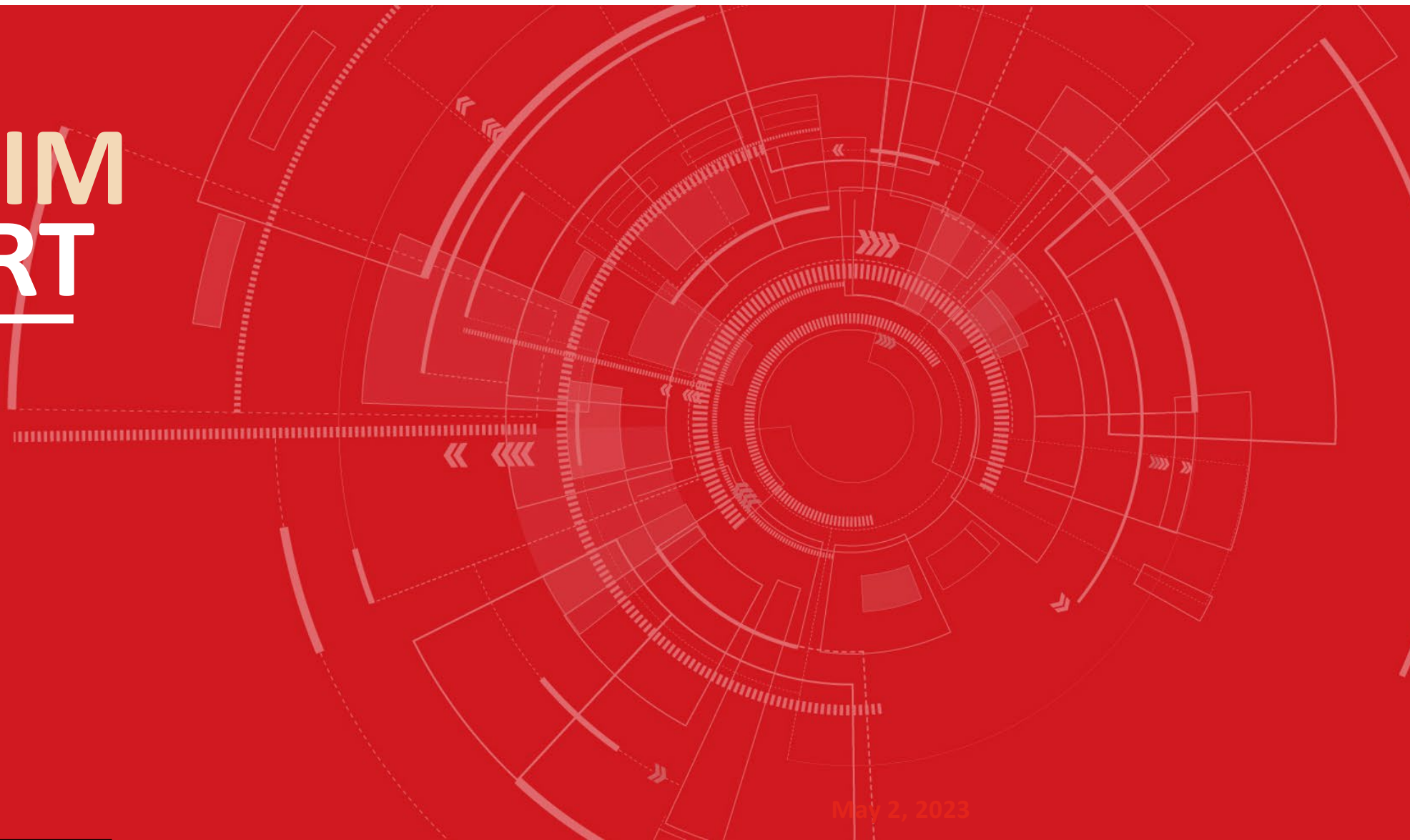


INTERIM REPORT

Q1/2023



May 2, 2023

AGENDA

Safety and
Sustainability

Financial
Performance
in **Q1/2023**

Strategic
Focus
Areas



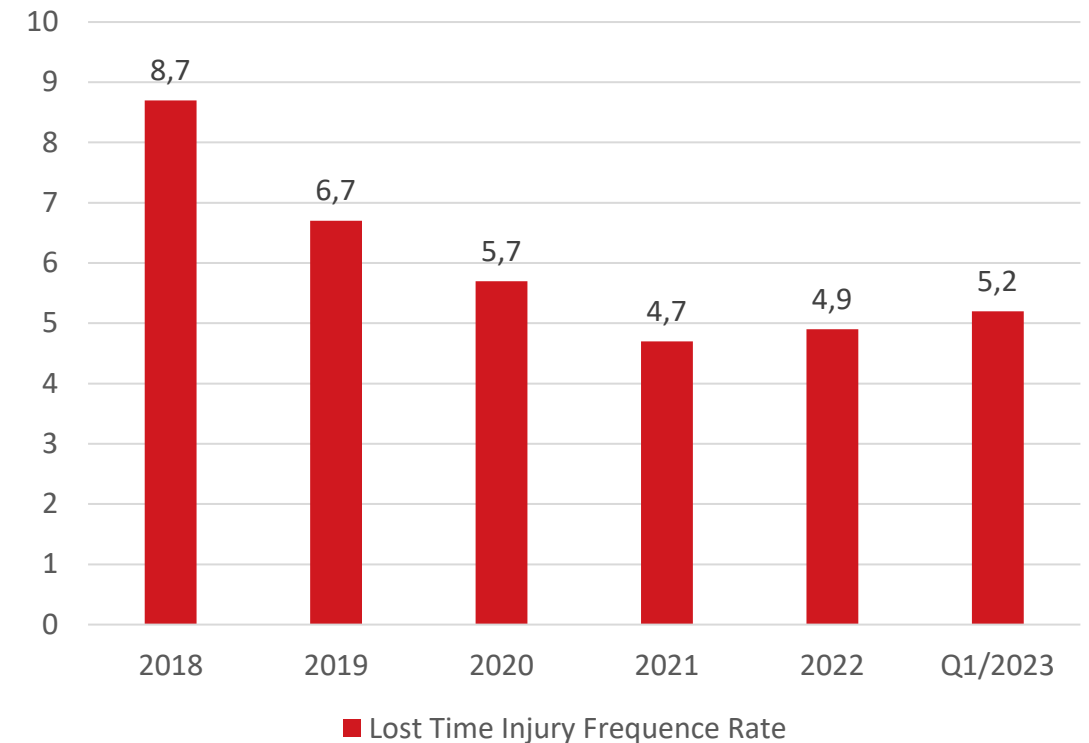
SECURING A SAFE AND SUSTAINABLE FUTURE

Normet's ambition is to achieve "zero harm" through helping our customers to build the safest places underground. Safety is one of the top priorities across mining, tunnelling and civil construction industries and for our customers. Tunnels and mines are places where there is no room for error.

Work is well underway with building the Normet's safety culture in recently acquired companies.

Normet has continued actions to improve safety performance and concluded the reporting period with a Lost Time Injury Frequency Rate of 5.2 (Q1/2022: 4.9). Improvement continued in the areas of risk assessments, incident investigations, compliance audits, international standards accreditation and proactive safety improvements.

Lost Time Injury Frequency Rate



2022 and 2023 including acquisitions Aliva Equipment, Garock Pty Ltd, Marakon and Rambooms. Rolling 12 months. Calculated per 1,000,000 hours worked.

SUSTAINABILITY AT NORMET



SUSTAINABILITY AT NORMET

We at Normet are committed to exceeding industry standards.



SUSTAINABLE MINING & TUNNELLING

We continuously develop and introduce new sustainable and safe solutions for underground mining and tunnelling.



PEOPLE

We set the bar for safety underground. A safe workplace is the first priority for every Normet employee, and we strive for zero accidents.



COMMUNITY INVOLVEMENT

We drive or participate in community Sustainability projects that cover education, innovations, health and safety areas.

“Normet's Annual Report 2022 presents our sustainability approach, how we have executed our sustainability strategy and how we plan on developing it further.”



FINANCIAL PERFORMANCE IN Q1/2023

PRESIDENT AND CEO COMMENT



In Q1 2023 Normet closed two additional acquisitions Rambooms, Marakon (MRB) and Remion. MRB enhances Normet's position and portfolio in Breaking, Electrification and Automation. Remion supports Normet's digitalization strategy and provides opportunities to expand our technology development path.

The business environment remained relatively stable. Some signs of longer decision making on capital expenditure was visible. However, the underlying demand especially in services, new products and technologies remained robust.

NORMET INNOVATION

Normet introduced the new XL platform which features the ElectroDynamic® hybrid powersystem which is first in its' class. This new platform is particularly attractive to high productivity production while supporting our customers sustainability ambitions. The first units of this new model have been sold into Australia.

PERFORMANCE

Our operating margins were impacted predominantly by currencies when comparing to Q1 last year. We also invested early in several strategic projects including acquired companies, India Center of Excellence and several new technology developments. Ongoing material challenges combined with industrial labor actions in Finland resulted in higher inventory holding at the end of Q1 than normally would have been expected.

OUTLOOK

Demand for Normet's products especially for new SmartDrive® platforms and in services and consumables remains strong.

ED SANTAMARIA President and CEO

MAIN HIGHLIGHTS IN Q1/2023

ACQUISITIONS



Finland-based boom systems manufacturer Rambooms and the hydraulic attachments supplier Marakon. These two companies, will strengthen Normet's position in scaling, breaking, automation and electrification.

REMION

Remion, a specialist in industrial internet solutions and advisory services, situated in Finland. With the acquisition Normet strengthens its digital services offering.

XL HIGH-CAPACITY PRODUCT FAMILY

New technology development and growth continuing as planned e.g. including the launch of the new Normet ElectroDynamic® architecture. The architecture combines battery-electric Normet SmartDrive® platform and modern low-emission engine technology.



New Equipment products and especially battery-electric offering gaining lots of attention and new business opportunities. New orders secured with strategically important customers.

First underground mobile Normet SmartDrive® battery-electric vehicle introduced at Hindustan Zinc mine in India.



Normet launched its latest technologies at the Underground Operators Conference in Brisbane, Australia.



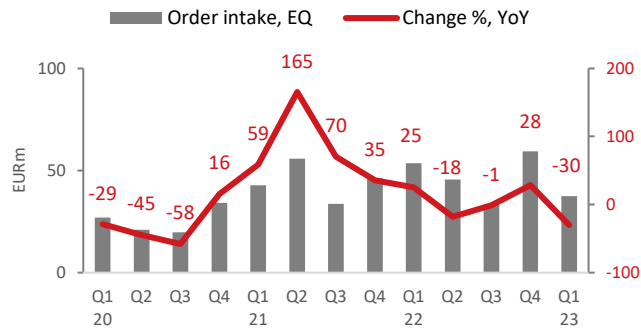
KEY FIGURES

	YTD Q1 23	YTD Q1 22	2022
Order intake, Equipment, MEUR	37	54	192
Revenue, MEUR	112	100	439
EBITDA	13	14	71
EBITDA %	11.4%	14.2%	16.1%
EBITA	9	12	50
EBITA %	8.2%	12.1%	11.4%
Operating profit, MEUR	8	10	51
Operating profit %	7.1%	9.5%	11.6%
Net profit, MEUR	4	9	37
Net profit %	3.5%	9.1%	8.4%
Total assets, MEUR	494	350	404
Interest bearing liabilities, net	119	38	66
Number of personnel (12-month rolling average)	1,758	1,622	1,699
Return on equity %	21%	25%	26%
Gearing %	75%	28%	43%
Equity to asset ratio %	34%	40%	40%

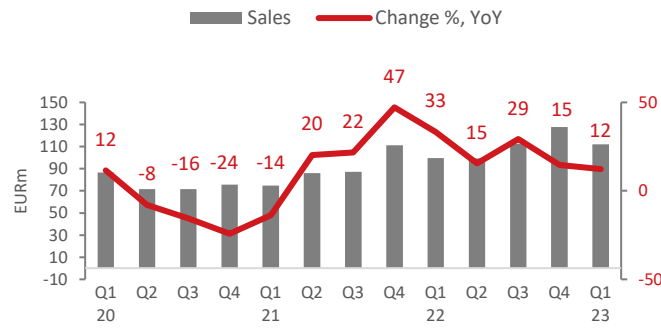
- **Equipment order intake -30.0%** to MEUR 37 driven by slower customer decision making in some areas. Rolling 6-month order intake indicates stable demand.
- Achieved **MEUR 112 in revenue**, a 12.2% increase from y-on-y driven by business acquisitions, price development and volume growth of existing and new products.
- **Operating profit 7.1%** (9.5%) and MEUR 8 (10). The decrease in margin stemming from unfavorable currency revaluation and early investments in strategic projects including operational capability build up.
- **Net Profit 3.5%** (9.1%) and MEUR 4 (9). The decrease driven by negative impact of currency revaluation and increased financing cost.

KEY FIGURES

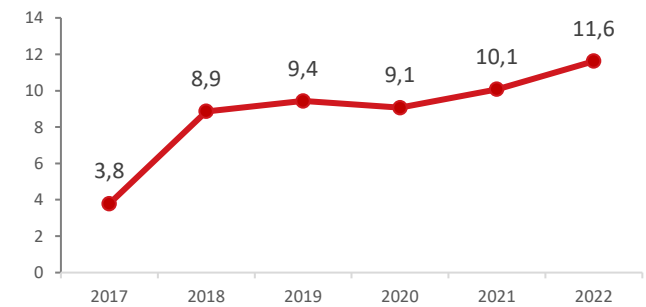
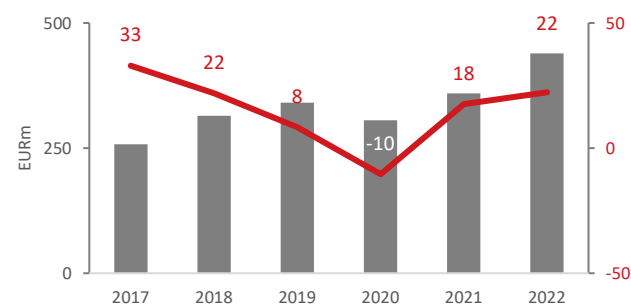
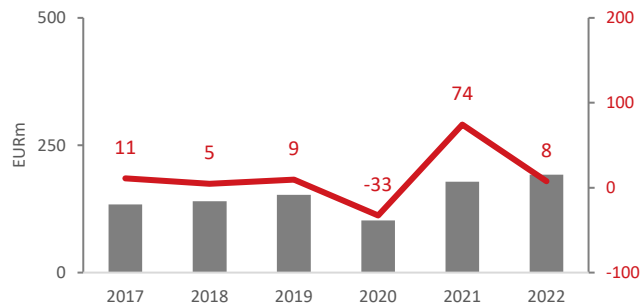
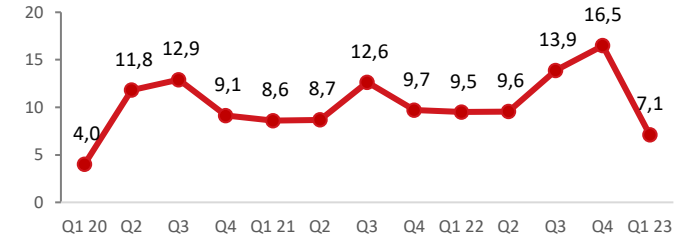
ORDER INTAKE, EQUIPMENT



REVENUE

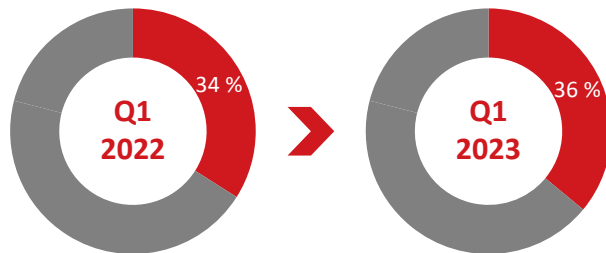


OPERATING PROFIT (EBIT %)



BUSINESS LINE PERFORMANCE Q1/2023

EQUIPMENT, net sales



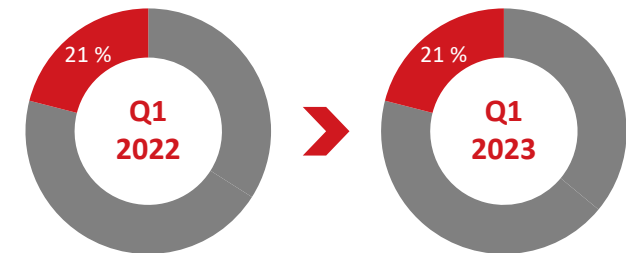
- Order intake in Q1 2023 level lower than in Q1 2022 driven by slower customer decision making in some areas. Rolling 6-month order intake indicates stable demand. Outlook and sales pipeline for the full year remain on strong level.
- Revenue higher compared to Q1 2022 despite the challenging material availability situation and industrial action experienced in Finland.

SERVICE, net sales

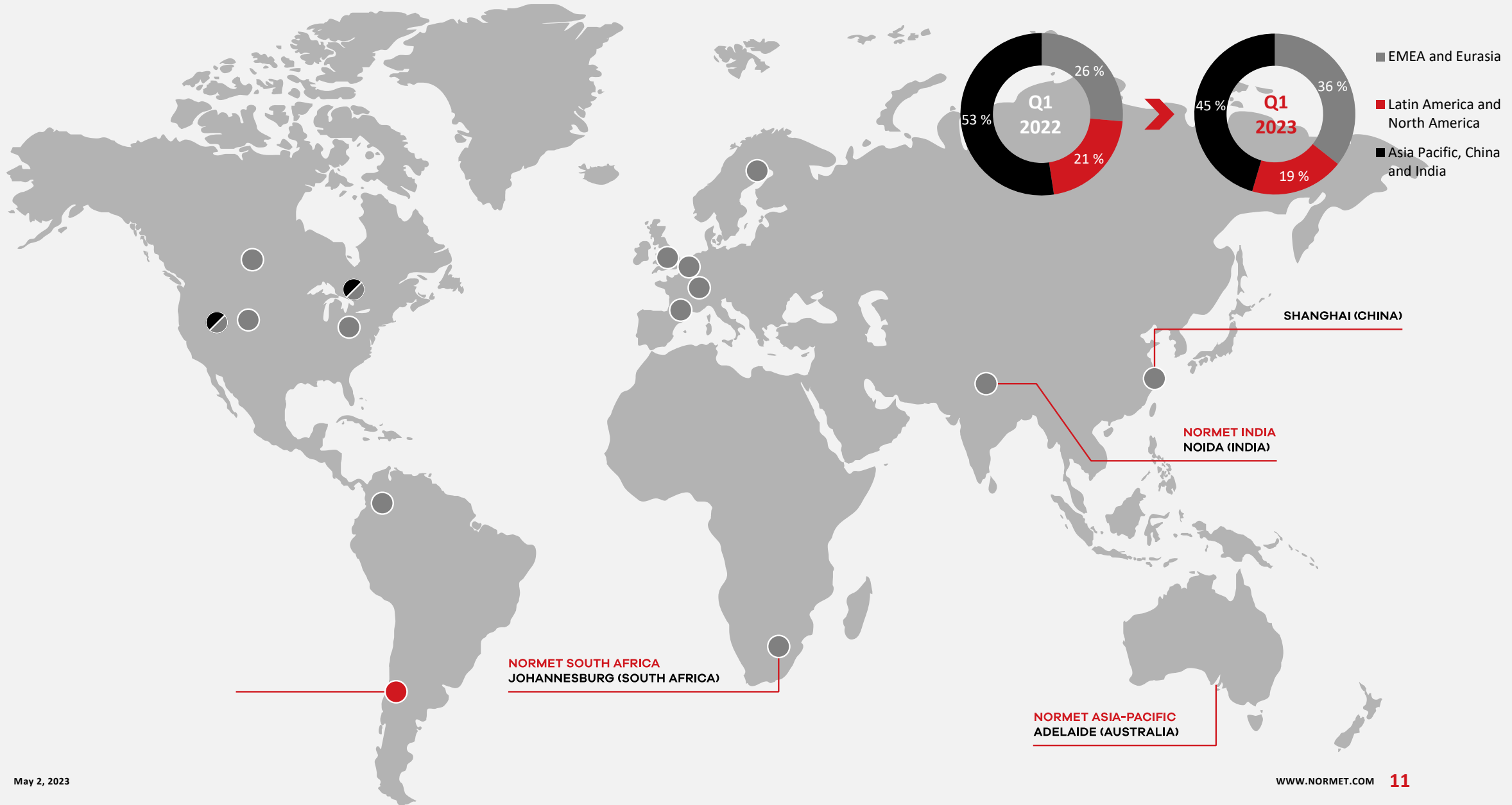


- Sales growth at a higher level in Q1 2023 compared to Q1 2022.
- Spare parts sales up by 15%+ y-on-y.
- Good momentum with connected machines continues.
- Normet store (eCommerce and customer experience) pilot expanded to US market customers.

GCCT, net sales



- GCCT sales growth remained on track in Q1 2023.
- Good development in tunneling and construction chemical projects.
- Mining sales continue to show improvement through combined rock reinforcement and resin sales.



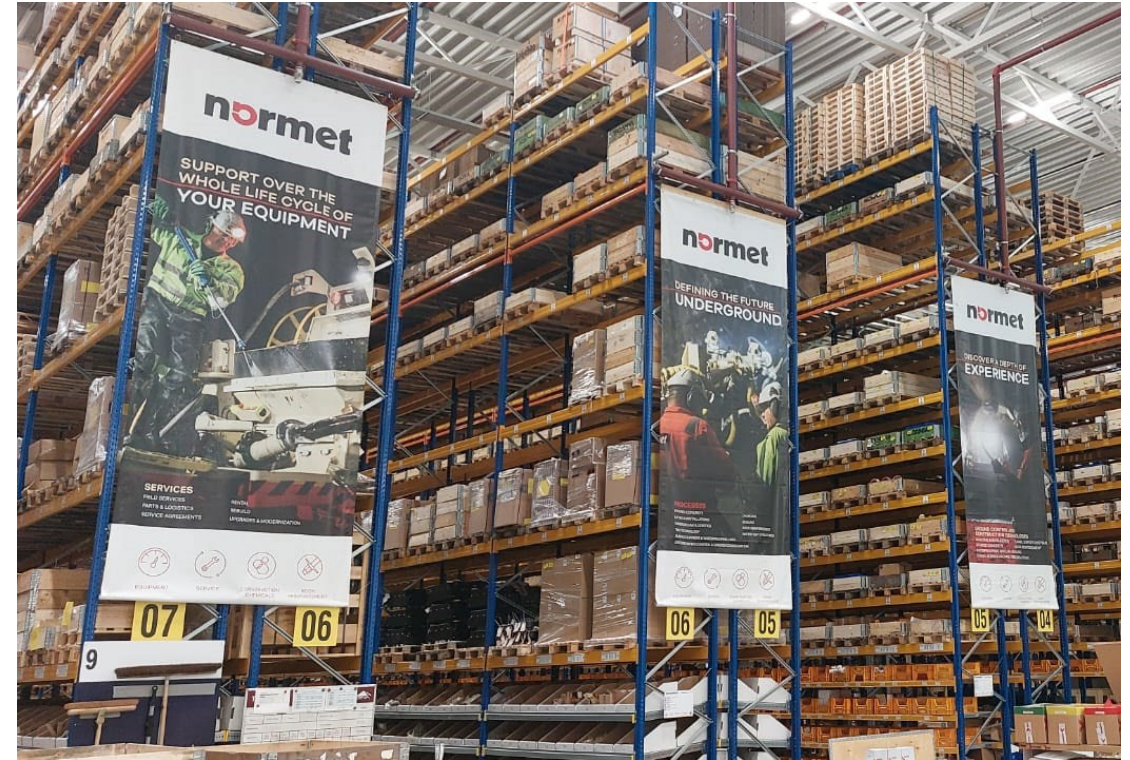


STRATEGIC FOCUS AREAS

STRATEGIC FOCUS AREAS

Our value proposition of ‘Defining the future underground’ continues to support our ambitions. Underpinning this value proposition is our strategy for 2023-2025, built on five pillars:

- Safety and sustainability
- Deliver customer value
- Profitable growth
- Technology and innovation
- The best people delivering leading business performance



RECENT M&A – AIMING TO GROW THROUGH ACQUISITIONS



- Garock, a leading manufacturer of ground support systems for the mining industries rock reinforcement solutions. As an Australian company, Garock also helps Normet to expand geographical presence in the Asia-Pacific region.
- The acquisition of Aliva Equipment, a world-leading manufacturer of equipment and accessories for the application of sprayed concrete, strengthens Normet's sprayed concrete offering and increases our market share and presence in Europe.

- The Finland-based boom systems manufacturer Rambooms and the hydraulic attachments supplier Marakon. With the acquisition Normet will bolster its position in scaling, breaking, automation and electrification.
- Finland-based Remion Ltd, designs and implements industrial internet service solutions. With the acquisition Normet expands its digital portfolio and connectivity services.

INDUSTRY FUNDAMENTALS CONTINUE TO DRIVE GROWTH



- Increased focus on safety
- Environment, social and governance is more prominent
- Decarbonisation headline priority
- Mines increasingly moving underground and going deeper
- Geopolitical and nationalisation risks increasing
- Shift to digitalisation, electrification and automation
- Drive for productivity and efficiency
- Remote locations and declining ore grades
- Increased investment in green energy transition

CORPORATE GOVERNANCE AS OF 31 MARCH, 2023

NORMET GROUP OY BOARD OF DIRECTORS

Aaro Cantell Chairman of the 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

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 Service Business Line

Alan Pengelly SVP, GCCT Business Line

Edoardo Santamaria (acting), VP, 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 Anabalón SVP, Latin America Sales Area

Daniel Yang VP, China Sales Area

Kimmo Karihtala General Counsel

Niina Pesonen VP, Human Resources

KEY FINANCIALS INTERIM REPORT Q1/2023

(IFRS, UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	1.1.-31.3.2023	1.1.-31.3.2022	Change %	1.1.-31.12.2022
REVENUE	111,903	99,741	12 %	439,236
Materials, supplies and subcontracting	-55,934	-51,883	8 %	-217,178
Personnel cost	-27,703	-22,469	23 %	-98,282
Depreciation and amortisation	-4,825	-5,387	-11 %	-19,783
Other operating expenses and income, net	-15,546	-10,499	48 %	-52,934
OPERATING PROFIT	7,894	9,503	-17 %	51,059
Financing income	608	3,073	-80 %	14,699
Financing expenses	-3,037	-2,175	40 %	-17,086
Share of profit/loss accounted for using the equity method	-185	-314	-41 %	-557
PROFIT/LOSS BEFORE TAX	5,280	10,087	-47 %	48,114
Tax on income from operations	-1,404	-1,010	39 %	-11,424
PROFIT/LOSS FOR THE PERIOD	3,877	9,077	-57 %	36,690

EUR thousand	1.1.-31.3.2023	1.1.-31.3.2022	Change %	1.1.-31.12.2022
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plan	-64	-11	473 %	203
Exchange differences on translating foreign operations	-813	-576	41 %	-385
Other comprehensive income for the period, net of tax	-876	-587	49 %	-182
Total comprehensive income	3,000	8,490	-65 %	36,509
Profit attributable to:				
Owners of the parent company	3,699	8,369	-56 %	35,696
Non-controlling interests in net income	178	709	-75 %	994
Total	3,877	9,077	-57 %	36,690
Total comprehensive income attributable to:				
Owners of the parent company	2,839	7,782	-64 %	35,519
Non-controlling interests	161	708	-77 %	990
Total	3,000	8,490	-65 %	36,509

CONSOLIDATED BALANCE SHEET

EUR thousand	31.3.2023	31.3.2022	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	18,042	16,731	17,528
Goodwill	47,128	11,321	12,409
Right of use assets	20,051	8,425	14,548
Property, plant, equipment	45,281	35,007	38,133
Investments accounted for using the equity metho	3,847	4,023	3,959
Other non-current financial assets	721	60	723
Non-current trade and other receivables	4,594	3,010	3,651
Deferred tax asset	16,975	16,434	15,524
NON-CURRENT ASSETS	156,638	95,010	106,475
CURRENT ASSETS			
Inventories	177,759	122,347	154,873
Trade receivables and other receivables	106,718	82,209	103,487
Tax Receivable, income tax	3,178	3,434	2,730
Cash and cash equivalents	49,952	46,587	36,896
CURRENT ASSETS	337,607	254,577	297,985
ASSETS	494,246	349,587	404,460
EQUITY AND LIABILITIES			
Owners of the parent company			
Share capital	3,423	3,423	3,423
Share premium	3,350	3,350	3,350
Unrestricted equity reserve	2,963	3,206	2,860
Hybrid bond	34,666	34,666	34,666
Reserves	299	259	304
Translation differences	-4,332	-3,124	-4,007
Retained earnings	114,748	92,523	110,838
Owners of the parent company	155,117	134,303	151,435
Non-controlling interests	2,438	2,766	2,465
EQUITY	157,554	137,068	153,900

EUR thousand	31.3.2023	31.3.2022	31.12.2022
NON-CURRENT LIABILITIES			
Non-current liabilities, interest-bearing	156,577	75,248	93,892
Non-current interest-free liabilities	18,158	17,836	16,041
Non-current provisions	461	308	351
Liabilities from defined benefit plan	1,426	878	1,399
Deferred tax liability	2,995	2,445	2,957
NON-CURRENT LIABILITIES	179,617	96,714	114,640
CURRENT LIABILITIES			
Current interest-bearing liabilities	14,107	9,339	10,628
Trade Payables and Other Liabilities	127,726	98,724	110,418
Tax liability, income tax	7,907	6,759	9,076
Current provisions	7,335	981	5,797
CURRENT LIABILITIES	157,074	115,805	135,920
Liabilities	336,691	212,519	250,560
EQUITY AND LIABILITIES	494,246	349,587	404,460

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR Thousand	1.1-31.3.2023	1.1-31.3.2022	1.1.-31.12.2022
Cash flow from operating activities			
Profit for the period	3,877	9,077	36,690
Depreciation, amortisation and impairment	4,794	5,387	19,783
Share of profit/loss accounted for using equity method	185	314	557
Other items without cash flow impact	4,143	-2,610	525
Financial income and expenses	2,429	-898	2,387
Taxes	1,404	1,010	11,424
Change in provisions	867	1,101	5,501
Other adjustments	455	-466	39
Operating income before change in net working capital	18,153	12,916	76,907
Change in inventories	-16,021	-11,639	-35,316
Change in interest-free current receivables	-1,414	-592	-17,783
Change in interest-free current liabilities	18,273	6,910	12,026
Change in net working capital	837	-5,321	-41,074
Financial expense	-1,617	-560	-2,665
Financial income	-568	1,477	807
Income taxes paid	-5,319	-3,062	-9,553
Net cash from operating activities	11,486	5,450	24,423

EUR Thousand	1.1-31.3.2023	1.1-31.3.2022	1.1.-31.12.2022
Cash flow from investing activities			
Purchase of tangible and intangible assets	-7,273	-1,835	-15,831
Proceeds from sale of tangible and intangible assets	70	46	91
Other investments	0	0	-670
Acquisition of a subsidiary and business acquisitions, net of cash acquired	-47,971	0	-12,839
Net cash used in investing activities	-55,174	-1,789	-29,249
Cash flow from financing activities			
Proceeds from loans	60,643	2,622	12,307
Repayment of lease liabilities	-1,695	-1,122	-5,537
Hybrid bond interest and expenses	0	0	-2,625
Dividends paid	-2,070	0	-6,154
Net cash from financing activities	56,877	480	-2,009
Change in cash and cash equivalents, increase (+) / decrease (-)	13,189	4,140	-6,836
Cash and cash equivalents, at beginning	36,896	42,255	42,255
Change in cash and cash equivalents, increase (+) / decrease (-)	13,189	4,140	-6,836
Cash increase through acquisitions	964	0	328
Effects of exchange rate fluctuations on cash held	-1,097	192	1,149
Cash and cash equivalents, at end	49,952	46,587	36,896

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
Balance at January 1, 2023	3,423	3,350	2,860	34,666	304	-4,007	110,838	151,435	2,465	153,900
Other changes			103		-5	-325	1,087	861	-204	657
Profit for the period							3,699	3,699	178	3,877
Other comprehensive income							-876	-876	-1	-877
Total comprehensive income	0	0	0	0	0	0	2,823	2,823	177	2,999
Balance at March 31, 2023	3,423	3,350	2,963	34,666	299	-4,332	114,748	155,117	2,438	157,554

EUR thousand	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2022	3,423	3,350	3,207	34,666	263	-3,622	85,525	126,812	2,059	128,871
Other changes					-4	498	-783	-289	-1	-290
Profit for the period							8,369	8,369	709	9,078
Other comprehensive income							-587	-587	-1	-588
Total comprehensive income	0	0	0	0	0	0	7,782	7,782	707	8,490
Balance at March 31, 2022	3,423	3,350	3,207	34,666	259	-3,124	92,524	134,303	2,766	137,068

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 2022 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 2022. This financial report was authorized for issue by management on May 2, 2023. 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, 2023. These amendments have not had a material impact on the reported figures.

NOTES TO INTERIM REPORT

MATERIAL DEBT INSTRUMENTS

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 recognised in non-current liabilities and on the consolidated statement of financial position, they are recognised 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 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 recognised in the shareholders' equity and as a liability when the decision on the payment has been made. In Normet Group Oy, interests are recognised in profit or loss for the financial year. The hybrid bonds have a lower priority position than the other debt obligations of the Group.

In December 2021, the Group signed a new four-year financing agreement MEUR 130. According to this agreement, MEUR 70 debt raised in December 2021 to refinance existing loans. The financing agreement included credit commitment up to MEUR 20.

In December 2022, the financing agreement was raised to MEUR 180 and becomes due for bullet payment in January 2026. The loan has a variable interest rate.

As of 31 March 2023, the agreed term loans and credit commitments MEUR 140 are fully raised for use and Group has approximately MEUR 30 of undrawn revolving credit facility at its disposal.

NOTES TO INTERIM REPORT

ACQUISITIONS

On 31 January 2023, Normet acquired 100% of the voting shares of Rambooms Oy, a manufacturer and supplier of rock breaker boom systems, and Marakon Oy, a supplier of hydraulic hammers and excavator attachments for the construction, crusher and mining industries.

The Rambooms and Marakon businesses have a manufacturing facility in Lahti, Finland. The group has a wide customer base, and its products are found in most mining and construction markets. Rambooms and Marakon have 35 employees combined and net sales of EUR 26 million in 2022. Rambooms and Marakon are known for their high performing quality products. With the acquisition Normet strengthens its position in scaling and breaking as well as supports advancing towards higher levels of automation and electrification for the mining and construction industries.

On 17 February 2023, Normet acquired 100% of the voting shares of Remion Ltd, a specialist in innovative business- and process-enhancing industrial internet solutions and advisory services situated in Finland. Remion employs a team of 28 professionals. Remion is a critical enabler for Normets' digitalization strategy. Remion's capabilities in analytics and software development provide a foundation for Normet to utilize related skillsets in developing the Normet offering. Remion, founded in 2001, offers innovative IOT solutions and services for various industries, machine and equipment manufacturers, service companies and development organizations that are fundamental to efficient, forward-thinking operations.

Remion is based in Tampere, Finland. The acquisition was closed in February 2023. After the acquisition, Remion continues to operate as an independent company as part of the Normet Group.

Acquired operations and assets together with the transferring employees meet the definition of business and are accounted for as a business combination in accordance with IFRS 3. Consolidated financial statements include the results of Marakon and Rambooms for the two-month period from the acquisition date. Consolidated financial statements include the results of Remion for the one-month period from the acquisition date.

The valuation of the acquired assets had not been completed by the date the interim financial statements were approved for issue by the Board of Directors. Thus, asset values may need to be subsequently adjusted, with a corresponding adjustment to goodwill prior to closing of the financial year 2023.

NOTES TO INTERIM REPORT

NET WORKING CAPITAL

EUR thousand	31.3.2023	31.3.2022	31.12.2022
Inventories	177,759	122,347	154,873
Trade receivables	73,019	58,946	74,090
Other non-interest bearing receivables	36,338	26,546	31,456
Trade payables	-69,207	-56,580	-63,921
Other non-interest bearing payables	-33,448	-32,012	-29,194
Advances received	-25,126	-9,087	-17,372
Total	159,336	110,160	149,931

PERSONNEL

	31.3.2023	31.3.2022	31.12.2022
Personnel, 12 months rolling average	1,758	1,622	1,699

NOTES TO INTERIM REPORT

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

