

Q2

January–June 2022
Half-yearly report



DETECTION TECHNOLOGY PLC HALF-YEARLY REPORT JANUARY-JUNE 2022

Detection Technology Q2 2022: Demand increased, sales postponed due to an unexpected setback

April-June 2022 highlights

- Net sales decreased by -3.3% to EUR 22.8 million (23.5)
- Net sales of Industrial Solutions Business Unit (IBU) increased by 29.4% to EUR 4.0 million (3.1)
- Net sales of Medical Business Unit (MBU) decreased by -25.2% to EUR 10.1 million (13.6)
- Net sales of Security Business Unit (SBU) increased by 25.4% to EUR 8.6 million (6.9)
- Operating profit (EBIT) excluding non-recurring items (NRI) was EUR 1.2 million (3.0)
- Operating margin (EBIT-%) excluding NRI was 5.2% of net sales (12.6%)
- Operating profit (EBIT) was EUR 0.9 million (3.0)
- Operating margin (EBIT-%) was 3.8% of net sales (12.6%)

January-June 2022 highlights

- Net sales increased by 2.9% to EUR 43.1 million (41.9)
- Net sales of IBU increased by 36.3% to EUR 7.5 million (5.5)
- Net sales of MBU decreased by -12.6% to EUR 20.7 million (23.6)
- Net sales of SBU increased by 17.2% to EUR 14.9 million (12.7)
- Operating profit (EBIT) excluding non-recurring items (NRI) was EUR 2.7 million (4.3)
- Operating margin (EBIT-%) excluding NRI was 6.3% of net sales (10.4%)
- Operating profit (EBIT) was EUR 2.4 million (4.3)
- Operating margin (EBIT-%) was 5.5% of net sales (10.4%)

(Figures in parentheses refer to the corresponding period of the previous year.)

President and CEO, Hannu Martola:

“Demand increased in all of our main markets and all applications in Q2 of 2022. Our total net sales, however, dropped due to a one-time setback. The shift was, first and foremost, attributed to unexpected technical problems in our medical supply chain. In addition, sales were postponed due to component shortages that affected both us and our customers. Strong growth in IBU and SBU did not sufficiently compensate for the missed medical application sales, and the result was lower than expected.

Strong demand continued in all industrial applications that are important to us, and demand in food industry applications in particular accelerated during the review period. The quarterly sales of the IBU soared despite being hit by challenges in the availability of components and postponed sales.

Demand also increased in the security market, including aviation. SBU sales picked up despite the challenges mentioned above that limited the growth. It is positive to see that sales grew thanks to both our existing and new customers. The review period was characterized by some of our customers starting to purchase higher-end products. It is significant for future growth potential that the standard for computed tomography (CT) imaging devices for the Chinese aviation sector was completed in June.

Demand drivers in the medical market remained unchanged and demand continued strong, but MBU sales were hit particularly by the one-time technical problems of two sub-suppliers, in addition to the direct and

indirect challenges in the availability of components. It was positive that technical problems were solved, but sales were nevertheless postponed due to the delays in the supply chain.

The postponed sales, spot purchases, and increasing logistics and product development costs eroded our profitability. We are confident that barriers to growth in sales are easing off, which will result in an upward turn in our profitability.

There are indications in the market that the availability of electronic components will improve toward the end of the year. In addition, we completed the first stage of our product modification project in Q2, and the second stage will be completed at the end of Q3 of 2022. We expect our solutions to replace hard-to-find components will improve our ability and reliability to deliver at the end of Q3.

We invested heavily in removing barriers to growth during the review period, in addition to which we took new, strategically important steps in line with our 'beyond hardware' strategy. In June, we launched the myDT+ service portfolio, first and foremost to improve customer experience, but also to better support sustainable development. Our services, unique in our competitive field, have been well welcomed in the markets. We expect our portfolio to have a positive indirect impact on our product sales.

A potential weakening of the global economic growth may affect our business. Otherwise, there were no significant changes in business risks, nor has the setback in Q2 negatively affected our good prospects for the rest of the year. In our view, demand will accelerate in all our main markets, and we have more orders than ever before. We expect double-digit growth in medical and security sales and growth in industrial sales in Q3. Moreover, we expect to see double-digit growth in our total net sales both in Q3 and H2 of 2022, even though component shortages are still expected to limit growth."

Key figures

(EUR 1,000)	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	22,765	23,533	43,078	41,856	89,813
Change in net sales, %	-3.3%	11.5%	2.9%	2.0%	10.1%
Operating profit excluding NRI	1,195	2,954	2,701	4,336	10,580
Operating margin excluding NRI, %	5.2%	12.6%	6.3%	10.4%	11.8%
Non-recurring items (NRI)	-335	0	-335	0	0
Operating profit	860	2,954	2,366	4,336	10,580
Operating margin, %	3.8%	12.6%	5.5%	10.4%	11.8%
R&D costs	3,208	2,681	6,277	5,207	10,951
R&D costs, % of net sales	14.1%	11.4%	14.6%	12.4%	12.2%
Cash flow from operating activities *	-4,194	2,282	-3,528	3,381	7,121
Net interest-bearing debt at end of period	-18,506	-22,869	-18,506	-22,869	-27,633
Investments *	606	248	807	389	1,359
Return on investment (ROI), %	13.4%	14.7%	13.4%	14.7%	16.5%
Gearing, %	-25.8%	-35.9%	-25.8%	-35.9%	-37.6%
Earnings per share, EUR	0.05	0.16	0.14	0.25	0.64
Earnings per share (diluted), EUR	0.05	0.16	0.14	0.24	0.63
Number of shares at the end of the period	14,655,930	14,578,430	14,655,930	14,578,430	14,655,930
Weighted average number of shares outstanding	14,655,930	14,443,097	14,655,930	14,409,264	14,500,514
Weighted average number of shares outstanding, diluted	14,740,064	14,695,191	14,778,155	14,656,188	14,766,934

* Reporting of conversion differences in Group cash flow statement has been changed during the financial year 2021. Material conversion differences have been eliminated from cash flows both in current and comparable reporting period.

Net sales

Demand remained strong in all of Detection Technology's main markets and applications in Q2 of 2022. Regardless, the company's total net sales decreased by -3.3% (11.5%) year-on-year, totaling EUR 22.8 million (23.5). The decrease in net sales was attributed to the one-off technical problems at two sub-suppliers of the medical business. In addition, the challenges of both the company and its customers to acquire critical components had an impact on sales. These factors both curbed sales, particularly in medical applications. Total net sales were not sufficiently compensated by industrial and security application sales, which still fared well regardless of the challenges related to the availability of components.

Demand continued to be strong in all main segments of the industrial market, particularly in imaging solutions for the food industry. As a result, the net sales of the Industrial Solutions Business Unit (IBU) grew by 29.4% (-10.4%), totaling EUR 4.0 million (3.1) in Q2 of 2022. Demand would have allowed for a higher growth rate in sales, but the direct and indirect consequences of global component shortages postponed some of the sales. IBU generated a total of 17.5% (13.1%) of the company's total net sales.

The demand drivers in the medical market remained unchanged in the review period. Demand in both developing and developed countries was mainly targeted at computed tomography (CT) applications. Despite strong demand, the net sales of the Medical Business Unit (MBU) decreased by -25.2% (37.4%) year-on-year due to the one-off technical problems of suppliers and component shortage. Although technical problems were solved during the review period, sales were postponed to Q3 of 2022 due to the delay in the supply chain.

MBU's net sales totaled EUR 10.1 million (13.6) in Q2. MBU generated a total of 44.6% (57.6%) of the company's net sales.

Demand in the security market grew strongly in all segments, including aviation, but component shortage curbed growth. Nevertheless, the net sales of the Security Business Unit (SBU) increased by 25.4% (-11.7%) totaling EUR 8.6 million (6.9) in Q2 of 2022. Demand from the company's current and new customers increased significantly, the demand grew in particular by some customers starting to purchase higher end products. SBU generated a total of 37.9% (29.2%) of the company's net sales.

The Asia-Pacific countries (APAC) accounted for the company's largest geographical market area in Q2 of 2022, with its 69.6% (68.0%) share. The share of the net sales for Europe, the Middle East and Africa (EMEA) was 20.4% (18.6%) and the Americas 10.0% (13.4%). The share of total net sales accounted for by Detection Technology's top five largest customers was 48.9% (55.5%).

The company's net sales for January-June 2022 increased by 2.9% (2.0%) to EUR 43.1 million (41.9). Net sales of IBU increased by 36.3% (-2.0%) to EUR 7.5 million (5.5). Net sales of MBU decreased by -12.6% (29.4%) and totaled EUR 20.7 million (23.6). Net sales of SBU increased by 17.2% (-25.8%) to EUR 14.9 million (12.7). MBU's share of total net sales was 48.0% (56.4%), SBU's 34.6% (30.4%) and IBU's 17.5% (13.2%).

In H1 of 2022, APAC's share of total net sales was 70.3% (71.7%), EMEA's 21.8% (18.2%) and Americas' 7.9% (10.2%). The share of the five largest customers accounted for 51.4% (53.9%) of total net sales.

NET SALES BY BUSINESS UNITS

(EUR 1,000)	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
IBU	3,991	3,086	29.4%	7,519	5,516	36.3%	12,770
MBU	10,144	13,566	-25.2%	20,658	23,627	-12.6%	49,123
SBU	8,630	6,881	25.4%	14,901	12,714	17.2%	27,921
TOTAL	22,765	23,533	-3.3%	43,078	41,856	2.9%	89,813

NET SALES BY GEOGRAPHY

(EUR 1,000)	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
APAC	15,836	15,993	-1.0%	30,285	30,001	0.9%	66,631
Americas	2,273	3,164	-28.1%	3,414	4,252	-19.7%	7,227
EMEA	4,655	4,376	6.4%	9,379	7,603	23.4%	15,955
TOTAL	22,765	23,533	-3.3%	43,078	41,856	2.9%	89,813

Operating result and profitability

The company's operating profit in Q2 amounted to EUR 0.9 million (3.0), 3.8% (12.6%) of net sales. The drop in sales, component spot purchases, and increasing logistics and product development costs eroded our profitability. Non-recurring items (NRI) during the review period were EUR -0.3 million (0). EBIT excluding NRI was EUR 1.2 million (3.0), 5.2% (12.6%) of net sales.

Q2 fixed costs were EUR 9.4 million (8.0), out of which personnel expenses totaled EUR 5.7 (4.7), depreciation EUR 0.8 (0.8) and other operating expenses EUR 2.8 (2.5) million. Financial items amounted to EUR -0.2 million (0.1), and income taxes were EUR 0.3 million (0.6).

The Q2 result totaled EUR 0.7 million (2.3). Earnings per share were EUR 0.05 (0.16). Diluted earnings per share were EUR 0.05 (0.16).

In the review period January-June 2022 EBIT was EUR 2.4 million (4.3), 5.5% (10.4%) of net sales. Non-recurring items (NRI) in the review period were EUR -0.3 million (0). EBIT excluding NRI was EUR 2.7 million (4.3), 6.3% (10.4%) of net sales.

In January-June 2022, fixed costs totaled EUR 18.2 (15.5) million, out of which personnel expenses totaled EUR 11.0 (9.1), depreciation EUR 1.6 million (1.7) and other operating expenses EUR 5.6 (4.7) million. Financial items totaled EUR -0.3 million (-0.3), and income taxes were EUR 0.7 million (1.0).

The result for H1 of 2022 was EUR 2.0 million (3.6). Earnings per share were EUR 0.14 (0.25). Diluted earnings per share were EUR 0.14 (0.24).

Cash flow and financing

Cash flow from operations in Q2 2022 was EUR -4.2 million (2.3). Cash flow from operations in January-June 2022 amounted to EUR -3.5 million (3.4).

A total of EUR 5.1 million (4.0) of dividends were paid in the review period, as resolved at the company's Annual General Meeting held on 30 March 2022. In addition, a total of EUR 2.7 million (-2.6) of short-term loans were taken.

Cash flow from financing activities in Q2 was EUR -2.4 million (-2.3). Cash flow from financing activities in January-June 2022 was EUR -3.3 million (-2.3).

Net interest-bearing debt totaled EUR -18.5 million at the end of the review period (-22.9). Gearing was -25.8% (-35.9%). Cash and cash equivalents amounted to EUR 22.6 million (26.4) at the end of the review period.

The company has secured its liquidity by agreeing with banks on lines of credit totaling EUR 17.4 million (16.2) at the closing rate of the review period. At the end of the review period, the unused line of credit was EUR 13.3 million (12.5).

The company's working capital increased by EUR 4.5 million in Q2 of 2022 and by EUR 5.9 million in H1 of 2022. The increase is attributed to the timing of the deliveries and the company aiming to improve its ability to deliver by increasing stocks in components with long delivery times. The increased temporary spot purchases have also attributed to the value of inventories.

The company is aiming to increase the networking capital efficiency through various initiatives. These measures, however, are not expected to have a significant impact on the company's working capital in 2022.

Investments

Investments in Q2 totaled EUR 0.6 million (0.2). Investments were mainly made in information and testing systems, as well as production equipment and machines. Investments in January-June 2022 totaled EUR 0.8

million (0.4).

Research and development

Research and development (R&D) costs including depreciations in Q2 totaled EUR 3.2 million (2.7), 14.1% of net sales (11.4%). During the review period January-June 2022, R&D expenses were EUR 6.3 million (5.2), corresponding to 14.6% of net sales (12.4%). All R&D costs are recognized as expenses.

Personnel

At the end of June 2022, Detection Technology employed 463 people (438). A total of 341 people worked in China, 100 in Finland, 18 in France and 4 in the US. Personnel expenses in Q2 amounted to EUR 5.7 million (4.7). In H1 2022, personnel expenses totaled EUR 11.0 million (9.1).

PERSONNEL BY GEOGRAPHY

	30.6.2022	30.6.2021	Change, %	31.12.2021
APAC	341	333	2.4%	336
Americas	4	4	0.0%	5
EMEA	118	101	16.8%	110
TOTAL	463	438	5.7%	451

Strategy implementation

Detection Technology continued to develop its business in line with its DT-2025 strategy in Q2 of 2022. The main events of the review period were the strategic measures taken to solve the challenges in the availability of special materials and electronic components, as well as the launching of a service portfolio to secure competitiveness and future growth.

As a result of component shortages, Detection Technology introduced an extensive project in H1 of 2022 to design product changes to the entire product portfolio of the company, including industrial, medical, and security solutions. The first stage of the project was completed at the end of Q2, and the second stage will be completed in Q3 of 2022. The company expects the product changes to improve its ability and reliability of delivery in all of its businesses as of the end of Q3.

In June, Detection Technology debuted a service portfolio, named myDT+, to enhance the unique customer experience and sustainable development. The company has productized a comprehensive range of services to boost the benefits of one-stop shopping to ensure that its customers get the most out of their investments, and to secure the longevity and reusability of its detector solutions.

This one-of-a-kind service portfolio in the X-ray detector industry will evolve and expand based on customer needs. In the first stage, the company introduced the following service products in addition to the standard warranty and sales terms and conditions: Application testing, Product commissioning, 24/7 customer support, Repair, Failure analysis, Extended warranty, Warehousing, and Training.

As an integral part of the myDT+ service portfolio, the company announced the launch of the concept of an online hosted customer experience center (CEC), and the opening of a first on-site center at its facilities in Wuxi,

Greater Shanghai area, to drive value creation globally for its customers. The CEC is introduced to boost the verification of detector solutions for customer-specific applications, test proof of concepts, and demonstrate emerging solutions. The CEC concept enables real-time, real-world testing of industrial and security applications. The CEC is also ideal for hosting training sessions on diverse digital imaging topics, and showcasing the company's capabilities from technology and product creation to volume production.

In line with its "Beyond hardware" strategic objective, the company aims to complement its portfolio with higher-end detector solutions in which software and algorithms play a more significant role. Aligned with this, the company has been seeking out opportunities to commercialize not only hardware but also software and services.

Sustainability

In the review period January–June 2022, Detection Technology completed a project to decrease the environmental impacts of its Wuxi production and service unit. The company has carried out modernizations in order to improve the energy-efficiency of the unit. In addition, the company started to use renewable energy at Wuxi from the beginning of the year. The company has not received information on any environmental infringements in H1 2022.

The company launched a new feedback survey model to support the measurement of employee experience and conducted the first DT Heartbeat pulse survey in May. The response rate was 92.9%, and analysis of the results and development measures have been started.

Detection Technology launched a whistleblowing system in June 2022. The system is an addition to the company's other feedback channels, and it is intended for both the company's personnel and third parties. The system can be used to anonymously report any practices or events that are against the law or are inconsistent with the company's Code of Conduct. The system is operated by an independent third party and is encrypted to guarantee full anonymity for whistleblowers.

The 21st China Work Safety Month was held in June. The company participated in the nationwide initiative to enhance safety knowledge and awareness and to strengthen occupational health and safety culture in its sites in China. During the month, the company organized a number of activities including trainings, production safety tours, emergency drills, and a quiz. During the review period January–June 2022, no lost time injuries were reported in the Group.

Detection Technology became a member of Ahlström Collective Impact (ACI) in February 2022. ACI is a cooperation model to partner UNICEF Finland, companies, trusts, shareholders, and employees for the rights of children and a greater global impact. As a member of ACI, the company supported the health and nutrition of Ukrainian children and families during the review period, for example.

Detection Technology's corporate social responsibility complies with the certified ISO 9001:2015, ISO 14001:2015 and 13485:2016 standards. The company acknowledges and complies with the Code of Conduct of the Responsible Business Alliance (RBA). The company's Code of Conduct consists of the company's quality, environmental, business ethics, labor, and occupational health and safety policies. The company is not aware of any infringement of the company's Code of Conduct in H1 2022.

The company has set metrics to measure continuous improvement in every area of its Code of Conduct, and it monitors development in quarterly reviews. Measures related to sustainability and the materialization of corporate social responsibility have been described in more detail in the company's 2021 annual review. In addition, the company published its sustainability goals for 2022 in the annual review. Detection Technology's annual review and the Code of Conduct are available on the company's website.

Shares and shareholders

The subscription period of Detection Technology's stock options 2018A1 and 2018A2 ended on 31 May 2022, and the subscription period of stock options 2018B1 and 2018B2 started on 2 May 2022. No subscriptions of stocks were made in either of the programs during the review period. The terms of the stock option programs are available on the company's website.

The average share price of Detection Technology was EUR 21.58 in Q2 and EUR 23.22 in H1 2022. The highest share price for Q2 was EUR 25.50 and the lowest EUR 18.45. The highest price for H1 2022 was EUR 29.30 and the lowest EUR 18.45.

The closing price at the end of June was EUR 19.60, and the company had a market capitalization of around EUR 287 million. The number of shares traded between 3 January and 30 June was 0.68 million, which is 4.7% of the total number of shares. The number of shares outstanding in Detection Technology was 14,655,930 at the end of the review period.

The number of shareholders at the end of the review period was 3,477. Approximately 73.8% of the shares were held by the ten largest shareholders. The nominee-registered foreign holding of shares in the company was 15.0% at the end of the review period.

Detection Technology has one share series and all shares have equal voting rights. The company's shares are listed on the Nasdaq First North Finland marketplace under the ticker symbol DETEC.

Risks and uncertainties

The most significant direct and indirect short-term risks and uncertainties of the company are the availability of special materials and electronic components, COVID-19 lockdowns in China, the war between Russia and Ukraine and its implications for security in Europe and the rest of the world, as well as for the availability and cost of energy and raw materials, inflation, and, as a result, an increase in political instability in Europe. In addition, a weakening of the global economic growth and the development of the relationship between the US and China are regarded as significant short-term risks. Other short-term risks are related to political and trade policy uncertainty and operating in emerging markets.

Other risks are related to changes in the competitive landscape, price competition, a significant share of net sales being generated by the five largest customers, APAC countries' large share of sales, product quality, the start-up of the production of new products, customer liquidity, exchange rate fluctuations, an overall cost increase, particularly in China, the permanence and competence of personnel, and organizational efficiency.

The company takes continuous measures to mitigate the aforementioned risks. Other risks related to the company and its business operations have been described in more detail in the company's financial statements for 2021.

Business outlook

According to Detection Technology's view, demand will continue to be strong in all of the company's main markets. The company expects double-digit growth in total net sales both in Q3 and H2 of 2022, although the shortage of materials and components is expected to postpone at least some of the growth in H2.

Whilst the company is confident in the outlook for the remainder of 2022, the company's businesses face uncertainty due to the war in Ukraine, the pandemic, the energy crisis, and inflation. In addition, direct and indirect risks related to the availability of materials remain elevated. The impacts of material and component shortage have been acknowledged as a limiting factor in the outlook, however a further degradation in supply chain might affect business outlook.

Detection Technology aims to increase sales by at least 10% per annum and to achieve an operating margin at or above 15% in the medium term.

Business review January-September 2022

Detection Technology will publish a business review January-September 2022 on 26 October 2022.

UNAUDITED HALF-YEARLY REPORT 1.1.-30.6.2022

ACCOUNTING PRINCIPLES

This unaudited half-yearly report for the period 1.1.-30.6.2022 has been prepared according to Finnish Accounting Standards (FAS).

CONSOLIDATED INCOME STATEMENT (FAS)

(EUR 1,000)	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Net sales	22,765	23,533	43,078	41,856	89,813
Other operating income	2	93	55	146	376
Materials and services	-12,524	-12,679	-22,530	-22,165	-46,069
Personnel expenses	-5,725	-4,693	-11,019	-9,099	-19,205
Depreciations	-808	-796	-1,619	-1,681	-3,279
Other operating expenses	-2,849	-2,505	-5,599	-4,721	-11,055
Operating profit	860	2,954	2,366	4,336	10,580
Financial income and expenses	159	-57	326	263	770
Profit before taxes	1,019	2,897	2,692	4,599	11,350
Income taxes	-309	-562	-692	-1,015	-2,041
Profit for the reporting period	710	2,335	2,000	3,584	9,309

CONSOLIDATED BALANCE SHEET (FAS)

(EUR 1,000)	30.6.2022	30.6.2021	31.12.2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	2,817	3,552	3,246
Tangible assets	5,378	5,547	5,578
Investments	11	11	11
TOTAL NON-CURRENT ASSETS	8,206	9,109	8,835
CURRENT ASSETS			
Inventories	25,682	17,174	22,225
Non-current receivables	547	432	488
Current receivables	32,966	27,680	30,799
Cash and cash equivalents	22,605	26,377	29,810
TOTAL CURRENT ASSETS	81,800	71,662	83,322
TOTAL ASSETS	90,006	80,772	92,158
EQUITY AND LIABILITIES			
EQUITY			
Share capital	80	80	80
Share premium account	5,130	5,130	5,130
Invested non-restricted equity fund	28,405	26,761	28,405
Retained earnings	36,215	28,182	30,623
Profit for the financial period	2,000	3,584	9,309
TOTAL EQUITY	71,830	63,737	73,547
LIABILITIES			
Current liabilities	18,176	17,035	18,611
TOTAL LIABILITIES	18,176	17,035	18,611
TOTAL EQUITY AND LIABILITIES	90,006	80,772	92,158

CONSOLIDATED CASH FLOW STATEMENT (FAS)

(EUR 1,000)	4-6/2022	4-6/2021	1-6/2022	1-6/2021	1-12/2021
Cash flow from operations					
Operating profit	860	2,954	2,366	4,336	10,580
Depreciations	808	796	1,619	1,681	3,279
Other non-cash business activities	-590	-34	-589	-34	590
Change in working capital	-4,471	-727	-5,884	-1,744	-6,281
Financial income and expenses	-139	-393	28	-73	20
Income taxes paid	-663	-314	-1,068	-786	-1,067
Cash flow from operations	-4,194	2,282	-3,528	3,381	7,121
Cash flow from investments					
Investments in intangible and tangible assets	-606	-248	-807	-389	-1,359
Cash flow from investments	-606	-248	-807	-389	-1,359
Free cash flow	-4,800	2,035	-4,335	2,992	5,761
Cash flow from financing					
Change in current loans	2,708	-2,578	1,849	-2,578	-4,314
Share issue	0	4,308	0	4,308	5,952
Dividend paid	-5,130	-4,025	-5,130	-4,025	-4,025
Cash flow from financing	-2,422	-2,296	-3,280	-2,296	-2,387
Change in cash and cash equivalents					
Cash and cash equivalents at the beginning of the reporting period	29,613	26,722	29,810	25,187	25,187
Foreign exchange rate effect	213	-85	409	494	1,249
Cash and cash equivalents at the end of the reporting period	22,605	26,377	22,605	26,377	29,810
Change in cash and cash equivalents	-7,222	-261	-7,615	696	3,374
Change in working capital					
Change in current receivables	1,425	259	-701	-2,791	-4,540
Change in inventories	-1,591	-201	-2,843	-767	-4,964
Change in current liabilities	-4,305	-784	-2,339	1,814	3,222
Change in working capital	-4,471	-727	-5,884	-1,744	-6,281

Reporting of conversion differences in Group cash flow statement has been changed during the financial year 2021. Material conversion differences have been eliminated from cash flows, both in current and comparable reporting period.

STATEMENT OF EQUITY CHANGES

(EUR 1,000)	Share capital	Share premium	Invested unrestricted equity fund	Retained earnings	Profit for the period	Total
Equity 1.1.2022	80	5,130	28,405	39,932	0	73,547
Share issue	0	0	0	0	0	0
Dividend paid	0	0	0	-5,130	0	-5,130
Conversion differences	0	0	0	1,413	0	1,413
Profit for the period	0	0	0	0	2,000	2,000
Equity 30.6.2022	80	5,130	28,405	36,215	2,000	71,830
Equity 1.1.2021	80	5,130	22,453	30,797	0	58,460
Share issue	0	0	4,308	0	0	4,308
Dividend paid	0	0	0	-4,025	0	-4,025
Conversion differences	0	0	0	1,410	0	1,410
Profit for the period	0	0	0	0	3,584	3,584
Equity 30.6.2021	80	5,130	26,761	28,182	3,584	63,737
Equity 1.1.2021	80	5,130	22,453	30,797	0	58,460
Share issue	0	0	5,952	0	0	5,952
Dividend paid	0	0	0	-4,025	0	-4,025
Conversion differences	0	0	0	3,851	0	3,851
Profit for the period	0	0	0	0	9,309	9,309
Equity 31.12.2021	80	5,130	28,405	30,623	9,309	73,547

Espoo 2 August 2022

Board of Directors
Detection Technology Plc

CALCULATION OF KEY FINANCIAL RATIOS

Change in net sales, %	= (Net sales - Previous financial year's net sales) / Previous financial year's net sales x 100
Operating margin, %	= Operating profit / Net sales x 100
Net interest-bearing debt	= Interest-bearing liabilities - Cash and cash equivalents
Return on investment (ROI), %	= (Net result + Financial expenses + Taxes (12 months)) / (Equity + Interest-bearing liabilities (average 12 months)) x 100
Gearing, %	= (Interest-bearing liabilities - Cash and cash equivalents) / Equity x 100
Earnings per share, EUR	= Profit for the reporting period / Weighted average number of shares outstanding
Earnings per share (diluted), EUR	= Profit for the reporting period / Weighted average number of shares outstanding, diluted



Detection
Technology

www.deetee.com