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**normet**

**NORMET GROUP**

**INTERIM REPORT Q3 2022**

**1 JULY – 30 SEPTEMBER 2022**

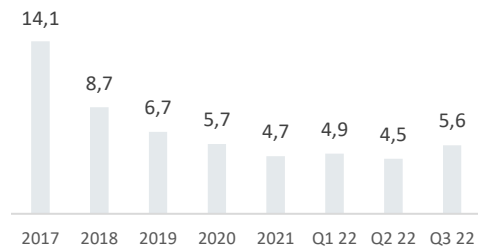
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[normet.com](https://www.normet.com)

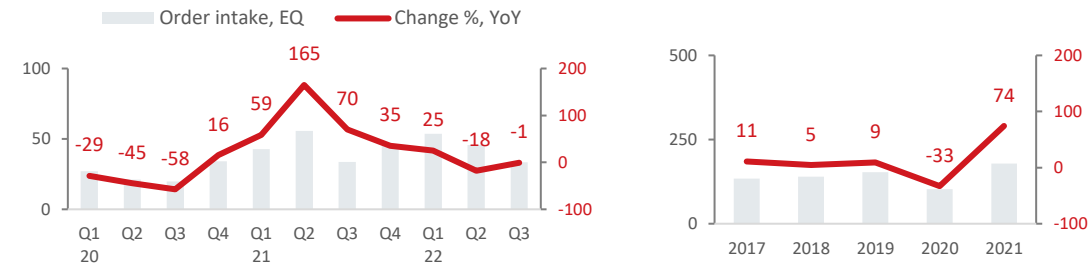
# KEY FIGURES – Q3 2022

KEY RATIOS	YTD Q3 22	YTD Q3 21	2021
Order intake, Equipment, MEUR	133	132	178
Revenue, MEUR	312	248	359
Operating profit, MEUR	35	25	36
Interest-bearing net liabilities, MEUR	66	56	42
Total assets, MEUR	408	319	335
Return on equity	23 %	19 %	22 %
Equity to asset ratio	40 %	38 %	40 %
Gearing (Net debt/Equity ratio)	43 %	47 %	32 %
Number of personnel, 12-month rolling average	1,684	1,549	1,577

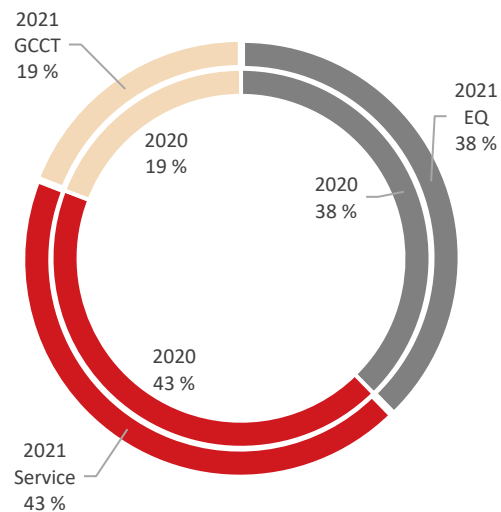
## LTIFR, LOST TIME INCIDENT FREQUENCY RATE



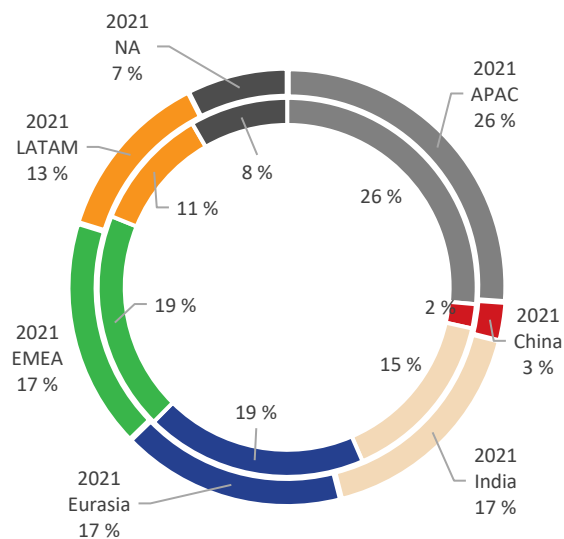
## ORDER INTAKE, EQUIPMENT



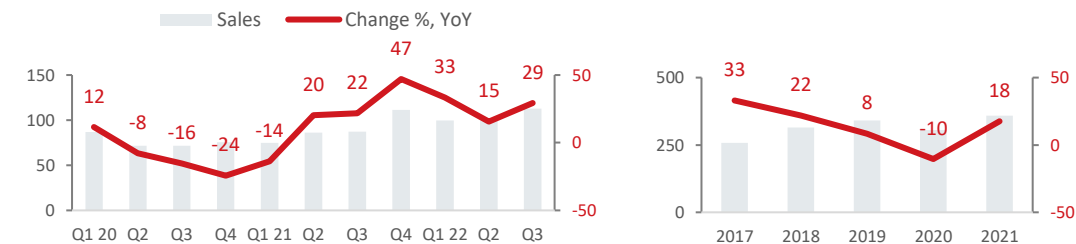
## SALES BY BUSINESS LINE – FULL YEAR



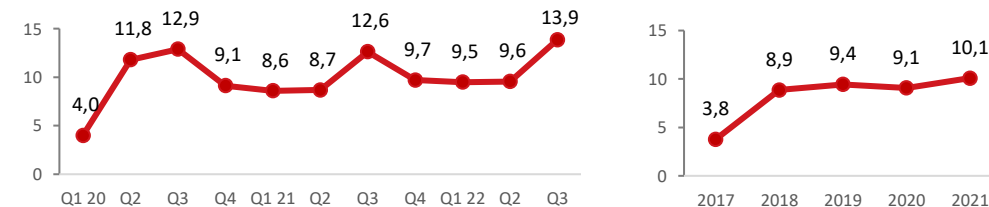
## SALES BY SALES AREA – FULL YEAR



## NET SALES



## OPERATING MARGIN (EBIT %)



SAFETY FIRST

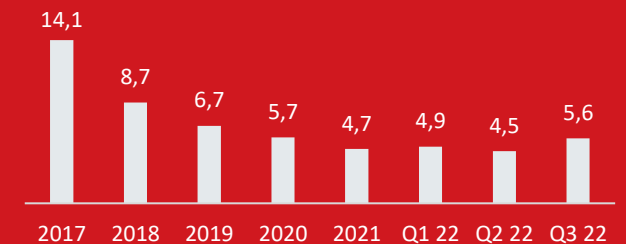


Normet's aims for zero accidents with a mission "to advance the safety, efficiency and sustainability of underground working environments, today and for the good of future generations". Normet has continued actions to improve safety performance and concluded the period with a Lost Time Injury Frequency Rate (LTIFR\*) of 5.6 (Dec 2021: 4.7). Unfortunately, there were a number of injuries in September impacting the LTIFR, thorough investigation of all incidents is underway. We do not expect this to be a recurring trend.

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.

\*) 1 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

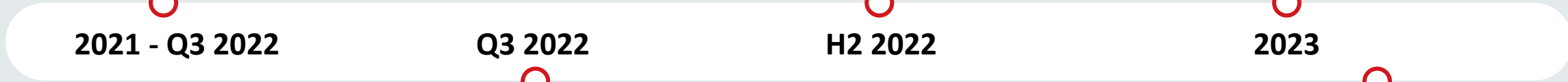
**IMPLEMENTING DATA COLLECTION AND START PROCESSING THE MATERIAL TOPICS**

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

*ON-GOING*

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

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



**2021 - Q3 2022**

**Q3 2022**

**H2 2022**

**2023**

**MANAGING THE MATERIAL TOPICS**

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

**COMMITMENTS**

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

## 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 nationalization risks increasing
- Shift to digitalization, electrification, automation
- Drive for productivity & efficiency
- Remote locations and declining ore grades
- Customers expecting more options and risk sharing
- Increased investment in green energy transition

## MAIN HIGHLIGHTS – Q3 2022

- Successfully completed the acquisition of Aliva Equipment assets and integration on-going to strengthen sprayed concrete offering
- Successfully completed the acquisition and integration of Garock Pty Ltd, a manufacturer of ground support systems
- Strong market development in all Sales Areas
- Material availability and logistic delays continued to be challenging for all Business Lines
- Stable EQ Demand and Order intake continued – Order backlog remained at a similar level to Q2
- New technology development and growth continuing as planned, secured several strategically important new SmartDrive® BEV equipment orders
- Service growth continued at a high level in Q3
- GCCT sales growth in Q3 remained robust due to increasing demand from tunnelling and strategic mining projects in core markets
- New factory, technology and service center construction and supplier network development in India proceeding well as planned
- eCommerce spare parts pilot commenced in Australia





# PERFORMANCE – Q3 2022

Normet’s operating model is designed with Business Lines and Sales Areas 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 Construction 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 sound fiscal result in Q3 2022. The robust fundamentals of the mining and tunnelling industries supported an attractive investment environment notwithstanding the impact and concerns of higher inflation and rising input costs. We saw continuation of healthy quotation and proposal activity translating into a good level of capital equipment orders and improved service and consumable growth.

- Equipment order backlog grew 23% year-on-year to MEUR 103 from MEUR 83 in September 2021
- Revenue growth 26% was strong in all businesses
- EBITA growth 25% year-on-year including newly acquired businesses
- Cash conversion was weaker compared to Q3 2021 due to slower reconfiguration of equipment order book originally dedicated for Russian customers. This combined with seasonally high demand in Q4, general logistic delays and strategic decisions to secure higher levels of critical components necessary to fulfill the order back-log in Q4 has temporarily increased inventories.

Normet Group IFRS (2022 unaudited)

EURm	YTD Q3 2022	YTD Q3 2021	2021
<b>Revenue</b>	<b>312</b>	<b>248</b>	<b>359</b>
<i>YoY growth%</i>	<b>25.8%</b>	<b>7.8%</b>	<b>17.6%</b>
<b>EBITDA <sup>1)</sup></b>	<b>46</b>	<b>38</b>	<b>58</b>
<i>% of revenue</i>	<b>14.7%</b>	<b>15.1%</b>	<b>16.2%</b>
<b>EBITA</b>	<b>40</b>	<b>32</b>	<b>50</b>
<i>% of revenue</i>	<b>12.8%</b>	<b>12.9%</b>	<b>13.9%</b>
<b>Net profit</b>	<b>27</b>	<b>18</b>	<b>28</b>
Interest-bearing net liabilities	<b>66</b>	<b>56</b>	<b>42</b>
Total assets	<b>408</b>	<b>319</b>	<b>335</b>
Gearing%	<b>43%</b>	<b>47%</b>	<b>32%</b>
Equity ratio%	<b>40%</b>	<b>38%</b>	<b>40%</b>

*1) Management follow EBITDA in which rental equipment related depreciations are reported above EBITDA*

# STRATEGIC FOCUS AREAS 2022



**SAFETY & SUSTAINABILITY**



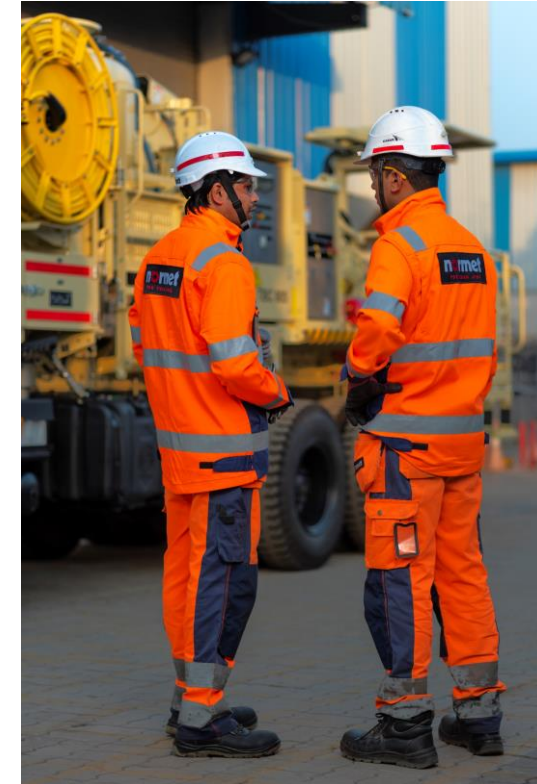
**DELIVER CUSTOMER VALUE**



**BUSINESS GROWTH**



**TECHNOLOGY & INNOVATION**



**BEST PEOPLE DELIVERING LEADING BUSINESS PERFORMANCE**

# CORPORATE GOVERNANCE – AS OF 30 SEPTEMBER 2022

## Normet Group Oy Shareholders

Normet Group Oy is owned 100% by Cantell Oy

## Normet Group Oy Board of Directors

Aaro Cantell	Chairman of Board
Lars Engström	Member of Board
Tom Melbye	Member of Board
Mikko Keto	Member of Board
Anna Hyvönen	Member of Board
Mikko Puolakka	Member of Board

Board decided to establish Audit and Risk Management Committee which started operation in Q3.

## 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 Q3 2022

(IFRS, UNAUDITED)

## CONSOLIDATED STATEMENT OF INCOME

EUR thousand	Q3 2022	Q3 2021	Change, %	1.1.2022 - 30.9.2022	1.1.2021 - 30.9.2021	Change, %	1.1.2021 - 31.12.2021
<b>REVENUE</b>	<b>112 542</b>	<b>87 302</b>	<b>29 %</b>	<b>311 718</b>	<b>248 115</b>	<b>26 %</b>	<b>359 325</b>
Materials, supplies and subcontracting	-55 395	-43 561	27 %	-155 910	-121 128	29 %	-179 148
Personnel cost	-24 463	-19 291	27 %	-71 384	-59 782	19 %	-80 341
Depreciation, amortisation and impairment	-4 398	-5 292	-17 %	-14 002	-15 368	-9 %	-25 483
Other operating expenses and income, net	-12 659	-8 145	55 %	-35 838	-26 932	33 %	-38 638
<b>OPERATING PROFIT</b>	<b>15 627</b>	<b>11 014</b>	<b>42 %</b>	<b>34 584</b>	<b>24 905</b>	<b>39 %</b>	<b>35 714</b>
Financing income	2 142	2 866	-25 %	14 812	8 872	67 %	14 899
Financing expenses	-1 868	-3 468	-46 %	-14 608	-10 991	33 %	-17 480
Share of profit/loss accounted for using the equity method	-37	200	-119 %	-599	20	-3073 %	-204
<b>PROFIT/LOSS BEFORE TAX</b>	<b>15 864</b>	<b>10 612</b>	<b>49 %</b>	<b>34 189</b>	<b>22 806</b>	<b>50 %</b>	<b>32 930</b>
Tax on income from operations	-4 126	-1 545	167 %	-7 642	-4 788	60 %	-5 022
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>11 739</b>	<b>9 067</b>	<b>29 %</b>	<b>26 547</b>	<b>18 017</b>	<b>47 %</b>	<b>27 907</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q3 2022	Q3 2021	Change, %	1.1.2022 - 30.9.2022	1.1.2021 - 30.9.2021	Change, %	1.1.2021 - 31.12.2021
<b>Profit for the period</b>	<b>11 739</b>	<b>9 067</b>	<b>29 %</b>	<b>26 547</b>	<b>18 017</b>	<b>47 %</b>	<b>27 907</b>
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurement of defined benefit plan	0	-1	-85 %	-11	-1	1607 %	233
<b>Items that may be reclassified subsequently to profit or loss</b>							
Exchange differences on translating foreign operations	569	278	105 %	6 385	830	669 %	985
<b>Other comprehensive income for the period, net of tax</b>	<b>569</b>	<b>278</b>	<b>105 %</b>	<b>6 385</b>	<b>829</b>	<b>669 %</b>	<b>1 218</b>
<b>Total comprehensive income</b>	<b>12 307</b>	<b>9 343</b>	<b>32 %</b>	<b>32 920</b>	<b>18 847</b>	<b>75 %</b>	<b>29 125</b>
<b>Profit attributable to:</b>							
Owners of the parent company	11 359	9 067	25 %	25 587	18 017	42 %	27 293
Non-controlling interests in net income	380	0		960	0		614
<b>Total</b>	<b>11 739</b>	<b>9 067</b>	<b>29%</b>	<b>26 547</b>	<b>18 017</b>	<b>47 %</b>	<b>27 907</b>
<b>Total comprehensive income attributable to:</b>							
Owners of the parent company	11 909	9 343	27 %	31 421	18 847	67 %	28 458
Non-controlling interests	398	0		1 499	0		667
<b>Total</b>	<b>12 307</b>	<b>9 343</b>	<b>32 %</b>	<b>32 920</b>	<b>18 847</b>	<b>75 %</b>	<b>29 125</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	30.9.2022	30.9.2021	31.12.2021
<b>NON-CURRENT ASSETS</b>			
Intangible assets	16 512	23 195	18 614
Goodwill	11 086	10 862	11 011
Property, plant, equipment	35 448	35 938	35 857
Right of use assets	11 387	8 701	9 244
Investments accounted for using the equity method	3 681	4 781	4 417
Other non-current financial assets	70	7	53
Non-current trade and other receivables	7 478	3 181	2 934
Deferred tax asset	16 924	11 916	14 280
<b>NON-CURRENT ASSETS</b>	<b>102 586</b>	<b>98 581</b>	<b>96 409</b>
<b>CURRENT ASSETS</b>			
Inventories	158 306	109 430	111 684
Trade receivables and other receivables	102 083	75 663	81 296
Tax Receivable, income tax	4 100	2 959	2 952
Cash and cash equivalents	40 731	32 678	42 255
<b>CURRENT ASSETS</b>	<b>305 219</b>	<b>220 730</b>	<b>238 187</b>
<b>ASSETS</b>	<b>407 805</b>	<b>319 311</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	3 175	3 292	3 206
Hybrid bond	34 666	34 668	34 666
Reserves	311	279	263
Translation differences	-3 132	-3 521	-3 622
Retained earnings	108 229	76 133	85 525
<b>Owners of the parent company</b>	<b>150 023</b>	<b>117 623</b>	<b>126 812</b>
<b>Non-controlling interests</b>	<b>3 547</b>	<b>2 192</b>	<b>2 059</b>
<b>EQUITY</b>	<b>153 570</b>	<b>119 816</b>	<b>128 871</b>

EUR thousand	30.9.2022	30.9.2021	31.12.2021
<b>NON-CURRENT LIABILITIES</b>			
Non-current liabilities, interest-bearing	90 286	61 577	76 268
Non-current interest-free liabilities	17 277	15 130	15 019
Non-current provisions	363	353	250
Liabilities from defined benefit plan	1 113	1 132	3 005
Deferred tax liability	2 580	2 241	2 290
<b>NON-CURRENT LIABILITIES</b>	<b>111 619</b>	<b>80 434</b>	<b>96 833</b>
<b>CURRENT LIABILITIES</b>			
Current interest-bearing liabilities	16 374	27 431	7 840
Trade Payables and Other Liabilities	113 885	81 934	93 219
Tax liability, income tax	11 284	8 300	6 854
Current provisions	1 074	1 398	979
<b>CURRENT LIABILITIES</b>	<b>142 617</b>	<b>119 062</b>	<b>108 892</b>
<b>Liabilities</b>	<b>254 236</b>	<b>199 495</b>	<b>205 725</b>
<b>EQUITY AND LIABILITIES</b>	<b>407 805</b>	<b>319 311</b>	<b>334 597</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1.1 - 30.9.2022	1.1 - 30.9.2021	1.1 - 31.12.2021
<b>Cash flow from operating activities</b>			
Profit for the period	26 547	18 017	27 907
Depreciation, amortisation and impairment	14 002	15 639	25 483
Share of profit/loss accounted for using equity method	599	-20	204
Other items without cash flow impact	-127	-1 851	-2 094
Financial income and expenses	-204	2 425	2 581
Taxes	7 642	4 751	5 022
Change in provisions	1 564	-65	155
Other adjustments	-132	155	-6
<b>Operating income before change in net working capital</b>	<b>49 891</b>	<b>39 052</b>	<b>59 252</b>
Change in inventories	-39 151	-13 300	-17 586
Change in interest-free current receivables	-17 518	-5 385	-9 444
Change in interest-free current liabilities	16 942	23 396	39 051
<b>Change in net working capital</b>	<b>-39 727</b>	<b>4 712</b>	<b>12 021</b>
Financial expense	-1 618	-1 049	-5 327
Financial income	569	334	454
Income taxes paid	-5 816	-3 854	-3 555
<b>Net cash from operating activities</b>	<b>3 300</b>	<b>39 193</b>	<b>62 844</b>

EUR thousand	1.1 - 30.9.2022	1.1 - 30.9.2021	1.1 - 31.12.2021
<b>Cash flow from investing activities</b>			
Purchase of tangible and intangible assets	-9 328	-16 494	-22 767
Proceeds from sale of tangible and intangible assets	132	45	142
Business acquisitions	-12 592	0	0
<b>Net cash used in investing activities</b>	<b>-21 788</b>	<b>-16 449</b>	<b>-22 626</b>
<b>Cash flow from financing activities</b>			
Share issue	0	0	2 073
Acquisition of own shares	-177	0	0
Proceeds from loans	22 552	23 000	74 555
Loan repayments	0	-10 565	-70 000
Repayment of lease liabilities	-3 560	-3 024	-4 337
Hybrid bond repayments	0	-15 809	-15 743
Hybrid bond interest and expenses	-2 625	-4 252	-4 317
Dividends paid	-4 951	-4 097	-5 360
<b>Net cash from financing activities</b>	<b>11 239</b>	<b>-14 746</b>	<b>-23 130</b>
<b>Change in cash and cash equivalents, increase (+) / decrease (-)</b>	<b>-7 249</b>	<b>7 998</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 (-)	-7 249	7 998	17 089
Effects of exchange rate fluctuations on cash held	5 725	545	1 032
<b>Cash and cash equivalents, at end</b>	<b>40 371</b>	<b>32 678</b>	<b>42 256</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
EUR thousand										
<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							-4 951	-4 951		-4 951
Other changes			-31		48	488	-1 160	-655	-3	-658
Hybrid bond interest payments							-2 625	-2 625		-2 625
Profit for the period							25 587	25 587	960	26 547
Other comprehensive income							5 854	5 854	531	6 385
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31 442</b>	<b>31 442</b>	<b>1 491</b>	<b>32 933</b>
<b>Balance at September 30, 2022</b>	<b>3 423</b>	<b>3 350</b>	<b>3 175</b>	<b>34 666</b>	<b>311</b>	<b>-3 132</b>	<b>108 229</b>	<b>150 023</b>	<b>3 547</b>	<b>153 570</b>
EUR thousand										
<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			-680				-3 417	-4 097		-4 097
Other changes			65		56		252	-3 487		-3 487
Hybrid bond repayments				-15 809				-15 809		-15 809
Hybrid bond interest payments							-3 860	-3 860		-3 860
Profit for the period							17 188	17 188		17 188
Other comprehensive income						547	829	1 376		1 376
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>547</b>	<b>18 017</b>	<b>18 564</b>	<b>0</b>	<b>18 564</b>
<b>Balance at September 30, 2021</b>	<b>3 423</b>	<b>3 350</b>	<b>3 292</b>	<b>34 668</b>	<b>279</b>	<b>-3 521</b>	<b>76 133</b>	<b>117 624</b>	<b>2 192</b>	<b>119 816</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 25 October 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	30.9.2022	30.9.2021	31.12.2021
Inventories	158 306	109 430	111 684
Trade receivables	74 969	53 861	61 434
Other non-interest-bearing receivables	30 952	25 454	22 940
Trade payables	-60 628	-49 507	-55 297
Other non-interest-bearing payables	-42 063	-29 504	-31 985
Advances received	-22 406	-11 455	-12 238
<b>Total</b>	<b>139 129</b>	<b>98 279</b>	<b>96 540</b>

## Personnel

	30.9.2022	30.9.2021	31.12.2021
Personnel, 12 months rolling average	1 684	1 549	1 577

# 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 loan after three 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 80

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, and which of as of September 30, 2022, MEUR 7 remained undrawn. New facility includes also MEUR 40 revolving credit facility. On 30.9.2022, the group had approximately MEUR 37 of undrawn credit facilities at its disposal.

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# NOTES TO INTERIM REPORT

## Acquisitions in 2022

On 1 July 2022, Normet Group acquired 100% of the voting shares of Garock Pty Ltd (Garock). Garock is an unlisted company based in Australia that specialises in the business of designing, manufacturing, and supplying ground support system products for the mining and civil industries. With the acquisition, Normet strengthens its portfolio in dynamic ground support in underground mining and construction infrastructure projects. Acquired operations and assets together with the transferring employees meet the definition of business and are accounted for as a business combination. The interim condensed consolidated financial statements include the results of Garock for the three-month period from the acquisition date.

On 2 August 2022, the Group acquired Aliva Equipment business. Aliva Equipment is one of the world's leading manufacturers of equipment and accessories for the application of sprayed concrete. In addition to classic underground construction, Aliva machines are also used in special civil engineering, on tunnel boring machines and for the application of refractory material in the steel industry. Aliva Equipment's main operations are in Widen, Switzerland with operations also in Lüdinghausen, Germany. The Group has acquired Aliva equipment because it expands both its existing product portfolio and customer base. Acquired operations and assets together with the transferring employees meet the definition of business and are accounted for as a business combination. The interim condensed consolidated financial statements include the results of Aliva equipment for the two-month period from the acquisition date.

## 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>	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Equity}}$



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