



**normet**

NORMET GROUP

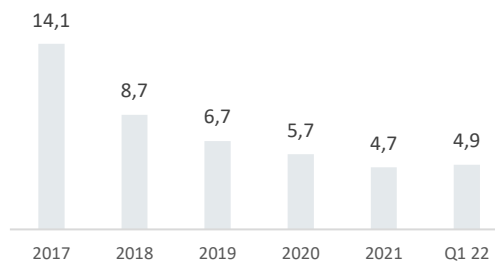
# INTERIM REPORT Q1 2022

1 JANUARY – 31 MARCH 2022

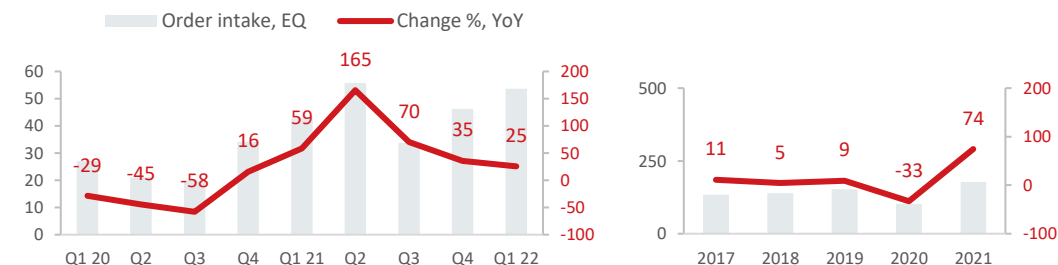
# KEY FIGURES – Q1 2022

| KEY RATIOS                             | YTD Q1 22 | YTD Q1 21 | 2021  |
|--|-----------|-----------|-------|
| Order intake, Equipment, MEUR          | 54        | 43        | 178   |
| Revenue, MEUR                          | 100       | 75        | 359   |
| Operating profit, MEUR                 | 10        | 6         | 36    |
| Interest-bearing net liabilities, MEUR | 38        | 70        | 42    |
| Total assets, MEUR                     | 350       | 300       | 335   |
| Return on equity                       | 25 %      | 20 %      | 22 %  |
| Equity to asset ratio                  | 40 %      | 39 %      | 40 %  |
| Gearing (Net debt/Equity ratio)        | 28 %      | 61 %      | 32 %  |
| Number of personnel                    | 1,622     | 1,476     | 1,577 |

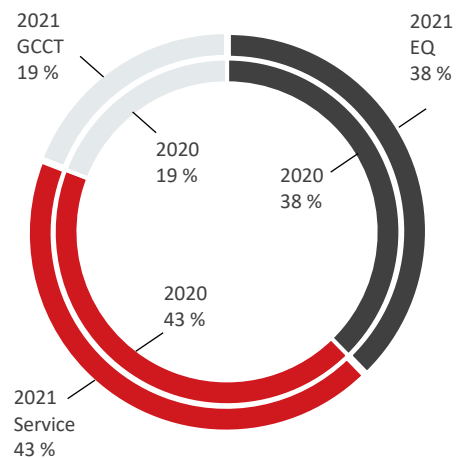
LTIFR, LOST TIME INCIDENT FREQUENCY RATE



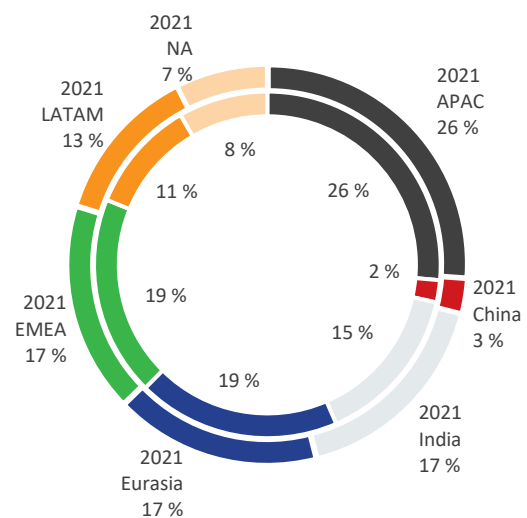
ORDER INTAKE, EQUIPMENT



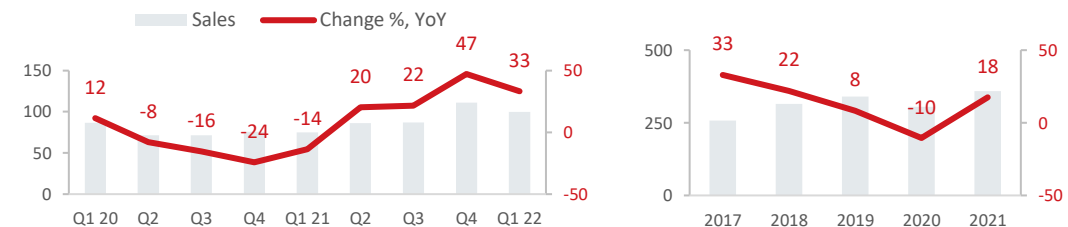
SALES BY BUSINESS LINE – FULL YEAR



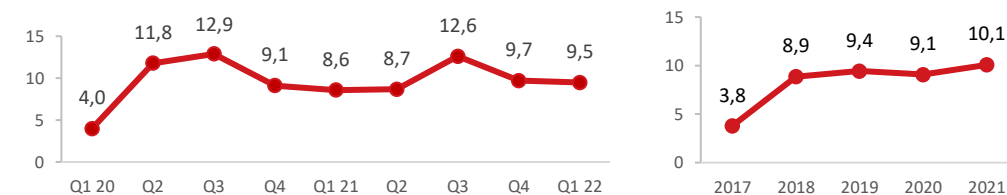
SALES BY SALES AREA – FULL YEAR



NET SALES



OPERATING MARGIN (EBIT %)



# SAFETY FIRST

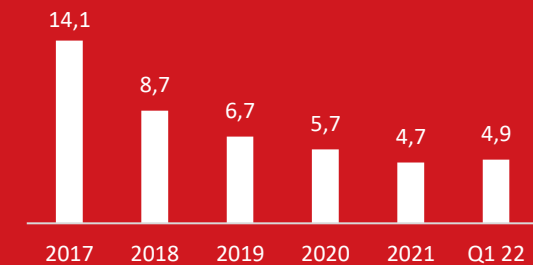


*Normet's aims for zero accidents with a mission "to advance the safety, efficiency and sustainability of underground working environments, today and for the good of future generations". Normet has continued actions to improve safety performance and concluded the period with a Lost Time Injury Frequency Rate (LTIFR\*) of 4.9 (2021: 5.0).*

Sustainability is one of the top priorities across our industry and for our customers. Appropriately it is also a strategic priority for Normet. We are confident that we are well-positioned with a comprehensive offering, a suite of technologies, solutions and expertise to help our customers achieve their sustainability and productivity ambitions. Through 2021 we developed the Normet Sustainability Plan which will be followed by releasing our Sustainability policy and commencement of Sustainability reporting in 2022.

<sup>\*)</sup>Rolling 12 months LTIFR

LTIFR, Lost Time Incident Frequency Rate



# SUSTAINABILITY

## We act safely and sustainably

For us at Normet, sustainability means addressing the global issues of resource scarcity and climate change, improving the health and safety of our employees and clients, and ensuring good governance in our operations. We improve underground mining and tunnelling processes by using our expertise and technology to create value for our clients and society.

We have set the bar high. Our goal is to exceed mining and tunnelling industry standards and, by doing that, set an example for others. We do this by extending the life of used resources to enable the more efficient use of materials, optimizing our current processes to improve energy efficiency and the use of water, improve the management of wastewater, and reduce the amount of cement in production. This way we will also cut the carbon footprint of tunnelling and mining projects.

In addition to our ambition of building a more environmentally sustainable mining and tunnelling industry, the safety of our employees and clients is key. Tunnels and mines are places where there is no room for error. To ensure safety at the workplace, we strive for zero accidents through building a culture of responsibility.

We continuously develop and introduce new sustainable and safe solutions for underground mining. In tunnelling, we are re-setting our approach and aim to be seen as the industry benchmark bringing end-to-end solutions for a low carbon, high efficiency sprayed concrete processes.



# SUSTAINABILITY

## Building the foundation for sustainability

To strengthen our sustainability work, in 2021 we identified our most material topics by reviewing and analysing our external and internal stakeholder expectations and industry-wide priorities. The material topics were prioritized and validated internally. In 2022, the work continues in calculating baselines, setting targets and KPI's. The 14 material topics are described on the right side of this slide. For Normet education and training also play an intrinsic role. This is why sustainability training was included in the key topics included in the sustainability work.

### These form three priorities

- **Cutting carbon emissions** of our own operations and value chain in accordance with the Paris agreement
- **Increasing innovation and collaboration** through materials and products and by creating long-term partnerships
- **Building an inspirational work environment** with greater employee satisfaction.

Systematic sustainability management is needed to meet all topics outlined in the materiality analysis. That is why we have created a sustainability roadmap that sets clear goals for 2022 and beyond. In 2022 we will, for example, establish a greenhouse gas reporting baseline and introduce sustainability in corporate risk management procedures.

This roadmap will be supplemented by business specific plans in 2022. The aim is to guide Normet's business to minimise negative impact. The roadmap will be aligned with globally recognised sustainability frameworks.

Normet aims to report according to the Global Reporting Initiative (GRI) in order to facilitate comparison between different companies in the industry.

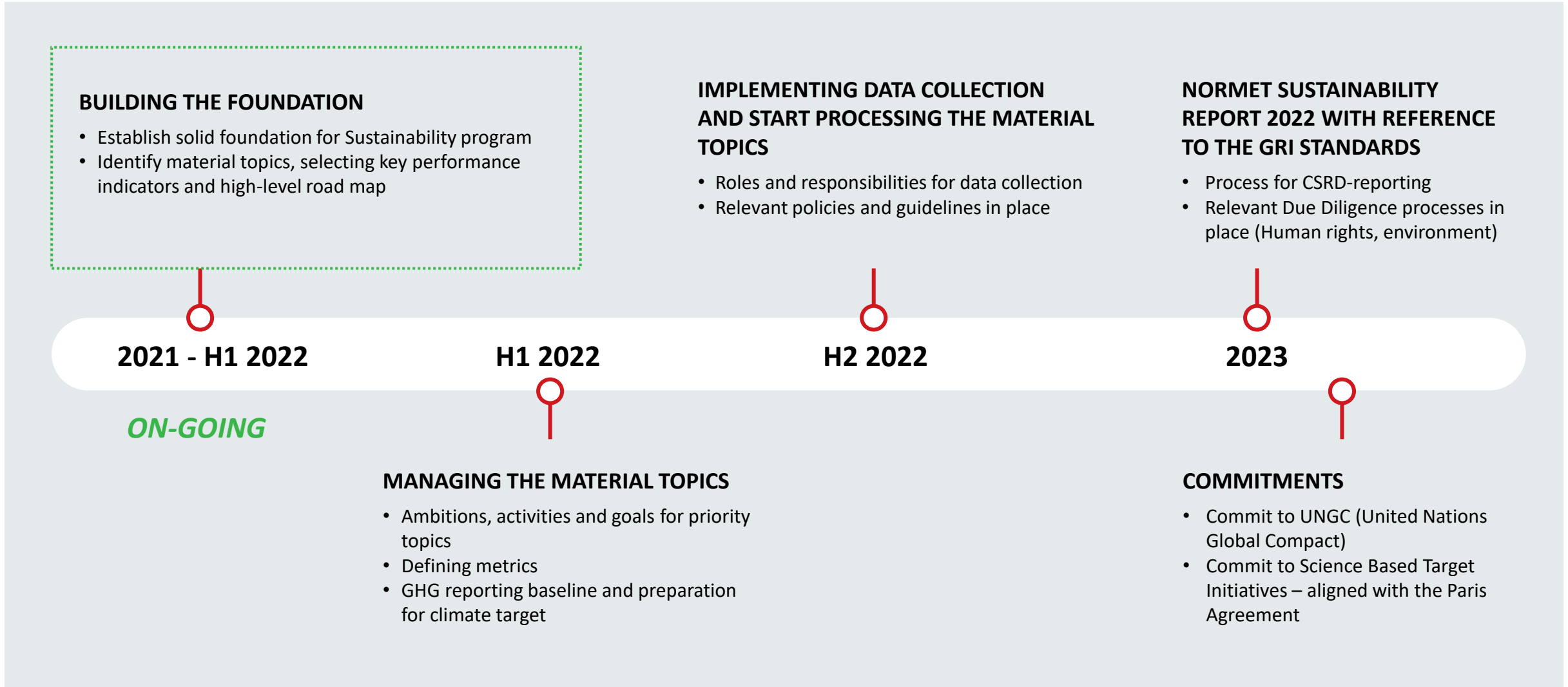
At Normet, we stay ahead of the curve and do more for safety and sustainability every day.



## WE HAVE IDENTIFIED 14 MATERIAL TOPICS ALIGNED WITH THE INTERNATIONAL FRAMEWORKS



# SUSTAINABILITY ROADMAP



## BUILDING THE FOUNDATION

- Establish solid foundation for Sustainability program
- Identify material topics, selecting key performance indicators and high-level road map

2021 - H1 2022

ON-GOING

## MANAGING THE MATERIAL TOPICS

- Ambitions, activities and goals for priority topics
- Defining metrics
- GHG reporting baseline and preparation for climate target

H1 2022

## IMPLEMENTING DATA COLLECTION AND START PROCESSING THE MATERIAL TOPICS

- Roles and responsibilities for data collection
- Relevant policies and guidelines in place

H2 2022

## NORMET SUSTAINABILITY REPORT 2022 WITH REFERENCE TO THE GRI STANDARDS

- Process for CSRD-reporting
- Relevant Due Diligence processes in place (Human rights, environment)

2023

## COMMITMENTS

- Commit to UNGC (United Nations Global Compact)
- Commit to Science Based Target Initiatives – aligned with the Paris Agreement

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## INDUSTRY TRENDS

WE SEE FOLLOWING  
**INDUSTRY  
TRENDS**  
AS DRIVERS SUPPORTING  
NORMET'S CONTINUING  
GROWTH

- Increased focus on safety
- Environment, social & governance is more prominent
- Decarbonization headline priority
- Mines increasingly moving underground & going deeper
- Geopolitical and nationalisation risks increasing
- Shift to digitalization, electrification, automation
- Drive for productivity & efficiency
- Remote locations and declining ore grades
- Strong demand supported by higher commodity prices and customer's healthy financial position
- Customers expecting more options and risk sharing
- Government stimulus

## MAIN HIGHLIGHTS – Q1 2022

- Response and management of COVID and geo-political situations
- SmartDrive® battery electric vehicles getting positive feedback and orders by many customers in Australia, India, Mongolia, Canada, Chile and Europe
- Secured the service performance agreement with Hindustan Zinc for new equipment deliveries covering next 7 years
- Spare part and consumables volumes on record high-level during Q1
- Progress made with digitalization and fleet connectivity
- Successful transformation to new Global Delivery Center enabling future spare parts growth
- Progress on expanding service and production facility in UK





# PERFORMANCE – Q1 2022

Normet’s operating model is designed with Business Lines and Sales Area’s supported by corporate Functions:

| BUSINESS LINES   | SALES AREAS   | SUPPORT FUNCTIONS   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Equipment</li> <li>• Services</li> <li>• Ground Construction and Costruction Technologies (GCCT)</li> </ul> | <ul style="list-style-type: none"> <li>• APAC</li> <li>• China</li> <li>• India</li> <li>• Eurasia</li> <li>• EMEA</li> <li>• Latin America</li> <li>• North America</li> </ul> | <ul style="list-style-type: none"> <li>• Finance &amp; IT</li> <li>• HR</li> <li>• Legal</li> </ul> |

Normet posted a strong fiscal result in Q1 2022. The robust fundamentals of the mining and tunnelling industries coupled with an improved global economic sentiment supported an attractive investment environment. We saw continuation of high quotation and proposal activity translating into a higher level of capital equipment orders and improved service and consumable growth.

- Equipment order backlog grew over 50% to MEUR 86 from MEUR 54 March 2021.
- Revenue growth 33% was strong in all Business Lines
- Operating profit improved by 46% from Q1 2021. Operating profit margins are under pressure due to timing of price increases and experienced inflation.
- Due to the successful working capital management and low CAPEX spend, the cash conversion was stronger compared to Q1 2021

| EURm                             | Normet Group IFRS |              |              |
|----------------------------------|-------------------|--------------|--------------|
|                                  | YTD Q1 2022       | YTD Q1 2021  | 2021         |
| <b>Revenue</b>                   | <b>100</b>        | <b>75</b>    | <b>359</b>   |
| <i>YoY growth %</i>              | <b>33%</b>        | <b>-14%</b>  | <b>18%</b>   |
| <b>EBITDA</b>                    | <b>14</b>         | <b>10</b>    | <b>58</b>    |
| <i>% of revenue</i>              | <b>14.2%</b>      | <b>13.5%</b> | <b>16.2%</b> |
| <b>EBITA</b>                     | <b>12</b>         | <b>8</b>     | <b>50</b>    |
| <i>% of revenue</i>              | <b>12.1%</b>      | <b>11.1%</b> | <b>14.0%</b> |
| <b>Net profit</b>                | <b>9</b>          | <b>6</b>     | <b>28</b>    |
| Interest-bearing net liabilities | <b>38</b>         | <b>70</b>    | <b>42</b>    |
| Total assets                     | <b>350</b>        | <b>300</b>   | <b>335</b>   |
| Gearing %                        | <b>28%</b>        | <b>61%</b>   | <b>33%</b>   |
| Equity ratio %                   | <b>40%</b>        | <b>39%</b>   | <b>40%</b>   |

**STRATEGIC FOCUS AREAS 2022**



**SAFETY & SUSTAINABILITY**



**DELIVER CUSTOMER VALUE**



**BEST PEOPLE DELIVERING LEADING BUSINESS PERFORMANCE**



**BUSINESS GROWTH**



**TECHNOLOGY & INNOVATION**

# CORPORATE GOVERNANCE

## Normet Group Oy Board of Directors

|                |                   |
|----------------|-------------------|
| Aaro Cantell   | Chairman of Board |
| Lars Engström  | Member of Board   |
| Harri Kerminen | Member of Board   |
| Tom Melbye     | Member of Board   |
| Mikko Keto     | Member of Board   |
| Anna Hyvönen   | Member of Board   |

## Normet Group Oy Shareholders

Normet Group Oy is owned 100% by Cantell Oy

## Normet Leadership Team

|                    |                               |
|--------------------|-------------------------------|
| Edoardo Santamaria | CEO                           |
| Ville Pasanen      | CFO                           |
| Kari Hämäläinen    | SVP, Equipment Business Line  |
| Riku Helander      | SVP, Services Business Line   |
| Alan Pengelly      | SVP, GCCT Business Line       |
| Neil Fitzmaurice   | SVP, APAC Sales Area          |
| Subhasis Mohanty   | VP, India Sales Area          |
| Jukka Kurhinen     | SVP, Eurasia Sales Area       |
| Jaakko Koppinen    | VP, EMEA Sales Area           |
| Jean-Guy Coulombe  | VP, North America Sales Area  |
| Marcelo Anabalon   | SVP, Latin America Sales Area |
| Daniel Yang        | VP, China Sales Area          |
| Kimmo Karihtala    | General Counsel               |
| Niina Pesonen      | VP, Human Resources           |



**NORMET GROUP**

# **INTERIM REPORT Q1 2022**

**(IFRS, 2022 UNAUDITED)**

## Consolidated statement of income

| EUR thousand   | 1.1.-31.3.2022 | 1.1.-31.3.2021 | Change %    | 1.1.-31.12.2021 |
|--|----------------|----------------|-------------|-----------------|
| <b>REVENUE</b>   | <b>99 741</b>  | <b>74 490</b>  | <b>34 %</b> | <b>359 325</b>  |
| Materials, supplies and subcontracting                     | -51 883        | -34 708        | 49 %        | -179 148        |
| Personnel cost   | -22 469        | -19 918        | 13 %        | -80 341         |
| Depreciation and amortisation                              | -5 387         | -4 810         | 12 %        | -20 790         |
| Other operating expenses and income, net                   | -10 499        | -8 640         | 22 %        | -38 638         |
| <b>OPERATING PROFIT</b>                                    | <b>9 503</b>   | <b>6 415</b>   | <b>48 %</b> | <b>35 714</b>   |
| Financing income   | 3 073          | 3 261          | -6 %        | 14 899          |
| Financing expenses   | -2 175         | -3 633         | -40 %       | -17 480         |
| Share of profit/loss accounted for using the equity method | -314           | -144           | 117 %       | -204            |
| <b>PROFIT/LOSS BEFORE TAX</b>                              | <b>10 087</b>  | <b>5 898</b>   | <b>71 %</b> | <b>32 930</b>   |
| Tax on income from operations                              | -1 010         | -154           | 557 %       | -5 022          |
| <b>PROFIT/LOSS FOR THE PERIOD</b>                          | <b>9 077</b>   | <b>5 745</b>   | <b>58 %</b> | <b>27 907</b>   |

## Consolidated statement of comprehensive income

| EUR thousand   | 1.1.-31.3.2022 | 1.1.-31.3.2021 | Change %      | 1.1.-31.12.2021 |
|--|----------------|----------------|---------------|-----------------|
| <b>Other comprehensive income:</b>                                   |                |                |               |                 |
| <b>Items that will not be reclassified to profit or loss</b>         |                |                |               |                 |
| Remeasurement of defined benefit plan                                | -11            | -15            | -24 %         | 233             |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                |                |               |                 |
| Exchange differences on translating foreign operations               | -576           | 575            | -200 %        | 985             |
| <b>Other comprehensive income for the period, net of tax</b>         | <b>-587</b>    | <b>561</b>     | <b>-205 %</b> | <b>1 218</b>    |
| <b>Total comprehensive income</b>                                    | <b>8 490</b>   | <b>6 305</b>   | <b>35 %</b>   | <b>29 125</b>   |
| <b>Profit attributable to:</b>                                       |                |                |               |                 |
| Owners of the parent company   | 8 369          | 5 745          | 46 %          | 27 293          |
| Non-controlling interests in net income                              | 709            | 0              | 0 %           | 614             |
| <b>Total</b>   | <b>9 077</b>   | <b>5 745</b>   | <b>58 %</b>   | <b>27 907</b>   |
| <b>Total comprehensive income attributable to:</b>                   |                |                |               |                 |
| Owners of the parent company   | 7 782          | 6 305          | 23 %          | 28 458          |
| Non-controlling interests  | 708            | 0              | 0 %           | 667             |
| <b>Total</b>   | <b>8 490</b>   | <b>6 305</b>   | <b>35 %</b>   | <b>29 125</b>   |

## Consolidated statement of financial position

| EUR thousand                                      | 31.3.2022      | 31.3.2021      | 31.12.2021     |
|---|----------------|----------------|----------------|
| <b>ASSETS</b>                                     |                |                |                |
| <b>NON-CURRENT ASSETS</b>                         |                |                |                |
| Intangible assets                                 | 16 731         | 23 966         | 18 614         |
| Goodwill  | 11 321         | 11 043         | 11 011         |
| Property, plant, equipment                        | 35 007         | 32 838         | 45 100         |
| Investments accounted for using the equity method | 4 023          | 4 694          | 4 417          |
| Other non-current financial assets                | 60             | 7              | 53             |
| Non-current trade and other receivables           | 3 010          | 3 336          | 2 934          |
| Deferred tax asset                                | 16 434         | 12 424         | 14 280         |
| <b>NON-CURRENT ASSETS</b>                         | <b>95 010</b>  | <b>98 924</b>  | <b>96 409</b>  |
| <b>CURRENT ASSETS</b>                             |                |                |                |
| Inventories                                       | 122 347        | 102 116        | 111 684        |
| Trade receivables and other receivables           | 82 209         | 72 588         | 81 296         |
| Tax Receivable, income tax                        | 3 434          | 2 585          | 2 952          |
| Cash and cash equivalents                         | 46 587         | 24 157         | 42 255         |
| <b>CURRENT ASSETS</b>                             | <b>254 577</b> | <b>201 446</b> | <b>238 187</b> |
| <b>ASSETS</b>                                     | <b>349 587</b> | <b>300 370</b> | <b>334 597</b> |
| <b>EQUITY AND LIABILITIES</b>                     |                |                |                |
| <b>Owners of the parent company</b>               |                |                |                |
| Share capital                                     | 3 423          | 3 423          | 3 423          |
| Share premium                                     | 3 350          | 3 350          | 3 350          |
| Unrestricted equity reserve                       | 3 206          | 3 906          | 3 206          |
| Hybrid bond                                       | 34 666         | 34 666         | 34 666         |
| Treasury shares                                   | 0              | 0              | 0              |
| Reserves  | 259            | 230            | 263            |
| Translation differences                           | -3 124         | -3 156         | -3 622         |
| Retained earnings                                 | 92 523         | 69 366         | 85 525         |
| <b>Owners of the parent company</b>               | <b>134 303</b> | <b>111 785</b> | <b>126 812</b> |
| <b>Non-controlling interests</b>                  | <b>2 766</b>   | <b>2 192</b>   | <b>2 059</b>   |
| <b>EQUITY</b>                                     | <b>137 068</b> | <b>113 977</b> | <b>128 871</b> |

| EUR thousand                              | 31.3.2022      | 31.3.2021      | 31.12.2021     |
|---|----------------|----------------|----------------|
| <b>NON-CURRENT LIABILITIES</b>            |                |                |                |
| Non-current liabilities, interest-bearing | 75 248         | 63 299         | 76 268         |
| Non-current interest-free liabilities     | 17 836         | 14 035         | 17 175         |
| Non-current provisions                    | 308            | 345            | 250            |
| Liabilities from defined benefit plan     | 878            | 1 091          | 849            |
| Deferred tax liability                    | 2 445          | 2 329          | 2 290          |
| <b>NON-CURRENT LIABILITIES</b>            | <b>96 714</b>  | <b>81 099</b>  | <b>96 833</b>  |
| <b>CURRENT LIABILITIES</b>                |                |                |                |
| Current interest-bearing liabilities      | 9 339          | 31 013         | 7 840          |
| Trade Payables and Other Liabilities      | 98 724         | 67 466         | 93 219         |
| Tax liability, income tax                 | 6 759          | 5 865          | 6 854          |
| Current provisions                        | 981            | 950            | 979            |
| <b>CURRENT LIABILITIES</b>                | <b>115 805</b> | <b>105 294</b> | <b>108 892</b> |
| <b>Liabilities</b>                        | <b>212 519</b> | <b>186 393</b> | <b>205 725</b> |
| <b>EQUITY AND LIABILITIES</b>             | <b>349 587</b> | <b>300 370</b> | <b>334 597</b> |

## Consolidated statement of cash flows

| EUR thousand   | 1.1-31.3.2022 | 1.1-31.3.2021 | 1.1.-31.12.2021 |
|--|---------------|---------------|-----------------|
| <b>Cash flow from operating activities</b>                   |               |               |                 |
| Profit for the period  | 9 077         | 5 745         | 27 907          |
| Depreciation, amortisation and impairment                    | 5 387         | 4 810         | 25 483          |
| Net foreign exchange differences                             |               |               | 0               |
| Share of profit/loss accounted for using equity method       | 314           | 144           | 204             |
| Other items without cash flow impact                         | -2 610        | 1 675         | -2 094          |
| Financial income and expenses                                | -898          | 372           | 2 581           |
| Taxes  | 1 010         | 154           | 5 022           |
| Change in provisions   | 1 101         | 574           | 155             |
| Other adjustments  | -466          | 88            | -6              |
| <b>Operating income before change in net working capital</b> | <b>12 916</b> | <b>13 562</b> | <b>59 252</b>   |
| Change in inventories  | -11 639       | -8 028        | -17 586         |
| Change in interest-free current receivables                  | -592          | -2 064        | -9 444          |
| Change in interest-free current liabilities                  | 6 910         | 6 460         | 39 051          |
| <b>Change in net working capital</b>                         | <b>-5 321</b> | <b>-3 633</b> | <b>12 021</b>   |
| Financial expense  | -560          | -417          | -5 327          |
| Dividends received   | 0             | 0             | 0               |
| Financial income   | 1 477         | 154           | 454             |
| Income taxes paid  | -3 062        | -1 650        | -3 555          |
| <b>Net cash from operating activities</b>                    | <b>5 450</b>  | <b>8 017</b>  | <b>62 844</b>   |

| EUR thousand  | 1.1-31.3.2022 | 1.1-31.3.2021 | 1.1.-31.12.2021 |
|---|---------------|---------------|-----------------|
| <b>Cash flow from investing activities</b>                              |               |               |                 |
| Purchase of tangible and intangible assets                              | -1 835        | -5 321        | -22 767         |
| Proceeds from sale of tangible and intangible assets                    | 46            | 19            | 142             |
| <b>Net cash used in investing activities</b>                            | <b>-1 789</b> | <b>-5 302</b> | <b>-22 626</b>  |
| <b>Cash flow from financing activities</b>                              |               |               |                 |
| Share issue   | 0             | 0             | 2 073           |
| Proceeds from loans   | 2 622         | 15 299        | 74 555          |
| Loan repayments   | -1 020        | -22           | -70 000         |
| Repayment of lease liabilities  | -1 122        | -1 040        | -4 337          |
| Hybrid bond repayments  | 0             | -15 743       | -15 743         |
| Hybrid bond interest and expenses                                       | 0             | -1 686        | -4 317          |
| Dividends paid  | 0             | 0             | -5 360          |
| <b>Net cash from financing activities</b>                               | <b>480</b>    | <b>-3 192</b> | <b>-23 130</b>  |
| <b>Change in cash and cash equivalents, increase (+) / decrease (-)</b> | <b>4 140</b>  | <b>-477</b>   | <b>17 089</b>   |
| <b>Cash and cash equivalents, at beginning</b>                          | <b>42 255</b> | <b>24 134</b> | <b>24 134</b>   |
| Change in cash and cash equivalents, increase (+) / decrease (-)        | 4 140         | -477          | 17 089          |
| Effects of exchange rate fluctuations on cash held                      | 192           | 500           | 1 032           |
| <b>Cash and cash equivalents, at end</b>                                | <b>46 587</b> | <b>24 157</b> | <b>42 255</b>   |



## Consolidated statement of changes in equity

| EUR thousand                      | Share capital | Share premium | Paid in capital | Hybrid bond   | Reserves   | Translation difference | Retained earnings | Total          | Non-controlling interest | Total equity   |
|-----------------------------------|---------------|---------------|-----------------|---------------|------------|------------------------|-------------------|----------------|--------------------------|----------------|
| <b>Balance at January 1, 2022</b> | <b>3 423</b>  | <b>3 350</b>  | <b>3 206</b>    | <b>34 666</b> | <b>263</b> | <b>-3 622</b>          | <b>85 525</b>     | <b>126 812</b> | <b>2 059</b>             | <b>128 871</b> |
| Dividends paid to equity holders  |               |               |                 |               |            |                        |                   | 0              |                          | 0              |
| Other changes                     |               |               |                 |               | -4         | 498                    | -783              | -289           | -1                       | -290           |
| Hybrid bond repayments            |               |               |                 |               |            |                        |                   | 0              |                          | 0              |
| Proceeds from hybrid bond         |               |               |                 |               |            |                        |                   | 0              |                          | 0              |
| Hybrid bond interest payments     |               |               |                 |               |            |                        |                   | 0              |                          | 0              |
| Profit for the period             |               |               |                 |               |            |                        | 8 369             | 8 369          | 709                      | 9 078          |
| Other comprehensive income        |               |               |                 |               |            |                        | -587              | -587           | -1                       | -588           |
| <b>Total comprehensive income</b> | <b>0</b>      | <b>0</b>      | <b>0</b>        | <b>0</b>      | <b>0</b>   | <b>0</b>               | <b>7 782</b>      | <b>7 782</b>   | <b>708</b>               | <b>8 490</b>   |
| <b>Balance at March 31, 2022</b>  | <b>3 423</b>  | <b>3 350</b>  | <b>3 206</b>    | <b>34 666</b> | <b>259</b> | <b>-3 124</b>          | <b>92 524</b>     | <b>134 303</b> | <b>2 766</b>             | <b>137 068</b> |

| EUR thousand                      | Share capital | Share premium | Paid in capital | Hybrid bond   | Reserves   | Translation difference | Retained earnings | Total          | Non-controlling interest | Total equity   |
|-----------------------------------|---------------|---------------|-----------------|---------------|------------|------------------------|-------------------|----------------|--------------------------|----------------|
| <b>Balance at January 1, 2021</b> | <b>3 423</b>  | <b>3 350</b>  | <b>3 906</b>    | <b>50 476</b> | <b>223</b> | <b>-4 067</b>          | <b>65 141</b>     | <b>122 452</b> | <b>2 192</b>             | <b>124 644</b> |
| Dividends paid to equity holders  |               |               |                 |               |            |                        |                   | 0              |                          | 0              |
| Other changes                     |               |               |                 |               | 7          | 911                    | -919              | -1             |                          | 560            |
| Hybrid bond repayments            |               |               |                 | -15 743       |            |                        |                   | -15 743        |                          | -15 743        |
| Proceeds from hybrid bond         |               |               |                 |               |            |                        |                   | 0              |                          | 0              |
| Hybrid bond interest payments     |               |               |                 |               |            |                        | -1 230            | -1 230         |                          |                |
| Profit for the period             |               |               |                 |               |            |                        | 5 745             | 5 745          |                          | 5 184          |
| Other comprehensive income        |               |               |                 |               |            |                        | 561               | 561            |                          | 561            |
| <b>Total comprehensive income</b> | <b>0</b>      | <b>0</b>      | <b>0</b>        | <b>0</b>      | <b>0</b>   | <b>0</b>               | <b>6 306</b>      | <b>6 306</b>   | <b>0</b>                 | <b>5 745</b>   |
| <b>Balance at March 31, 2021</b>  | <b>3 423</b>  | <b>3 350</b>  | <b>3 906</b>    | <b>34 733</b> | <b>230</b> | <b>-3 156</b>          | <b>69 299</b>     | <b>111 785</b> | <b>2 192</b>             | <b>113 977</b> |

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# NOTES TO INTERIM REPORT

## Basis of Preparation

This unaudited and condensed consolidated financial statement information of Normet Group has been prepared in accordance with IAS 34 “Interim Financial Reporting” and it should be read in conjunction with the consolidated financial statements for 2021 prepared in accordance with IFRS as published by the IASB and adopted by the EU. The same accounting policies, methods of computation and applications of judgment are followed in this financial statement information as was followed in the consolidated financial statements for 2021. This financial report was authorized for issue by management on May 2, 2022.

Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented and may vary from previously published financial information.

## Accounting estimates and judgements

IFRS requires management to make estimates and judgements that affect the reported amounts. The most significant accounting estimates and judgements made by management relate to customer contracts, impairment of goodwill, valuation of inventories and trade receivables, provisions and deferred tax assets and liabilities. Although these estimates are based on the management’s best knowledge of current events and actions, the actual results may differ from the estimates used in the financial statements.

## New accounting standards

Normet Group has applied the revised IFRS Standards that have been effective since January 1, 2022. These amendments have not had a material impact on the reported figures.

# NOTES TO INTERIM REPORT

## Net working capital

| EUR thousand                           | 31.3.2022      | 31.3.2021      | 31.12.2021    |
|--|----------------|----------------|---------------|
| Inventories                            | 122 347        | 102 116        | 111 684       |
| Trade receivables                      | 58 946         | 56 128         | 61 434        |
| Other non-interest bearing receivables | 26 546         | 20 674         | 22 940        |
| Trade payables                         | -56 580        | -39 355        | -55 297       |
| Other non-interest bearing payables    | -38 772        | -26 010        | -31 985       |
| Advances received                      | -9 087         | -7 197         | -12 238       |
| <b>Total</b>                           | <b>103 400</b> | <b>106 356</b> | <b>96 540</b> |

## Personnel

|                                      | 31.3.2022 | 31.3.2021 | 31.12.2021 |
|--------------------------------------|-----------|-----------|------------|
| Personnel, 12 months rolling average | 1622      | 1476      | 1577       |



# NOTES TO INTERIM REPORT

## Material Debt Instruments

- Hybrid Equity Bond, MEUR 35

In March 2017, Normet Group Oy issued a bond treated as equity, in other words hybrid bond, in the amount of MEUR 30. The annual interest rate in accordance with the agreement was 7.625%. March 2021, Normet Group Oy redeemed the rest of the bond, which amounted to MEUR 16.2.

In September 2020, Normet Group Oy issued a bond treated as equity (hybrid bond) in the amount of MEUR 35. The annual interest in accordance with the agreement is 7.5%.

In Normet Group Oy, the loans are recognized in non-current liabilities and on the consolidated statement of financial position, they are recognized in shareholders' equity. The hybrid bond has no finite maturity date, but the company has the right, not an obligation, to redeem the loans after four years. Hybrid bond interests are paid annually and are treated on the consolidated statement of financial position according to their nature in the same manner as dividends. They are also recognized in the shareholders' equity and as a liability when the decision on the payment has been made. In Normet Group Oy, interests are recognized in profit or loss for the financial year. The hybrid bonds have a lower priority position than the other debt obligations of the Group.

- Loan Facility, MEUR 75

In December 2021 the Group signed a new MEUR 130 four-year financing agreement. According to this agreement MEUR 70 debt was raised in December 2021 to refinance existing loans and becomes due for bullet payment in January 2026. Loan has variable interest rate. The financing agreement also includes credit commitment up to MEUR 20 which can be raised by December 23, 2022. As of December 31, 2021, the whole amount of MEUR 20 remained unspent. New facility includes also MEUR 40 revolving credit facility. On 31.3.2022, the group had approximately MEUR 55 of undrawn credit facilities at its disposal.

## CALCULATION OF KEY FIGURES

|                                |   |   |
|--------------------------------|---|---|
| <b>Return on Equity %</b>      | = | $\frac{\text{Net Income}}{\text{Average Shareholders' Equity}}$ |
| <b>Equity to Asset Ratio %</b> | = | $\frac{\text{Total Shareholder Equity}}{\text{Total Assets}}$   |
| <b>Gearing</b>                 | = | $\frac{\text{Net interest-bearing liabilities}}{\text{Equity}}$ |



Business ID 1954515-8  
Address: Keilaranta 19, 02150  
Espoo, Finland  
Domicile: lisalmi

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