wind-up when transferring the defined benefit pension plan to a third party. The sale of the property in Newcastle West resulted in a gain of EUR 0.7 million.

Research and development

Purmo Group's research and development (R&D) expenditure totalled EUR 3.5 million (3.0) in January-June 2022.

In line with the Group strategy, Purmo Group's Smart Products pipeline continued to focus on three clear strategic priorities during the review period: Intelligence, sustainability and aesthetics.

During the second quarter, the ICS division expanded its smart underfloor heating controls offering by introducing Unisenza, a modern control for underfloor heating and cooling that serves customers throughout the value chain: wholesalers can serve the market by stocking only five SKU's for all applications, installers benefit from ease of installation and end-customers enjoy an intuitive digital platform that provides all-round support for complete comfort control and enhanced energy efficiency.

The Radiators division introduced a new vertical model of the ULOW E2 radiator, the energy efficient ultralow temperature radiator by Purmo Group. The new model, launched in Germany and Austria, is ideal in combination with underfloor heating for rooms in e.g., modern buildings with limited space under windows or in spaces that are not in continuous use and hence require short heat-up time. The radiator is fully compatible with heat pumps and Purmo Group's home automation system.

Product development continues to focus on connecting smart HVAC equipment from energy source to thermal emitters into one unified and intelligent system, on minimising input material including product packaging, and on smart design that improve radiator output performance. At the same time Purmo Group continues collaboration with its network in the field of common controls.

Strategy

The company's growth strategy is built on three pillars:

(i) scaling-up of solution-selling in order to provide complete solutions and capture white space in underpenetrated markets;
(ii) launching of smart products to deliver products that are more intelligent, more sustainable and more aesthetic; and
(iii) focusing on growth markets to capture biggest opportunities outside of current markets.

Purmo Group is supportive of growth through M&A opportunities that support consolidation, expansion and diversification.

The strategy is supported by continuous improvement of operational excellence and by investment in people and culture.

Financial targets and dividend policy

Purmo Group has set the following financial targets and dividend policy:

Growth

Purmo Group targets organic net sales growth in excess of market growth. In addition, Purmo Group aims for notable inorganic growth through acquisitions.

In April-June 2022, organic net sales grew by 10 per cent out of total net sales growth of 16 per cent to EUR 245.0 million (212.1).

Profitability

Purmo Group targets an adjusted EBITDA margin above 15 per cent in the medium- to long-term.

In April-June 2022, the adjusted EBITDA margin was 11.4 per cent (12.6).

Compared to 2019, Purmo Group's adjusted EBITDA margin has improved significantly thanks to structural cost improvements and sales mix. The strategic transition to a solutions business and continued cost improvements are expected to expand the adjusted EBITDA margin towards the 15 per cent medium- to long-term target.

Leverage

The leverage ratio is targeted not to exceed 3.0x, measured as interest bearing net debt / Adjusted EBITDA on a rolling twelve-month basis. However, leverage may temporarily exceed the target level, for example in conjunction with acquisitions or restructuring actions.

At the end of June 2022, net debt / adjusted EBITDA was 2.7 (1.0).

Dividend

Purmo Group's aim is to distribute at least 40 per cent of annual net profit as dividends or return of capital, intended to be paid out bi-annually after considering earnings trends for the group, its financial position and future growth potential.

For the financial year 2021 Purmo Group distributes a total of 44 per cent of annual net profit as return of capital, excluding IFRS 2 merger impact.

Financial guidance for 2022

Purmo Group reiterates its financial guidance for 2022 which remains unchanged:

For 2022, Purmo Group expects net sales to increase from 2021 (EUR 843.6 million). Adjusted EBITDA is expected to be comparable to 2021 (EUR 103.9 million). Comparable means a change within +/- 5 per cent from the previous year.

The outlook remains uncertain mainly due to the ongoing slow-down in construction markets following reduced consumer confidence, higher material costs and increased interest rates. On the other hand, the visibility of the effects from the geopolitical situation caused by the war in Ukraine has improved. Supply chain constraints and raw material price inflation persists but which Purmo Group continues to mitigate. Challenges remain in some areas and the situation could change. Purmo Group continues to actively manage the situation including making necessary price increases to offset cost inflation and mitigating supply chain constraints. Based on this we keep our guidance unchanged.

Sustainability

*Purmo Group's "Complete Care" approach to sustainability is designed to be wide-reaching, transparent, tangible, measurable and effective. It covers four focus areas: **Production**, the way Purmo Group make things; **Solutions**, the things Purmo Group makes; **People**, Purmo Group employees that make them; and **Communities**, the communities Purmo Group reach.*

During the first half of 2022 Purmo Group continued to build momentum with its first Product Environmental Profile, a baseline customer survey, a new learning-and-development portal and acceleration of its volunteering programme. Monitoring of sustainability KPI's was introduced to the interim financial reporting with the intent to progressively support transparency, analysis and track progress. In the build-up period certain data of comparison periods are unavailable, see table below.

Production The carbon intensity improved by 21 per cent to 87.8 (110.6). Scope 1 and 2 greenhouse gas (GHG) emissions decreased by 5 per cent to 42,240 tCO_2e (44,530) principally due to lower steel volumes used in production.

In January, Purmo Group entered a non-binding agreement with H2 Green Steel, agreeing terms on supply of 140,000 tonnes of decarbonised steel between 2024 and 2031. As Purmo Group buys steel for production of its steel-panel radiators, green steel is a significant step towards more environmentally friendly production.

To fulfil the increasing requirement for Product Environmental Profiles (PEP) a PEP was created for the Thermopanel V4 radiator. Once certification has been completed this will be a type III Environmental Declaration in compliance with the international ISO 14025.

Solutions Based on a survey conducted among 1,400 customers during the review period, Purmo Group's Customer Net Promoter score was +34, which demonstrates satisfaction with the company's products and services. The Sustainability Net Promoter score was +4, which indicates customers regard sustainability of Purmo Group positively with an action plan in place to improve.

People In the first half of 2022, the Lost Time Injury Frequency Rate per million hours worked (LTIFR) reduced by 12 per cent to 4.6 (5.2). The number of safety observations increased by 25 per cent to 682 (544) supported by a sustained internal communications programme. Employee Net Promoter Score showed improvement in a pulse survey conducted among office-based employees. During the review period, a learning and development platform was also launched.

Communities In the first half of 2022, Purmo Group's employees contributed 1,894 hours of volunteering to local communities. In Poland, employees donated part of their salaries to support Ukrainian refugees. Accumulated funds were doubled by the company and as a result the group was able to provide housing and food for 27 women and children fleeing the war.

Other material activities

The company has begun the process to set Science-Based Targets to reduce GHG emissions (Scope 1, 2 and 3) with certification expected in 2023. The initiative includes alignment of Purmo Group's sustainability reporting to Global Reporting Initiative (GRI) standards for 2023.

More information on Purmo Group's sustainability strategy is available on the company website.

Key indicators

	1-6/2022	1-6/2021	Change, %	2021
Production				
Scope 1 and 2 GHG emissions, tCO_2e[1)]	42,240	44,530	-5.1%	86,780
Scope 3 GHG emissions from procured steel, tCO_2e[2)]	175,394	180,009	-2.6%	377,698
Scope 1 and 2 carbon intensity[3)]	87.8	110.6	-20.7%	102.9
Solutions				
Customer Net Promoter Score, cNPS[4)]	+34	N/A	N/A	N/A
Customer Sustainability Net Promoter Score, sNPS[5)]	+4	N/A	N/A	N/A
People				
Lost Time Injury Frequency Rate, LTIFR [6)]	4.6	5.2	-11.5%	5.2
Number of safety observations	622	544	14.3%	N/A
Number of accidents	14	16	-12.5%	32
Proportion of women in senior management positions, %	27%	18%		24%
Communities				
Number of volunteering hours	1,894	N/A	N/A	N/A

1) Market based GHG emissions based on Purmo Group's procurement mix of electricity and gas in countries with manufacturing operations.
2) 2021 World Steel Association data of 1.89 tCO2e embodied carbon produced for every tonne of crude steel cast.
3) tCO_2e/net sales in EUR million.
4) Question asked: 'How likely is it that you would you recommend <Purmo brand> to a friend or colleague?'.
5) Question asked: 'How likely is it that you would recommend <Purmo brand> to a friend or colleague as a leader in sustainable indoor climate comfort?'
6) Lost Time Injury Frequency Rate (LTIFR) is the number of lost time injuries occurring in a workplace per 1 million hours worked.

Shares and shareholders

Share capital, number of shares and shareholders

	30 Jun 2022
Number of class C shares	41,046,310
Number of class F shares	1,565,217

Purmo Group Plc has two share classes of which class C shares are listed and class F shares (Founder Shares) are held by Purmo Group Plc's (former Virala Acquisitions Company Plc) founding shareholder, Virala Corporation. The company's class F shares are subject to redemption and consent clauses in accordance with the Articles of Association, which restrict the rights to transfer or acquire Class F shares.

The number of shares outstanding on 30 June 2022 was 41,046,310 class C shares and 1,565,217 class F shares. The company's registered share capital on 30 June 2022 was EUR 3,080,000. Trading in Purmo Group Plc's shares commenced on the official list of Nasdaq Helsinki on 3 January 2022.

The company has no treasury shares.

On 30 June 2022 the five largest shareholders were Rettig Group Ltd (65.59 per cent of total shares), Virala Corporation (14.67 per cent), Ahlström Invest B.V. (2.82 per cent), Jussi Capital Oy (1.45 per cent) and Fennia Mutual Insurance Company (1.17 per cent) and Svenska Litteratursällskapet i Finland (1.17 per cent).

Board authorisation regarding share issue and share repurchase

The Annual General Meeting of 25 April 2022 authorised the Board of Directors to resolve on the issuance of a maximum of 8,000,000 class C shares as well as on the issuance of special rights entitling to class C shares referred to in Chapter 10, Section 1 of the Finnish Companies Act in one or several tranches. The proposed number of shares corresponds to approximately 20 per cent of all class C shares in the company. However, a maximum of 25 per cent of the authorisation, i.e., a maximum of 2,000,000 class C shares (including shares to be received based on special rights) may be used for incentive arrangements and remuneration schemes.

The Annual General Meeting authorised the Board of Directors to repurchase a maximum of 4,000,000 of the company's own class C shares as well as on the acceptance of them as pledge. The shares shall be repurchased with funds from the company's unrestricted shareholders' equity. The number of shares corresponds to approximately 10 per cent of all of class C shares in Purmo Group.

The authorisation may be used to improve Purmo Group's capital structure, to finance or carry out corporate acquisitions or other arrangements, for incentive arrangements and remuneration schemes or for other purposes resolved by the Board of Directors. The authorisations are effective until the end of the next Annual General Meeting, however, no longer than until 30 June 2023.

Flagging notifications

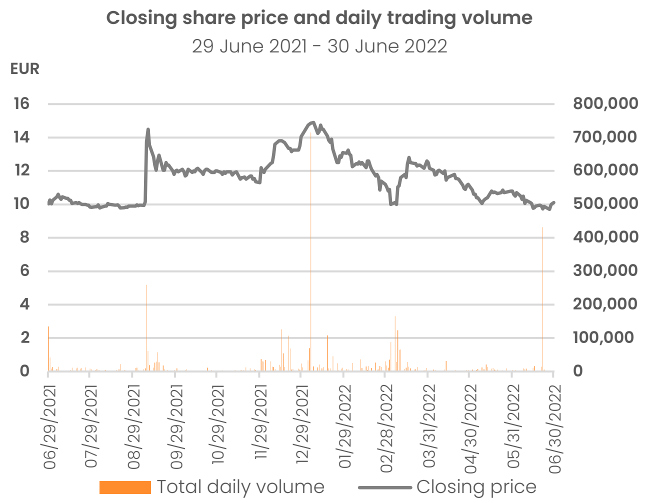
During the review period Purmo Group did not receive any flagging notifications referred to in the Securities Market Act. More information on flagging notifications is available on the company website.

Managers' transactions

Purmo Group's managers transactions are published as stock exchange releases, and they are available on the company website.

Trading of shares on Nasdaq Helsinki

	1 Jan – 30 Jun 2022
High, EUR	15.6
Low, EUR	9.0
Volume-weighted average price	11.6
Closing price, EUR, 30 June 2022	10.1
Market capitalisation, class C share, EUR million, 30 June 2022	414.6



Governance

Personnel

The number of Group full-time-equivalent employees averaged 3,519 (3,280) in January–June. At the end of the period, the Group had 3,568 (3,397) employees. The increase was mainly due to the acquisition of TT Thermotech Intressenter AB.

Changes in management team

On 4 July 2022, Barry Lynch was appointed Senior Vice President of the Radiators division and member of the Management Team. He succeeded Tomasz Tarabura, who left the company.

Share based incentive plans

On 20 July 2022, Purmo Group announced that the Board of Director's had decided to launch of a new share-based incentive plan for management and key employees. The purpose of the plan is to align targets of shareholders and key employees in order to increase the long-term value of the company, retain key employees and offer them a competitive incentive plan that is based on company share ownership and successful performance.

The performance criterion of the plan is Total Shareholder Return (TSR) of the class C share as decided by the Board of Directors. The minimum threshold for reward pay-out is a share price of EUR 16.00, and maximum reward shares are earned at a share price of EUR 24.00. Paid dividend and return of capital during the plan are added to the share price when calculating the TSR. The rewards to be paid based on the plan correspond to the value of an approximate maximum total of 1,500,000 class C shares.

The performance period covers the financial years of 2022-2025 and pay out period covers the financial years of 2026-2027.

Purmo Group Plc's Remuneration Policy is available on the company website.

Annual General Meeting

The Annual General Meeting was held on 25 April 2022. The meeting adopted the Annual Accounts, including the Consolidated Annual Accounts for 2021, and discharged the members of the company's Board of Directors and the CEO from the liability for the financial year 2021. The Annual General meeting also adopted the Remuneration Policy. All resolutions of the Annual General Meeting are available on the company website.

Return of capital

The Annual General Meeting decided that a return of capital of EUR 0.36 per class C share is to be paid for the financial year 2021 in two instalments and that a return of capital for class F shares is to be paid in accordance with the Articles of Association of the company for the financial year 2021 in two instalments. In accordance with the Articles of Association of the company and as a consequence of the first share price hurdle for conversion of class F shares into class C shares having been exceeded in September 2021, and taking into account dilution of the number of F shares following the registration of the new C shares on 1 March 2022, class F shares carried at the end of the review period a right to asset distribution equivalent to 0.69 per cent of the return of capital proposed to be distributed to class C shares, which corresponded to a return of capital of EUR 0.07 per class F share.

The first instalment of the return of capital was EUR 0.18 per class C share and EUR 0.03 per class F share based on the class F shares' right to asset distribution in accordance with the Articles of Association. The first instalment of the return of capital was paid on 4 May 2022.

The second instalment of the return of capital is EUR 0.18 per class C share and EUR 0.04 per class F share based on the class F shares' current right to asset distribution in accordance with the Articles of Association. The second instalment shall be paid to a shareholder who is registered in the shareholders' register maintained by Euroclear Finland Oy on the return of capital record date 26 September 2022, and it is to be paid on 3 October 2022.

Remuneration of the members of the Board of Directors

The Annual General meeting resolved that the following annual remuneration will be paid to the members of the Board of Directors: EUR 92,000 per year for the Chairman of the Board, EUR 53,000 per year for the Vice-Chairman of the Board, EUR 53,000 per year for each of the Chairmen of the Board Committees and EUR 48,000 per year for each ordinary board member.

Approximately 40 per cent of the remuneration is to be used to acquire class C shares in the name and on behalf of the members of the Board of Directors, and the remainder is to be paid in cash. The annual remuneration shall be paid to the members of the Board of Directors in proportion to the length of their term of office.

A meeting fee will be paid to the board members according to the following: EUR 600 per meeting held in the board member's country of residence; EUR 1,200 per meeting held outside the board member's country of residence but on the same continent as the board member's country of residence; EUR 2,400 per meeting held on another continent than the board member's country of residence; or EUR 600 per meeting held by telephone or through virtual communication channels.

An additional meeting fee of EUR 600 is paid to the Chairman of the Board and the Chairmen of the Board Committees for each meeting of the Board and its committees. In addition, compensation for reasonable travelling, accommodation and other expenses related to the Board of Directors and committee work is reimbursed according to the applicable policies of the company.

Board of Directors

The Annual General Meeting resolved that the number of members of the Board of the Directors shall be seven. Tomas von Rettig, Matts Rosenberg, Alexander Ehrnrooth, Catharina Stackelberg, Carlo Grossi, Carina Edblad and Jyri Luomakoski were re-elected to the Board of Directors for a term of office ending at the conclusion of the next Annual General Meeting. The Annual General Meeting elected

Tomas von Rettig as the Chairman of the Board and Matts Rosenberg as the Vice-Chairman.

Board authorisations

Board authorisations decided by the Annual General Meeting are presented in section 'Shares and Shareholders'.

Committees nominated by the Board

Purmo Group Plc's Board of Directors appointed the following members to its committees at its constitutive meeting on 25 April 2022:

- Audit Committee: Jyri Luomakoski (chairman), Matts Rosenberg, Alexander Ehrnrooth
- M&A Committee: Matts Rosenberg (chairman), Alexander Ehrnrooth, Carlo Grossi
- Remuneration Committee: Tomas von Rettig (chairman), Catharina Stackelberg, Carina Edblad

Shareholders' Nomination Board

In June 2022, Purmo Group Plc's three largest shareholders nominated the following representatives to the Shareholders' Nomination Board:

- Matts Rosenberg (Chairman)
- Alexander Ehrnrooth
- Peter Seligson

Risks and uncertainties in the near future

Purmo Group is affected by global supply chain disturbances, which started during the COVID-19 pandemic. This involves uncertainties and may adversely affect the demand for and the delivery capability of the company's products and availability of financing. Purmo Group has been able to manage the adverse effect of the disturbances on its operations and hence, the impact of challenges in getting raw materials and components in fulfilling customers' orders has been limited. The negative impact of the COVID-19 pandemic on Purmo Group's operations has also at least partly been offset by other favourable consequences emerging from the pandemic situation, such as the private home renovation trend.

Purmo Group's costs have been affected by commodity, energy and logistics services price increases, caused for example by the global sharp increase in demand for commodities combined with supply chain disturbances. The company has been able to manage profitability by implementing sales price increases with a reasonable delay. Inflation rates in Purmo Group's core markets are currently higher than for a long time and there is no clear guidance on whether the inflation rates will decrease in near future. Fluctuations in prices of raw materials and supplies, including energy, and in freight rates as well as problems with availability of raw materials, supplies, labour and freight shipping may have a negative impact on profitability and operations in general.

The short-term demand for Purmo Group's products depends on fluctuations in demand in the construction industry, which is cyclical in nature, especially new building, and the volumes and profitability of which vary as a result of, inter alia, economic conditions and the amount of investments in real estate.

Due to Purmo Group's international operations unfavourable fluctuations in exchange rates of especially the Polish Zloty, Swedish Krona, Romanian Leu and British Pound could have an adverse effect on the company's business, financial position, results of operations, prospects, or share price. In accordance with Purmo Group's treasury policy, at any point in time, Purmo Group hedges on average 40 to 70 per cent of its estimated foreign currency exposure in respect of forecasted sales and purchases over the following 15 months.

Climate change related impacts mean that Purmo Group must develop products that meet customer expectations and follow the changing regulations concerning for example energy efficiency and product life cycle requirements. Proactive, effective and right measures may mean that Purmo Group is able to use business opportunities relating to the expectations and requirements. Purmo Group has a sustainability strategy and function.

Russia's invasion of Ukraine in February 2022 has resulted in economic sanctions being imposed on Russia by many countries. Purmo Group has about 250 employees in Russia and two freelance sales representatives in Ukraine, based in Kiev. Purmo Group has been importing into both countries for many years and, in 2021, established sourcing, production and additional sales in Russia through its acquisition of 51 per cent of the shares in Euroradiators Holding B.V., a Dutch holding company holding all shares in Russian Evroradiators LLC, from Bosch group. Before suspending sales and operations in Russia, sales were generated both from Polish imports as well as an increasing portion of local production following the acquisition. Imports into Ukraine made up less than 1 per cent of total Group sales in 2021 and those into Russia, less than 5 per cent. On 31 March 2022, Purmo Group decided to exit its business in Russia.

The economic downturn in Ukraine continues to have a significantly negative impact on demand of Purmo Group's products in the country. The company temporarily halted deliveries to Ukraine after the invasion but has later continued deliveries when arrangements have been possible. The health and safety of employees, customers and business are, as always, a priority.

The impact of the war on other markets than Russia and Ukraine are hard to estimate. After the invasion, steel prices increased rapidly, but decreased significantly during summer. The risk remains that private and/or commercial investment decisions are postponed or cancelled due to high inflation rates, increased interest rates and/or general economic uncertainty.

Events after the review period

On 4 July 2022, Purmo Group announced the appointment of Barry Lynch as Senior Vice President of the Radiators division and member of the Management Team. He succeeded Tomasz Tarabura, who left the company.

On 20 July 2022, Purmo Group announced a new share-based incentive plan for 2022–2027 for key employees including management of the company with aim to align the objectives of the shareholders and the key employees in order to increase the value of the company in the long-term, as well as to retain the key employees.

In Helsinki, 10 August 2022
Purmo Group Plc's Board of Directors

Condensed consolidated financial information

Consolidated statement of profit and loss

EUR million	Note	4-6/2022	4-6/2021	1-6/2022	1-6/2021	2021
Net sales	3	245.0	212.1	481.2	402.5	843.6
Cost of sales		-187.7	-161.4	-366.6	-299.9	-645.5
Gross profit		**57.3**	**50.7**	**114.6**	**102.6**	**198.1**
Sales and marketing expenses		-22.4	-19.1	-44.7	-37.7	-78.3
Administrative expenses		-13.9	-11.1	-24.8	-22.0	-42.0
Research and development expenses		-1.7	-1.5	-3.5	-3.0	-5.9
Other income		1.9	0.6	2.2	0.9	2.6
Other expenses		-5.3	-1.7	-13.7	-4.5	-71.0
Operational expenses		**-41.4**	**-32.9**	**-84.5**	**-66.2**	**-194.6**
EBIT		**15.9**	**17.7**	**30.0**	**36.4**	**3.5**
Finance income		2.1	0.7	3.0	0.8	1.1
Finance expenses		-5.1	-2.6	-8.8	-4.5	-9.7
Net financial items		**-3.0**	**-1.9**	**-5.8**	**-3.7**	**-8.6**
Profit before tax		**12.9**	**15.8**	**24.2**	**32.7**	**-5.1**
Income tax expense	4	-4.6	-3.5	-9.3	-8.5	-13.7
Profit for the period		**8.4**	**12.3**	**14.9**	**24.2**	**-18.8**
Profit for the period attributable to:						
Owners of the parent		8.4	12.2	14.9	24.1	-18.8
Non-controlling interests		-	0.1	-	0.2	-
Earnings per share for profit attributable to the ordinary equity holders of the parent company:						
Earnings per share basic, EUR		0.20	0.43	0.36	0.84	-0.65
Earnings per share diluted, EUR		0.20	0.42	0.36	0.84	-0.65

Consolidated statement of comprehensive income

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	2021
Profit for the period	8.4	12.3	14.9	24.2	-18.8
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Re-measurement of defined benefit liability (asset)	0.3	-0.2	8.5	7.5	8.4
Related tax	-0.4	0.0	-2.0	-1.5	0.2
Total items that will not be reclassified to profit or loss	**0.0**	**-0.2**	**6.5**	**6.0**	**8.6**
Items that are or may be reclassified to profit or loss					
Foreign operations – foreign currency translation differences	8.5	2.0	8.7	1.3	0.4
Cash flow hedges – effective portion of changes in fair value	0.9	0.1	0.5	-0.9	-1.9
Cash flow hedges – reclassified to profit or loss	0.0	0.4	0.3	0.5	1.5
Related tax	-0.2	-0.1	-0.2	0.1	0.2
Total items that are or may be reclassified to profit or loss	**9.3**	**2.4**	**9.4**	**1.0**	**0.1**
Other comprehensive income, net of tax	**9.2**	**2.2**	**16.0**	**7.0**	**8.7**
Total comprehensive income for the period	**17.6**	**14.5**	**30.9**	**31.2**	**-10.1**
Total comprehensive income attributable to:					
Owners of the parent	17.6	14.4	30.9	31.1	-10.1
Non-controlling interests	-	0.1	-	0.2	-

Consolidated balance sheet

EUR million	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
Assets				
Non-current assets				
Goodwill	5	385.4	369.4	369.2
Other intangible assets	5	39.8	36.8	36.3
Property, plant and equipment	5	123.2	130.9	131.9
Right-of-use assets	5	33.2	29.3	31.3
Other receivables		0.9	1.0	1.0
Deferred tax assets		24.4	22.2	26.5
Defined benefit asset		9.8	5.0	6.2
Total non-current assets		**616.6**	**594.6**	**602.4**
Current assets				
Inventories		179.5	127.8	157.4
Trade receivables	7	112.9	114.5	77.1
Related party receivables	10	-	4.5	0.1
Derivative assets	7	4.3	0.1	0.7
Other receivables		20.6	26.6	29.6
Current tax asset		5.6	3.3	1.3
Cash and cash equivalents		51.3	38.3	177.6
Total current assets		**374.3**	**315.1**	**443.8**
Assets held for sale	12	**33.6**	**-**	**-**
Total assets		**1,024.5**	**909.8**	**1,046.2**
Equity and liabilities				
Equity				
Share capital		3.1	0.0	3.1
Reserve of invested unrestricted equity		387.6	483.4	385.9
Reserves		0.2	-5.7	-9.3
Retained earnings		17.4	31.0	29.7
Profit for the period		14.9	24.1	-18.8
Equity attributable to owners of the company		**423.1**	**532.8**	**390.6**
Non-controlling interests		-	1.5	-
Total equity		**423.1**	**534.3**	**390.6**
Liabilities				
Non-current liabilities				
Loans and borrowings	7	278.0	7.9	285.7
Lease liabilities		35.4	31.1	30.7
Defined benefit liabilities		21.4	23.3	23.5
Other payables		4.0	1.2	1.2
Provisions	8	7.7	7.4	7.6
Deferred tax liabilities		6.3	6.0	2.6
Total non-current liabilities		**352.8**	**77.0**	**351.3**
Current liabilities				
Loans and borrowings	7	17.1	98.7	95.0
Lease liabilities		3.3	3.3	5.6
Trade and other payables	7	201.4	188.6	192.0
Derivative liabilities	7	4.0	1.4	2.0
Provisions	8	0.2	1.2	4.9
Current tax liabilities		10.1	5.4	4.8
Total current liabilities		**236.1**	**298.5**	**304.3**
Total liabilities		**588.9**	**375.5**	**655.6**
Liabilities directly attributed to assets held for sale	12	**12.6**	**-**	**-**
Total equity and liabilities		**1,024.5**	**909.8**	**1,046.2**

Consolidated statement of cash flows

EUR million	4-6/2022	4-6/2021	1-6/2022	1-6/2021	2021
Cash flow from operating activities					
Profit for the period	8.4	12.3	14.9	24.2	-18.8
Adjustments:					
Depreciation, amortisation and impairment losses	8.3	8.1	15.9	15.5	30.2
Gain on sale of property plant and equipment	-0.1	-0.1	0.0	-0.1	-0.5
Share-based payments	–	0.2	–	0.5	1.9
Finance income and expenses	3.0	1.9	5.8	3.7	8.6
Income tax expenses	4.6	3.5	9.3	8.5	13.7
Reverse recapitalization	–	–	–	–	52.3
Other non-cash income and expenses	4.8	0.0	11.2	1.0	5.7
Cash flow before change in net working capital	**28.9**	**26.0**	**57.2**	**53.4**	**93.1**
Changes in net working capital					
Inventories, increase (-) / decrease (+)	-12.5	-11.7	-27.3	-18.3	-48.7
Trade and other receivables, increase (-) / decrease (+)	29.9	-17.6	-25.3	-65.1	-31.2
Trade and other payables, increase (+) / decrease (-)	-2.0	18.8	6.5	43.3	45.0
Provisions and employee benefits, increase (+) / decrease (-)	-4.7	0.5	-4.8	-1.1	-1.6
Changes in net working capital	**10.6**	**-10.0**	**-50.9**	**-41.2**	**-36.5**
Net cash flow from operating activities before financial items and taxes	**39.6**	**16.0**	**6.3**	**12.2**	**56.7**
Finance expenses paid	-4.8	-1.4	-7.4	-2.3	-8.7
Finance income received	0.0	0.0	0.0	-0.1	0.9
Income taxes paid, net	-2.8	-1.9	-5.7	-4.3	-13.5
Cash from operating activities	**32.0**	**12.6**	**-6.9**	**5.6**	**35.4**
Cash flow from investing activities					
Proceeds from sale of property, plant and equipment and intangible assets	3.1	0.0	3.1	0.0	0.7
Purchases of property, plant and equipment and intangible assets	-4.9	-2.6	-7.3	-4.1	-14.8
Acquisitions of subsidiaries, net of cash acquired	–	-4.5	-14.6	-4.5	-4.5
Cash flow from investing activities	**-1.8**	**-7.1**	**-18.7**	**-8.6**	**-18.6**
Cash flow from financing activities					
Proceeds from long-term borrowings	–	–	–	–	279.0
Increase of equity	–	0.5	–	0.5	0.3
Proceeds from share issue	–	–	–	–	99.9
Dividends and group contributions paid to related party	–	-15.4	–	-15.4	-266.4
Return of capital paid	-7.4	–	-7.4	–	–
Repayment of lease liabilities	-3.0	-2.3	-5.6	-5.1	-9.6
Proceeds from short-term borrowings	55.8	–	104.2	–	95.0
Repayment of short-term borrowings	-53.6	–	-183.5	–	-4.9
Proceeds from short-term borrowings from related party	–	6.2	–	6.2	10.2
Repayment from short-term borrowings to related party	–	5.0	–	–	-98.0
Cash flow from financing activities	**-8.2**	**-6.1**	**-92.4**	**-13.9**	**105.4**
Change in cash and cash equivalents, increase (+) / decrease (-)	**22.0**	**-0.6**	**-118.0**	**-16.9**	**122.2**
Cash and cash equivalents at beginning of the period	33.2	38.7	177.6	55.0	55.0
Impact of change in exchange rates	2.1	0.2	2.6	0.2	0.4
Cash classified as assets held	-5.9	–	-10.8	–	–
Cash and cash equivalents at end of the period	**51.3**	**38.3**	**51.3**	**38.3**	**177.6**

Consolidated statement of changes in equity

	Attributable to owners of the parent company							Non-controlling interest	Total equity
EUR million	Share capital	Reserve of invested unrestricted equity	Translation reserve	Fair value reserve	Share based payment reserve	Retained earnings	Total		
Balance as at 1 Jan 2022	**3.1**	**385.9**	**-8.7**	**-0.6**	**-**	**10.9**	**390.6**	**-**	**390.6**
Profit for the period						14.9	14.9		14.9
Other comprehensive income			8.7	0.7		6.5	16.0		16.0
Total comprehensive income			**8.7**	**0.7**	**-**	**21.4**	**30.9**	**-**	**30.9**
Dividends and return of capital paid		-7.4					-7.4		-7.4
Share issue		9.1					9.1		9.1
Balance as at 30 Jun 2022	**3.1**	**387.6**	**0.0**	**0.1**	**-**	**32.3**	**423.1**	**-**	**423.1**

	Attributable to owners of the parent company							Non-controlling interest	Total equity
EUR million	Share capital	Reserve of invested unrestricted equity	Translation reserve	Fair value reserve	Share based payment reserve	Retained earnings	Total		
Balance as at 1 Jan 2021	**0.0**	**497.5**	**-9.1**	**-0.3**	**2.4**	**25.1**	**515.5**	**1.8**	**517.3**
Profit for the period						24.1	24.1	0.2	24.2
Other comprehensive income			1.3	-0.3		6.0	7.0		7.0
Total comprehensive income			**1.3**	**-0.3**	**-**	**30.1**	**31.1**	**0.2**	**31.2**
Dividends and return of capital paid		-15.0					-15.0	-0.5	-15.4
Long term incentive plan		0.8			0.3		1.2		1.2
Balance as at 30 Jun 2021	**0.0**	**483.4**	**-7.7**	**-0.6**	**2.7**	**55.1**	**532.8**	**1.5**	**534.3**

Notes to the condensed consolidated half year financial statements

1. Reporting entity

Purmo Group Plc, “Purmo Group” or the “Company”, business ID 2890898-5, is a public limited company domiciled in Helsinki. The registered address of Purmo Group is Bulevardi 46, 00120 Helsinki, Finland.

These unaudited condensed consolidated financial statements comprise the parent company Purmo Group Plc and its subsidiaries (collectively the “Group” and individually “Group companies”). The company’s class C shares are listed on the Nasdaq Helsinki stock exchange as of 3 January 2022.

Merger of Virala Acquisition Company Plc and Purmo Group Ltd

On 8 September 2021 Virala Acquisition Company Plc and Purmo Group Ltd announced that they had signed a merger agreement to combine the two companies. The merger was completed on 31 December 2021 and the combined company was re-named Purmo Group Plc. Following the merger, the combined company continued the business operations of Purmo Group Ltd and as a listed company on the official list of Nasdaq Helsinki.

2. Basis of preparation

These unaudited condensed half year financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS. These condensed consolidated financial statements do not include all information required for a complete set of financial statements prepared in accordance with IFRS. Selected explanatory notes are therefore included to explain events and transactions that are significant to understand the changes in the Group’s financial position and performance since the last annual financial statements. The accounting policies applied are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021 except for IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, and the adoption of new and amended standards.

The condensed consolidated half year financial statements are presented in million euros unless otherwise stated. The figures in the tables and texts are subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

Assets held for sale

Non-current assets or disposal groups and liabilities are classified as held for sale if their carrying amounts are expected to be recovered primarily through sale rather than through continuing use. Classification as held for sale requires that the following criteria are met; the sale is highly probable, the asset is available for immediate sale in its present condition subject to usual and customary terms, the management is committed to the sale and the sale is expected to be completed within one year from the date of classification. Prior to classification as held for sale, the assets or assets and liabilities related to a disposal are measured according to the respective IFRS standards. From the date of classification, non-current assets held for sale and liabilities are measured at the lower of the carrying amount and the fair value less costs to sell, and the recognition of depreciation and amortization is discontinued. Non-current assets held for sale and liabilities are presented in the statement of financial position separately from other items.

New and amended standards

The Group has applied the relevant revised IFRS standards published by IASB effective for financial reporting periods commencing on 1 January 2022. The application of the revised standards has not had a material impact on the results, the financial position or the presentation of the half year report.

Seasonality

Purmo Group’s business and cash flows are affected by seasonality. Typically, most of the demand for Purmo Group’s products occurs during the peak heating-season with a notable increase in monthly demand in September-November. Quarterly seasonality is more muted as the third and fourth quarters are typically tempered by lower demand in July-August and December due to holiday periods. Overall, demand is typically at the lowest level during the second quarter when the heating demand is at its lowest. This is only partially offset by the peak cooling-season as Purmo Group has a relatively smaller exposure to demand for air conditioning systems. The quarterly comparisons of Purmo Group’s sales and operating results are therefore impacted by seasonality and changes in raw material prices, and the results of any quarterly period may not be indicative of expected results for a full year.

Key accounting estimates and judgements

An IFRS-compliant half year report requires the Group's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management’s best knowledge at the time, it is possible that actual results differ from the estimates used in the half year reports. The Group’s management has continued to assess the potential accounting implications of the COVID-19 pandemic. The Group’s management has reviewed the carrying values of the balance sheet items and the review did not indicate need for asset impairments.

The Group’s management has assessed the balance sheet impact of Russia’s war in Ukraine and the decision to divest the business in Russia. The management has considered indicators of impairment of goodwill and intangible assets, the recoverable amount of property plant and equipment and right-of-use assets, the valuation of inventories, trade receivables and redemption liability. Due to the significant uncertainties related to the business in Russia and Ukraine the Group has recognised impairment charges and write-downs of EUR 6.9 million on goodwill, intangible assets, property, plant and equipment, right-of-use assets, inventories and redemption liability.

3. Segment information and net sales

Group's divisions

The Radiators division manufactures three main product categories: panel radiators, tubular radiators and electric radiators.

The ICS division provides a comprehensive range of components or full systems to specifiers, installers and wholesalers comprising of four product categories: radiant heating and cooling (RHC) including underfloor heating, air heating and cooling, water distribution systems as well as system components and controls.

Other and unallocated items comprise of corporate headquarter functions and other Group level costs including Group Finance, Group Legal, Group Sustainability, Group Communications and Group Human Resources and M&A. The head office costs comprise mainly of salaries, rent and professional fees that are operated for the benefit of the whole group and that are not allocated to divisions.

The Group's products are sold mainly via sanitary and heating wholesalers in both residential and non-residential sectors in Northern, Western, Southern and Eastern Europe but also in the Rest of the World (including Brazil, China, Japan and the United States).

Purmo Group's Board of Directors, assisted by the CEO, is the Group's chief operating decision maker. The operating segments are defined based on the information that the Board of Directors uses to make decisions about the resources to be allocated to the divisions and to assess their performance.

The divisions' financial performance is assessed internally based on net sales and adjusted EBITDA. The adjusted EBITDA has been derived from the unadjusted EBITDA by removing material and unexpected items outside the ordinary course of business and that are considered to impact comparability of the underlying business operations and by excluding costs and income incurred in the group functions as described above. Such items include direct M&A related transaction and integration costs, restructuring costs and costs incurred in connection with performance improvement programs, the one-time and non-cash IFRS 2 merger impact, impairment and write-down charges connected to the Russian business, costs that have been incurred in connection with the formation of Purmo Group, exceptional gains and losses relating to sale of fixed assets, and costs incurred to achieve stand-alone readiness which has not continued post-merger.

4-6/2022

EUR million	Radiators	ICS	Other and unallocated	Group
Net sales	**127.6**	**117.4**	**-**	**245.0**
Adjusted EBITDA	**15.4**	**14.6**	**-2.2**	**27.8**
Adjusted EBITDA % of net sales	**12.1%**	**12.4%**	**-**	**11.4%**
Material items impacting period profit and loss				-3.6
Depreciation, amortisation and impairment				-8.3
EBIT				**15.9**
Net financial items				-3.0
Profit before tax				**12.9**
Additional information for segments				
Depreciation, amortisation and impairment by segment	-5.3	-3.0	-	-8.3

4-6/2021

EUR million	Radiators	ICS	Other and unallocated	Group
Net sales	**120.5**	**91.6**	**-**	**212.1**
Adjusted EBITDA	**16.3**	**11.4**	**-0.9**	**26.8**
Adjusted EBITDA % of net sales	**13.5%**	**12.5%**	**-**	**12.6%**
Management fee to owners and legacy Rettig incentive plans				-0.4
Material items impacting period profit and loss				-0.6
Depreciation, amortisation and impairment				-8.1
EBIT				**17.7**
Net financial items				-1.9
Profit before tax				**15.8**
Additional information for segments				
Depreciation, amortisation and impairment by segment	-5.9	-2.2	-	-8.1

1-6/2022

EUR million	Radiators	ICS	Other and unallocated	Group
Net sales	**262.7**	**218.5**	**-**	**481.2**
Adjusted EBITDA	**32.9**	**28.2**	**-4.1**	**57.0**
Adjusted EBITDA % of net sales	**12.5%**	**12.9%**	**-**	**11.9%**
Management fee to owners and legacy Rettig incentive plans				0.0
Material items impacting period profit and loss				-3.5
Depreciation, amortisation and impairment				-23.5
EBIT				**30.0**
Net financial items				-5.8
Profit before tax				**24.2**
Additional information for segments				
Depreciation, amortisation and impairment by segment	-18.0	-5.6	-	-23.5

1-6/2021

EUR million	Radiators	ICS	Other and unallocated	Group
Net sales	**230.8**	**171.7**	**-**	**402.5**
Adjusted EBITDA	**35.7**	**22.1**	**-1.9**	**55.9**
Adjusted EBITDA % of net sales	**15.5%**	**12.9%**	**-**	**13.9%**
Management fee to owners and legacy Rettig incentive plans				-0.8
Material items impacting period profit and loss				-3.2
Depreciation, amortisation and impairment				-15.5
EBIT				**36.4**
Net financial items				-3.7
Profit before tax				**32.7**
Additional information for segments				
Depreciation, amortisation and impairment by segment	-11.0	-4.6	-	-15.5

2021

EUR million	Radiators	ICS	Other and unallocated	Group
Net sales	**506.3**	**337.2**	**0.0**	**843.6**
Adjusted EBITDA	**66.0**	**43.7**	**-5.8**	**103.9**
Adjusted EBITDA % of net sales	**13.0%**	**13.0%**	**-**	**12.3%**
Management fee to owners and legacy Rettig incentive plans				-2.4
Material items impacting period profit and loss				-67.9
Depreciation, amortisation and impairment				-30.2
EBIT				**3.5**
Net financial items				-8.6
Profit before tax				**-5.1**
Additional information for segments				
Depreciation, amortisation and impairment by segment	-21.1	-9.0	-	-30.2

Net sales by market area for divisions

The division sales divided into geographical areas is the primary aggregation criteria of sales that is monitored by the company.

		4-6/2022			**4-6/2021**	
EUR million	Radiators	ICS	Group	Radiators	ICS	Group
Northern Europe [1]	28.5	20.2	48.7	26.2	12.4	38.6
Western Europe	52.8	34.2	87.0	54.8	31.3	86.1
Central and Eastern Europe	39.0	16.0	55.0	33.2	13.8	47.1
Southern Europe	1.6	38.8	40.3	1.3	26.5	27.9
Rest of the world	5.7	8.3	14.0	5.0	7.5	12.4
Net Sales	**127.6**	**117.4**	**245.0**	**120.5**	**91.6**	**212.1**

[1] Net sales in Finland (company's country of domicile) totalled to EUR 3.4 million (3.5).

EUR million	Radiators	1-6/2022 ICS	Group	Radiators	1-6/2021 ICS	Group
Northern Europe [1]	59.4	35.7	95.1	52.5	23.9	76.5
Western Europe	116.0	66.1	182.1	107.2	60.2	167.4
Central and Eastern Europe	73.3	29.1	102.4	59.8	26.2	85.9
Southern Europe	2.8	72.4	75.2	2.6	47.7	50.2
Rest of the world	11.1	15.3	26.4	8.8	13.7	22.5
Net Sales	**262.7**	**218.5**	**481.2**	**230.8**	**171.7**	**402.5**

[1] Net sales in Finland (company's country of domicile) totalled to EUR 7.1 million (6.9).

EUR million	Radiators	2021 ICS	Group
Northern Europe [1]	112.3	48.8	161.1
Western Europe	213.5	113.1	326.6
Central and Eastern Europe	150.6	50.9	201.5
Southern Europe	5.7	96.3	102.0
Rest of the world	24.3	28.1	52.4
Net Sales	**506.3**	**337.2**	**843.6**

[1] Net sales in Finland (company's country of domicile) totalled to EUR 14.0 million (12.8).

The Group has one customer that amounts to more than 10 per cent of the Group's net sales.

4. Taxes

Total income tax expense of the Group for the reporting period was EUR 9.3 million (8.5) corresponding to a reported effective tax rate of 38.6 per cent (25.9). The tax expenses are impacted by the following non-deductible items: an EUR 6.9 million impairment and write-down of the Russian business assets and liabilities, a EUR 3.7 million non-cash expense in relation with the restructuring of the Irish subsidiary and a trademark depreciation of EUR 1.8 million related to previous years company structuring. When excluding these effects, the effective tax rate is 25.6 per cent (24.7).

5. Intangible and tangible assets

Intangible assets

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Opening balance	**405.5**	**403.4**	**403.4**
Effect of exchange rates	-0.1	0.0	0.0
Purchases of subsidiaries and business acquisitions	25.3	4.0	3.9
Additions	0.5	0.3	1.1
Disposals	0.0	-0.1	0.0
Transfers	-0.1	0.0	-
Amortisation	-1.8	-1.5	-2.9
Impairment charges	-4.0	-	-
Closing balance	**425.2**	**406.2**	**405.5**

Property, plant and equipment

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Opening balance	**131.9**	**133.3**	**133.3**
Effect of exchange rates	1.0	1.3	1.3
Purchases of subsidiaries and business acquisitions	1.3	0.0	2.9
Classified as held for sale	-1.6	0.0	-
Additions	7.0	3.9	11.9
Disposals	-20.1	-0.2	-1.9
Transfers	-0.4	3.0	3.6
Depreciations	-10.1	-10.5	-19.9
Depreciations on disposals	17.5	0.2	0.8
Impairment charges	-3.3	0.0	-
Closing balance	**123.2**	**130.9**	**131.9**

Right-of-use assets

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Opening balance	**31.3**	**30.9**	**30.9**
Effect of exchange rates	0.0	0.5	0.7
Purchases of subsidiaries and business acquisitions	2.8	0.5	0.5
Classified as held for sale	-0.1	-	-
Additions	3.4	1.1	6.5
Disposals	0.0	-	-
Depreciations	-3.9	-3.6	-7.4
Impairment charges	-0.4	-	-
Closing balance	**33.2**	**29.3**	**31.3**

6. Changes in the shares outstanding during the reporting period

The company's registered share capital on 30 June 2022 was EUR 3,080,000. The company has two share classes of which class C shares are listed and class F shares are held by Purmo Group Plc's (former Virala Acquisition Company's founding shareholder, Virala Corporation. The number of outstanding shares at the end of the reporting period was 41,046,310 class C shares and 1,565,217 class F shares. The company has no treasury shares. The shares have no nominal value. The company's class F shares ("Founder Shares") are subject to redemption and consent clauses in accordance with the Articles of Association, which restrict the rights to transfer or acquire Founder Shares. The Founder Shares are not publicly traded.

On 1 March 2022 Purmo Group announced a directed share issue of 671,779 class C shares to the sellers of TT Thermotech Intressenter AB in connection with the acquisition of the company. The subscription price was EUR 13.50 per class C share and the subscription price has been recorded to the reserve of invested unrestricted equity.

		Number of outstanding shares (pcs)	
		Class C share	Class F share
1 Jan 2022		**40,374,531**	**1,565,217**
1 Mar 2022	Directed share issue of class C shares	671,779	-
30 Jun 2022		**41,046,310**	**1,565,217**

7. Financial instruments and financial risk management

In April-June 2022, the company entered into interest rate derivative agreements in order to hedge its exposure against fluctuations against market interest rates. According to Group Treasury Policy, approved by the Board of Directors, the target average interest fixing is 12 months. At the end of the reporting date the company had the following undrawn credit facilities; EUR 80.0 million committed revolving credit facility, EUR 17.5 million overdraft facilities and EUR 125.0 million uncommitted M&A facility.

Carrying amounts and fair values of financial instruments

The fair value of items which are measured at fair value are categorised to three levels:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Fair value determined by observable parameters
- Level 3: Fair value determined by non-observable parameters

The tables below show the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for trade receivables, trade payables, or other short-term financial assets and liabilities, as their carrying amount is a reasonable approximation of fair value due to their short maturities. There have been no transfers between fair value levels during the reporting period.

Financial assets and liabilities recognized at fair value through profit and loss comprise mainly currency derivatives. The recurring measurement of these instruments at fair value is based on commonly applied valuation methods and uses observable market-based variables. Therefore, these measurements are categorised in the fair value hierarchy as level 2 fair values.

30 June 2022

EUR million	Carrying amount					
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total	Fair value	Fair value hierarchy level
Financial assets						
Forward foreign exchange contracts	3.5	0.8		4.3	4.3	Level 2
Trade receivables			112.9	112.9	112.9	Level 2
Cash and cash equivalents [1]			62.2	62.2		
Total assets	**3.5**	**0.8**	**175.1**	**179.4**	**117.3**	
Financial liabilities						
Forward foreign exchange contracts	3.3	0.5		3.8	3.8	Level 2
Interest rate derivatives	0.2			0.2	0.2	Level 2
Loans from financial institutions			280.2	280.2	280.2	Level 2
Commercial papers			15.0	15.0	15.0	Level 2
Redemption liability [2]			7.7	7.7	7.7	Level 3
Trade payables			118.1	118.1	118.1	Level 2
Total liabilities	**3.5**	**0.5**	**420.9**	**424.9**	**424.9**	

[1] Cash and cash equivalents include EUR 10.8 MEUR classified as assets held for sale.

[2] The redemption liability has been classified as liabilities related to assets held for sale.

30 June 2021

EUR million	Carrying amount					
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total	Fair value	Fair value hierarchy level
Financial assets						
Forward foreign exchange contracts	0.1	0.0		0.1	0.1	Level 2
Related party vendor note receivable			4.2	4.2	4.2	Level 2
Trade receivables			114.5	114.5	114.5	Level 2
Cash and cash equivalents			38.3	38.3		
Total assets	**0.1**	**0.0**	**157.0**	**157.1**	**118.8**	
Financial liabilities						
Forward foreign exchange contracts	0.9	0.5		1.4	1.4	Level 2
Loans and other liabilities from related party			94.0	94.0	94.0	Level 2
Loans from financial institutions			4.7	4.7	4.7	Level 2
Redemption liability			7.9	7.9	7.9	Level 3
Trade payables			97.1	97.1	97.1	Level 2
Total liabilities	**0.9**	**0.5**	**203.7**	**205.1**	**205.1**	

31 December 2021

EUR million	Carrying amount					
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total	Fair value	Fair value hierarchy level
Financial assets						
Forward foreign exchange contracts	0.1	0.5		0.7	0.7	Level 2
Trade receivables			77.1	77.1	77.1	Level 2
Cash and cash equivalents			177.6	177.6		
Total assets	**0.1**	**0.5**	**254.7**	**255.4**	**77.8**	
Financial liabilities						
Forward foreign exchange contracts	1.4	0.6		2.0	2.0	Level 2
Loans from financial institutions			372.7	372.7	372.7	Level 2
Redemption liability			8.1	8.1	8.1	Level 3
Trade payables			116.7	116.7	116.7	Level 2
Total liabilities	**1.4**	**0.6**	**497.5**	**499.4**	**499.4**	

8. Provisions

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Non-current			
Warranties and guarantees	1.4	1.4	1.4
Restructuring	0.1	0.6	-
Other provisions	6.2	5.3	6.2
Total	**7.7**	**7.4**	**7.6**
Current			
Warranties and guarantees	0.1	0.2	0.1
Restructuring	0.1	-	4.8
Other provisions	-	1.0	-
Total	**0.2**	**1.2**	**4.9**

The relocation of the production in Newcastle West, Ireland, to other existing sites of Purmo Group, was completed in June 2022 and the restructuring provision was released at the same time.

9. Commitments and contingencies

EUR million	30 Jun 2022	30 Jun 2021	31 Dec 2021
Guarantees			
Bank guarantees	13.0	7.3	8.0
Parent guarantees	28.7	16.6	21.0
Total	**41.7**	**23.9**	**29.0**

Off-balance sheet leases include low-value leases in accordance with the exemption of IFRS 16, and leases that have not yet commenced. The Group does not have material lease agreements not yet commenced as at the balance sheet dates.

Purmo Group is involved in certain minor legal actions, claims and proceedings. The outcome of these matters cannot be predicted. Considering all available information to date, the outcome is not expected to have a material impact on the financial position of the Group.

10. Related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party, or if the parties exercise joint control in making financial and operating decisions.

Purmo Group's related parties include subsidiaries as well as the members of the Board of Directors and the CEO and members of the Group management. In addition, the immediate parent company Rettig Group Ltd and the ultimate controlling party Rettig Capital Ltd and their subsidiaries, associated companies and joint ventures are related parties. All transactions and outstanding balances with these related parties are priced on an arm's length basis. Tomas von Rettig and Maria von Rettig have significant influence over Rettig Capital Ltd.

Until the merger of Virala Acquisition Company Plc (later Purmo Group Plc) and Purmo Group Ltd 31 December 2021, Purmo Group's related parties also included Purmo Group Ltd's Board of Directors and the members of the management team, including the CEO, as well as their family members.

The following table summarizes the related party transactions and balances:

EUR million	1-6/2022	1-6/2021	2021
Items in the income statement			
Interest income	-	0.1	0.1
Interest expense	-	1.0	-2.2
Purchases	0.1	0.3	-0.5
Derivative instruments, gain	-	0.0	-0.0
Items in the balance sheet			
Vendor note receivable	-	4,5	-
Loans	-	94.0	-
Current liabilities	0.1	0.0	0.0
Current receivables	-	-	0.1
Items recognized in equity			
Dividend and repayment of capital	-5.0	-15.0	-266.4
Merger	-	-	152.1

11. Business Combinations

Purmo Group acquired the entire share capital of the Nordic heating system company TT Thermotech Intressenter AB on 1 March 2022. The preliminary consideration paid was EUR 9.2 million in cash and EUR 9.2 million in shares, and the amount of cash and cash equivalents obtained was 0.2 million. The amount of consideration paid will be specified during 2022. The acquisition includes an earn-out of EUR 5.4 million payable in cash subject to achievement of certain objectives. TT Thermotech Intressenter AB recorded net sales of EUR 23.8 million in 2021.

According to the preliminary acquisition cost calculation concerning TT Thermotech Intressenter AB, assets acquired for Purmo Group amounted to EUR 17.8 million and liabilities assumed to EUR 14.4 million. The EUR 20.4 million goodwill arising from the acquisition reflects the synergies expected to be achieved in sales, purchasing, selections and operational efficiency. The goodwill is not tax deductible. The Group income statement included EUR 0.4 million in acquisition-related costs under other operating expenses, presented as non-recurring items.

TT Thermotech Intressenter AB had a EUR 7.3 million impact on net sales for April-June 2022 and the impact on net profit was EUR 0.2 million. If the acquisition had taken place on 1 January 2022, according to management estimates, the impact on Group net sales would have been EUR 14.7 million and on the net profit EUR 0.6 million.

Fair values of acquired assets and liabilities at time of acquisition:

	EUR million
Purchase price	
Purchase price paid in cash	9.2
Purchase price paid in shares	9.2
Goodwill acquired	0.2
Other intangible assets	4.7
Tangible assets	1.3
Right-of-use assets	2.8
Inventories	4.7
Other current assets	4.1
Total assets	**17.8**
Interest bearing liabilities	9.3
Deferred tax liabilities	1.3
Current liabilities	3.9
Total liabilities	**14.4**
Net assets acquired	**3.4**
Earn-out	5.4
Goodwill	**20.4**
Cash flow impact	
Purchase price paid in cash	-9.2
Cash and cash equivalents of the acquired company	0.2
Expenses related to the acquisition	-0.4
Impact on cash flow	**9.4**

12. Assets held for sale

End of March 2022 Purmo Group took the decision to exit its business in Russia. The Group will seek to divest and complete an orderly transfer of the business to a new owner, in compliance with international and local laws and considering the wellbeing of our employees in Russia. Upon completion of the divestment, the Group will no longer have a manufacturing operation or sales in Russia. The Russian business has been measured at fair value less costs to sell and classified as assets held for sale and continuing operations.

The Group's management has assessed the balance sheet impact of the decision to divest the business in Russia. The management has considered indicators of impairment of goodwill and intangible assets, the recoverable amount of property plant and equipment and right-of-use assets, the valuation of inventories, trade receivables and the redemption liability. Due to the significant uncertainties related to the business in Russia the Group has recognised impairment charges and write-downs of EUR 6.9 million on goodwill, intangible assets, property, plant and equipment, right-of-use assets, inventories and the redemption liability.

EUR million	30 Jun 2022
Assets held for sale [1]	
Right-of-use assets	1.8
Inventories	13.3
Other assets	7.7
Cash and cash equivalents	10.8
Total	**33.6**
Liabilities related to assets held for sale [1]	
Interest-bearing liabilities	7.7
Other liabilities	4.9
Total	**12.6**

[1] Amounts are presented net of internal balances with other Purmo Group subsidiaries.

13. Events after the reporting period

On 4 July 2022, Purmo Group announced the appointment of Barry Lynch as Senior Vice President of the Radiators division and member of the Management Team. He succeeded Tomasz Tarabura, who left the company.

On 20 July 2022, Purmo Group announced that the Board of Directors had decided to launch a new share-based incentive plan for 2022–2027 for key employees including management of the company with aim to align the objectives of the shareholders and the key employees in order to increase the value of the company in the long-term, as well as to retain the key employees.

Key figures

EUR million	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Net sales	245.0	212.1	16%	481.2	402.5	20%	843.6
EBITDA	24.2	25.8	-6%	53.6	52.0	3%	33.6
EBITDA margin	9.9%	12.2%		11.1%	12.9%		4.0%
Adjusted EBITDA	27.8	26.8	4%	57.0	55.9	2%	103.9
Adjusted EBITDA margin	11.4%	12.6%		11.9%	13.9 %		12.3%
EBITA	17.0	18.5	-8%	35.9	37.9	-5%	6,3
EBITA margin	6.9%	8.7%		7.5%	9.4%		0.8%
Adjusted EBITA	20.6	19.5	6%	43.0	41.8	3%	76.6
Adjusted EBITA margin	8.4%	9.2%		8.9%	10.4%		9.1%
EBIT	15.9	17.7	-10%	30.0	36.4	-17%	3.5
EBIT margin	6.5%	8.4%		6.2%	9.0%		0.4%
Profit before tax	12.9	15.8	-18%	24.2	32.7	-26%	-5.1
Profit for the period	8.4	12.3	-32%	14.9	24.2	-39%	-18.8
Adjusted profit for the period	12.0	13.3	-10%	25.9	28.2	-8%	51.4
Earnings per share, basic, EUR	0.20	0.43	-53 %	0.36	0.84	-57 %	-0.65
Adjusted earnings per share, basic, EUR	0.29	0.46	-37 %	0.63	0.98	-36 %	1.77
Cashflow from operating activities	32.0	12.6	154%	-6.9	5.6	-224%	35.4
Capex	4.9	2.6	87%	7.3	4.1	77%	14.8
Acquisitions	-	4.5	N/A	14.6	4.5	223%	4.5
Adjusted operating cash flow for the last 12 months				38.8	94.1	-59%	53.1
Cash conversion				37.0 %	89.5 %		51.1%
Cash and cash equivalents				51.3	38.3	34%	177.6
Net working capital				111.2	74.5	49%	72.3
Operating capital employed				307.3	271.5	13%	271.8
Return on operating capital employed				-0.9%	22.3%		1.3%
Net debt				279.3	102.7	172%	239.5
Net debt / Adjusted EBITDA				2.7	1.0	172%	2.3
Equity / Asset ratio				41.3%	58.6%		37.3%
Return on equity				-6.9%	7.6%		-4.2%

Calculation of key figures

Key figure	Definition	Reason for use
EBIT	Profit before tax and net financial items (Operating profit).	EBIT is used to measure profitability generated by operating activities of the Group.
EBIT margin	EBIT as per centage of net sales.	
EBITDA	Operating profit before depreciation, amortisation and impairment.	EBITDA is an indicator to measure the operating performance of the Group, before depreciation, amortisation and impairment.
EBITDA margin	EBITDA as per centage of net sales.	
EBITA	Operating profit before the amortisation of intangibles including trademarks.	EBITA is an indicator to measure the operating performance of the Group, before amortisation of intangibles including trademarks.
EBITA margin	EBITA as per centage of net sales.	
Gross profit	Net sales less cost of sales.	
Comparability adjustments	Comparability adjustments comprise of direct transaction and integration costs on M&A activities, restructuring costs and costs incurred in connection with performance improvement programmes, costs that have been incurred in connection with the formation of Purmo Group and costs incurred to achieve stand-alone readiness which will not continue post-merger as well as costs incurred as a result of Rettig Group's ownership comprising of management fees and Rettig Group's legacy incentive plans in addition to other one-off costs such as legal claims or significant out-of-period adjustments and exceptional gains and losses on sale of fixed assets.	Comparability adjustments account for items that have been adjusted due to specific events that otherwise affect comparability between different periods. Provides a better understanding to management and investors of the comparable operating activities. Adjusted EBITDA, adjusted EBITDA margin, Adjusted EBITA and Adjusted EBITA margin are presented in addition to EBIT, EBITDA and EBITA to reflect the underlying business performance by adjusting for items that the Group considers impacting comparability ("Comparability adjustments").
Adjusted EBITDA	EBITDA before comparability adjustments.	
Adjusted EBITDA margin	Adjusted EBITDA as per centage of net sales.	
Adjusted EBITA	EBITA before comparability adjustments.	
Adjusted EBITA margin	Adjusted EBITA as per centage of net sales.	
Adjusted profit for the period	Profit before the period before comparability adjustments.	
Capex	Capex is a measure of capital expenditure for the period which comprises the Group's investments in property plant and equipment and intangible assets derived from the consolidated cash flow statement.	Capex is an indicator of the Group's investments in property plant and equipment and intangible assets.
Acquisitions (M&A)	Acquisitions of subsidiaries and investments in associates derived from the consolidated cash flow statement for the period.	Acquisition capex is an indicator for investments in acquisition of businesses that are intended to grow the Group's product or service offering, assets or technologies, productive capacity or performance.
Adjusted operating cash flow for the last 12 months	Adjusted EBITDA on a rolling twelve-month basis less change in net working capital and capex on a rolling twelve-months basis.	Adjusted operating cash flow provides information on the Group's operating cash flow on an annualised basis, excluding adjusting items.
Cash conversion	Adjusted operating cash flow divided by Adjusted EBITDA based on a rolling twelve-month calculation.	Cash conversion is used to assess Purmo Group's efficiency to convert its operating results into cash. The ratio indicates the Group's capacity to pay dividends and / or generate funds for acquisitions or other transactions.
Net working capital	Purmo Group's inventories, operative receivables less trade and other operative liabilities.	Net working capital is a useful measure to monitor the level of direct net working capital tied to the operations and changes therein.
Operating capital employed	Net working capital, other intangible assets, property, plant, equipment and right-of-use assets	Capital employed presents the total investment in the Group's business operations.
Return on operating capital employed	EBIT based on a rolling twelve-month calculation divided by operating capital employed.	Measures the return on the capital tied up in the business.
Net debt	Non-current and current borrowings (including shareholder loan) and non-current and current lease liabilities less cash and cash equivalents.	To show the net of interest-bearing assets and interest-bearing liabilities.
Net debt/Adjusted EBITDA	Net debt divided by Adjusted EBITDA based on a rolling twelve-month calculation.	The ratio indicates how fast the Group can repay its net debt using adjusted EBITDA (expressed in years), and it is a useful measure to monitor the level of the Group's indebtedness.

Equity to Asset ratio	Total equity attributed to the owners of the company divided by total assets derived from the IFRS consolidated financial statements.	The ratio is a useful indicator to measure how much of the Group's assets are funded by issuing shares rather than through external borrowings.
Return on equity	Group's profit for the period attributable to the owners of the Parent based on a rolling twelve-month basis divided by the average total equity attributable to owners of the company.	Shows owners the return on their invested capital.

Reconciliation of Alternative Performance Measures

EUR million unless otherwise indicated	4-6/2022	4-6/2021	1-6/2022	1-6/2021	2021
Comparability adjustments					
IFRS 2 merger impact	-	-	-	-	52.3
M&A related transactions and integration costs	0.0	0.0	0.3	0.0	0.1
Restructuring costs and one-off costs related to efficiency programs	3.7[1)]	0.0	3.7[1)]	2.5	8.9
Formation of Purmo group and standalone preparations	-0.1	0.6	0.3	0.7	6.6
Management fee to owners and legacy Rettig Group incentive plans	-	0.4	-	0.8	2.4
Impairment and write-down charges	-	-	6.9	-	-
Other	-	-	-	-	0.0
Total adjustments	**3.6**	**1.0**	**11.1**	**3.9**	**70.2**

[1)]Includes EUR 3.7 million non-cash expenses

Net sales	245.0	212.1	481.2	402.5	843.6
EBIT	**15.9**	**17.7**	**30.0**	**36.4**	**3.5**
EBIT margin	6.5%	8.4%	6.2%	9.0%	0.4%
Amortisation and impairment	1.1	0.7	5.8	1.5	2.9
EBITA	**17.0**	**18.5**	**35.9**	**37.9**	**6.3**
EBITA margin	6.9%	8.7%	7.5%	9.4%	0.8%
Depreciation and impairment	7.2	7.3	17.7	14.1	27.3
EBITDA	**24.2**	**25.8**	**53.6**	**52.0**	**33.6**
EBITDA margin	9.9%	12.2%	11.1%	12.9%	4.0%

Adjusted EBITDA					
EBIT	15.9	17.7	30.0	36.4	3.5
Depreciation, amortisation and impairment excluding comparability adjustments	8.3	8.1	15.9	15.5	30.2
Adjustments	3.6	1.0	11.1	3.9	70.2
Adjusted EBITDA	**27.8**	**26.8**	**57.0**	**55.9**	**103.9**
Adjusted EBITDA margin	**11.4%**	**12.6%**	**11.9%**	**13.9%**	**12.3%**

Adjusted EBITA					
EBIT	15.9	17.7	30.0	36.4	3.5
Amortisation excluding comparability adjustments	1.1	0.7	1.8	1.5	2.9
Adjustments	3.6	1.0	11.1	3.9	70.2
Adjusted EBITA	**20.6**	**19.5**	**43.0**	**41.8**	**76.6**
Adjusted EBITA margin	**8.4%**	**9.2%**	**8.9%**	**10.4%**	**9.1%**

Adjusted profit/loss for the period					
Profit/loss for the period	8.4	12.3	14.9	24.2	-18.8
Adjustments	3.6	1.0	11.1	3.9	70.2
Adjusted profit/loss for the period	**12.0**	**13.3**	**25.9**	**28.2**	**51.4**

EUR million unless otherwise indicated	1-6/2022	1-6/2021	2021
Adjusted Operating cash flow for the last 12 months			
Adjusted EBITDA for the last 12 months	105.0	105.2	103.9
Change in net working capital compared to previous year same period	-48.2	-1.2	-35.9
CAPEX for last 12 months	-18.0	-9.8	-14.8
Adjusted Operating cash flow for the last 12 months	**38.8**	**94.1**	**53.1**
Cash conversion			
Adjusted operating cash flow for the last 12 months	38.8	94.1	53.1
Adjusted EBITDA in the last 12 months	105.0	105.2	103.9
Cash conversion	**37.0%**	**89.5%**	**51.1%**
Net working capital			
Inventories	179.5	127.8	157.4
Operative receivables	129.9	136.2	104.7
Operative liabilities	198.2	189.6	189.7
Net working capital	**111.2**	**74.5**	**72.3**
Operating capital employed			
Net working capital	111.2	74.5	72.3
Other intangible assets	39.8	36.8	36.3
Property, plant and equipment	123.2	130.9	131.9
Right-of-use assets	33.2	29.3	31.3
Operating capital employed	**307.3**	**271.5**	**271.8**
Return on operating capital employed			
Operating capital employed	307.3	271.5	271.8
EBIT for the last 12 months	-2.9	60.7	3.5
Return on operating capital employed	**-0.9%**	**22.3%**	**1.3%**
Net debt			
Loans and borrowings (non-current)	278.0	7.9	285.7
Loans and borrowings (current)	17.1	98.7	95.0
Loans and borrowings, assets held for sale	7.0	-	-
Lease liabilities (non-current)	35.4	31.1	30.7
Lease liabilities (current)	3.3	3.3	5.6
Lease liabilities, assets held for sale	0.7	-	-
Cash and cash equivalents	-51.3	-38.3	-177.6
Cash and cash equivalents, assets held for sale	-10.8	-	-
Net debt	**279.3**	**102.7**	**239.5**
Net debt/Adjusted EBITDA			
Net debt	279.3	102.7	239.5
Adjusted EBITDA in the last 12 months	105.0	105.2	103.9
Net debt/Adjusted EBITDA	**2.7**	**1.0**	**2.3**
Equity/Asset ratio			
Equity attributable to owners of the company	423.1	532.8	390.6
Total assets	1,024.5	909.8	1,046.2
Equity/Asset ratio	**41.3%**	**58.6%**	**37.3%**
Return on equity			
The cumulative last 12-month profit attributable to owners of the company	-28.2	39.6	-18.8
Equity attributable to owners of the company beginning of period	390.6	515.5	515.5
Equity attributable to owners of the company end of period	423.1	532.8	390.6
Equity attributable to owners of the company average	406.8	524.2	453.1
Return on equity	**-6.9%**	**7.6%**	**-4.2%**

EUR million unless otherwise indicated	4-6/2022	4-6/2021	1-6/2022	1-6/2021	2021
Basic earnings per share					
Profit/loss attributable to shareholders of the parent company for class C shares	8.3	12.2	14.8	24.1	-18.7
Profit/loss attributable to shareholders of the parent company for class F shares	0.1	0.1	0.1	0.2	-0.1
Profit/loss attributable to the owners of the company	8.4	12.3	14.9	24.2	-18.8
Weighted average number of shares outstanding (pcs)	41,339,788	28,790,335[1)]	41,115,862	28,790,772[1)]	29,124,487
Basic earnings per share, EUR	**0.20**	**0.43**	**0.36**	**0.84**	**-0.65**
Diluted earnings per share					
Profit/loss attributable to shareholders of the parent company for class C shares	8.3	12.2	14.8	24.1	-18.7
Profit/loss attributable to shareholders of the parent company for class F shares	0.1	0.1	0.1	0.2	-0.1
Profit/loss attributable to the owners of the company	8.4	12.3	14.9	24.2	-18.8
Diluted weighted average number of shares outstanding (pcs)	41,339,788	28,967,530[1)]	41,115,862	28,967,967[1)]	29,124,487
Diluted earnings per share, EUR	**0.20**	**0.42**	**0.36**	**0.84**	**-0.65**
Adjusted basic earnings per share					
Adjustments	3.6	1.0	11.1	3.9	70.2
Adjusted profit/loss attributable to shareholders of the parent company for class C shares	11.9	13.2	25.8	28.0	51.1
Adjusted profit/loss attributable to shareholders of the parent company for class F shares	0.1	0.1	0.2	0.2	0.4
Adjusted profit/loss attributable to the owners of the company	12.0	13.3	25.9	28.2	51.4
Weighted average number of shares outstanding (pcs)	41,339,788	28,790,335[1)]	41,115,862	28,790,772[1)]	29,124,487
Adjusted basic earnings per share, EUR	**0.29**	**0.46**	**0.63**	**0.98**	**1.77**
Adjusted diluted earnings per share					
Adjustments	3.6	1.0	11.1	3.9	70.2
Adjusted profit/loss attributable to shareholders of the parent company for class C shares	11.9	13.2	25.8	28.0	51.1
Adjusted profit/loss attributable to shareholders of the parent company for class F shares	0.1	0.1	0.2	0.2	0.4
Adjusted profit/loss attributable to the owners of the company	12.0	13.3	25.9	28.2	51.4
Diluted weighted average number of shares outstanding (pcs)	41,339,788	28,967,530[1)]	41,115,862	28,967,967[1)]	29,124,487
Adjusted diluted earnings per share, EUR	**0.29**	**0.46**	**0.63**	**0.97**	**1.77**

[1)]The number of shares in the comparison period are those of Purmo Group Ltd. 30 June 2021 Purmo Group Ltd shares amounted to 11,073,834 which have been converted using the 31 December 2021 merger conversion ratio 2.600334506.

Purmo Group Plc's financial reporting in 2022

10 November 2022

Interim report, January-September 2022

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