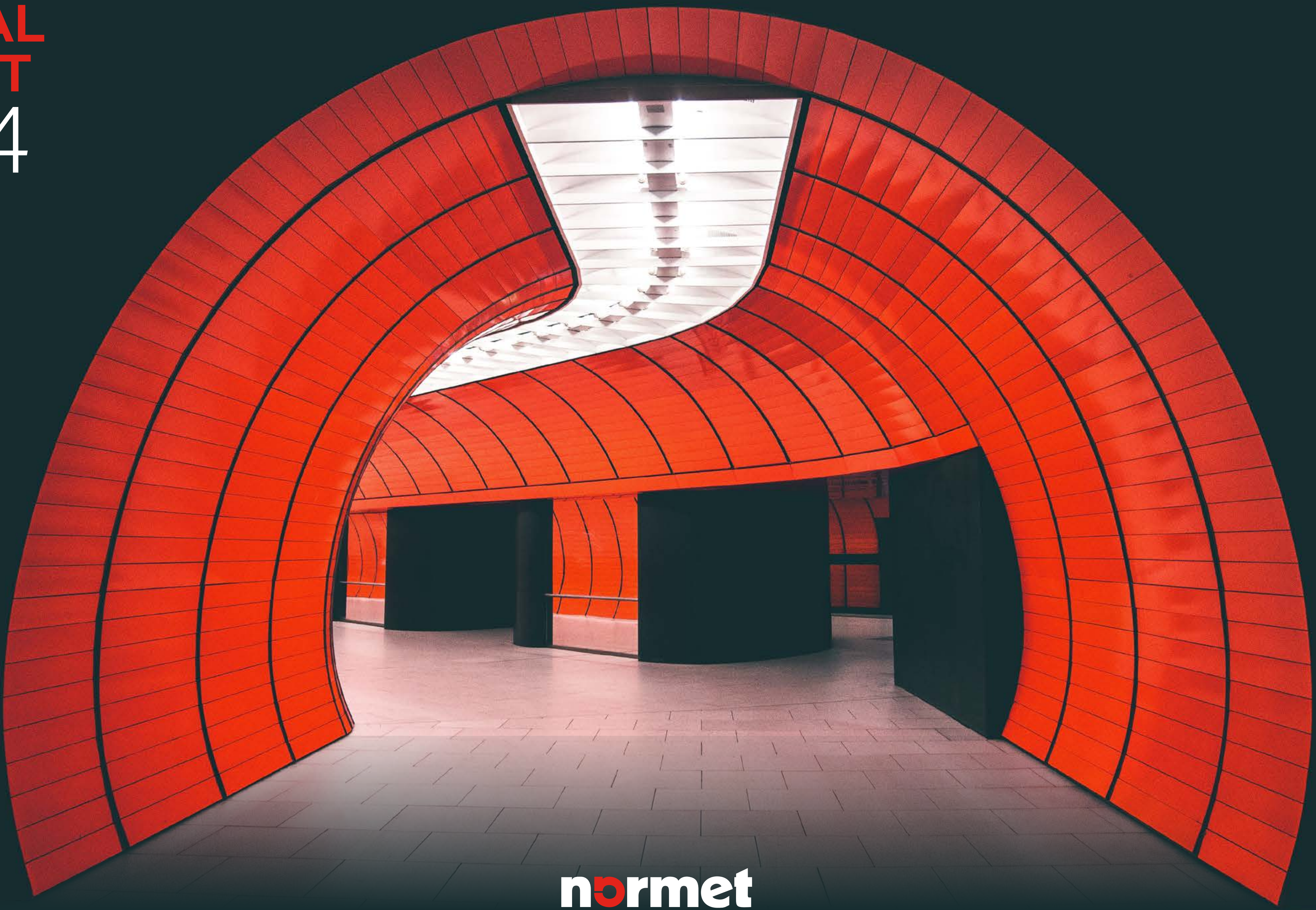
ANNUAL REPORT 2024



NORMET GROUP LTD.

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NORMET in 2024

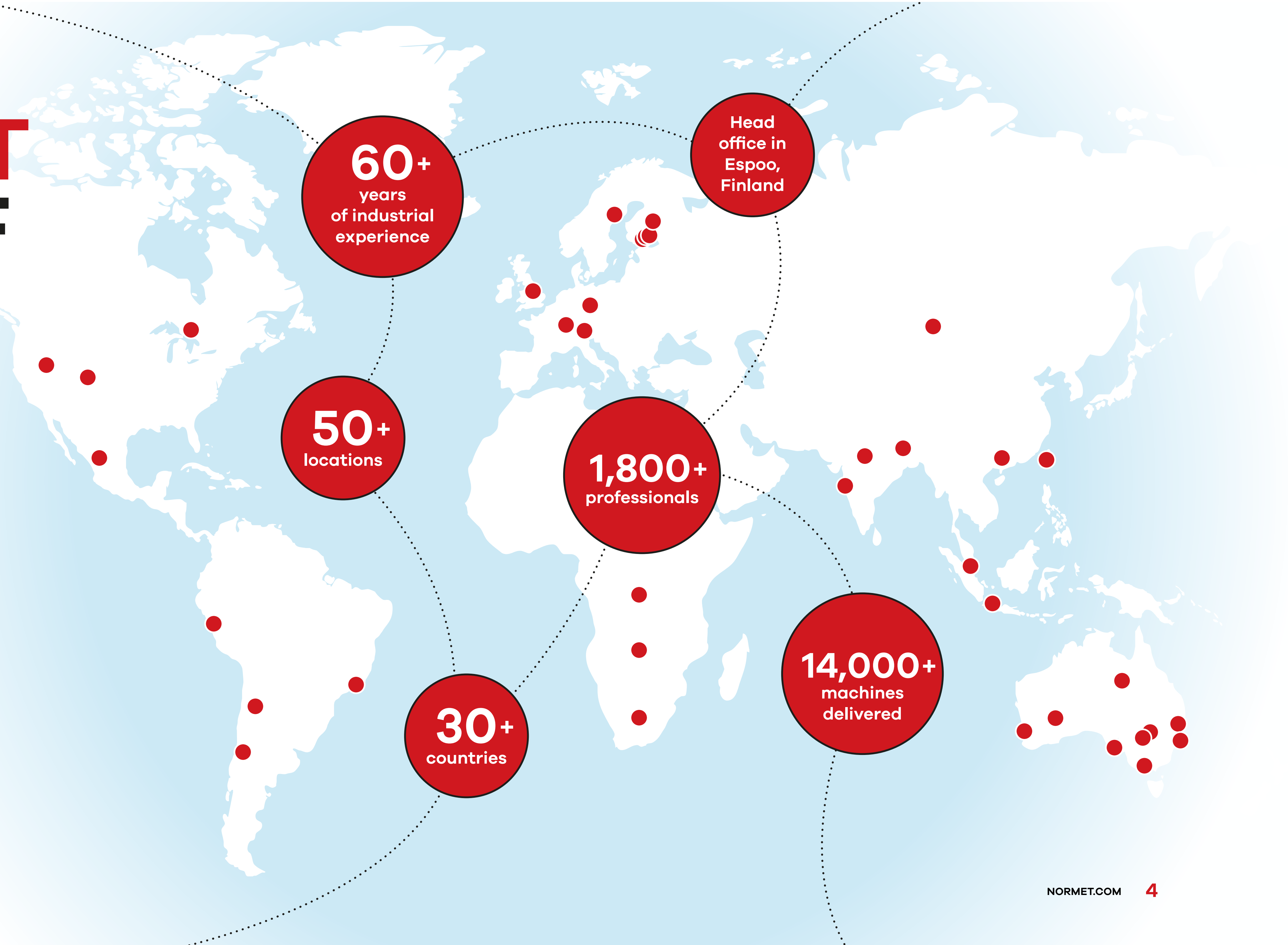
NORMET IN BRIEF

NORMET IS A GLOBALLY OPERATING LEADING TECHNOLOGY COMPANY defining the future of underground operations in mining, tunnelling, and civil engineering projects. Our work helps customers increase efficiency, productivity, and safety throughout the lifecycle of their projects. We have more than 1,800 employees and sales in over 30 countries.

WE DEVELOP and deliver continuous improvements to underground mining, tunnelling and civil construction customer processes with a focus on maximizing safety, sustainability, and productivity.

WE MANUFACTURE underground equipment and provide aftermarket services, construction chemicals, and rock support equipment and expertise.

WE ARE COMMITTING to long-term, mutually beneficial partnerships that create value in our industry and society as a whole.



REVIEW BY THE CHAIR of THE BOARD

Normet's long-term development and operations are guided by key targets set by the Board and owners. Below, I outline the successes and challenges related to pursuing these targets in 2024.

NORMET'S ROLE AND RESPONSIBILITY IN SOLVING MAJOR INDUSTRY CHALLENGES

Normet has achieved a strong global market position in its selected segments and areas of expertise. We have consistently developed our capabilities to support our customers in transitioning to automated and mechanized mining processes. As a result, we have been able to significantly improve our customers' operational productivity while increasing safety underground and dramatically reducing environmental impact through the adoption of battery-electric vehicles (BEVs), raw material efficiency, and more.

We also see it as our responsibility to continuously refine our own processes further and make the most advanced solutions available as widely as possible. This enables us to contribute to the transformation of the industry.

In 2024 heightened customer caution in investment decisions led to modest BEV sales. Despite this, Normet's fleet of **SMARTDRIVE®** battery-electric vehicles continued to perform reliably and productively across all markets. This experience helps to strengthen customer confidence in a larger-scale transition to the technology in the future.

Although BEV sales were modest, large mining companies have upheld their ambitious decarbonization targets, ensuring promising long-term potential.

TECHNOLOGY LEADERSHIP

Normet must ensure that it remains the world's leading expert in the customer processes it has chosen to focus on. Achieving this requires technology leadership in selected areas. Therefore, continuous and sufficient investment in technology, product, and service development is essential.

Normet's investment in technology remained strong in 2024. Key examples include **CHARMEC REVO®**, a remote-controlled robotic arm presented at MINExpo in the USA in September; the development of the **XROCK®** automated and remote-controlled breaker boom solution; as well as the acquisition of Lekatech Oy's entire share capital and a significant investment in the further development of its electric hammer technology.

BEING A GROWTH COMPANY

To fully capitalize on emerging opportunities, Normet must be a growth-oriented company. This means continuous and bold renewal—actively seeking new opportunities and having the courage to pursue the most promising initiatives. At times, this may lead to failure. However, accepting failure in the pursuit of success must remain an integral part of our culture. Such a bold and visionary approach is highly inspiring and will help us attract top talent in the industry.

In terms of growth, 2024 proved to be a challenging year. Investment decisions from our customers were made much more slowly than anticipated. Our own growth plans, particularly those related to acquisitions in recent years, fell short of the ambitions we had set for them. In the future, we need to strengthen our go-to market activities for new products and services.

HIGH PROFITABILITY

The investment in renewal and growth described above requires high profitability. This, in turn, means that we must increase our EBITA % to above 15% permanently. To do so, we need the strong ability to maintain operational efficiency and a commitment to continuous improvement. Finding the right balance between renewal and growth on the one hand, and effective actions on the other, necessitates the ability to react quickly.

In terms of improving profitability, we were reasonably successful in 2024. The comparable EBITA % rose from 11.8% to 13.2%. However, this is still far from the target set. Work on this matter will need to continue with vigor throughout 2025. We know we can do better.

I would like to extend my deepest gratitude to all Normet professionals around the world for their exceptional team spirit and genuine enthusiasm for renewal. My heartfelt thanks also go out to our customers for your continued trust and faith in our ability to support you on your journey of progress. Finally, I would like to thank my colleagues on the Board for their skilled and constructive support in developing the company.

AARO CANTELL
CHAIR

REVIEW BY THE PRESIDENT AND CEO

NAVIGATING CHALLENGES, CONSOLIDATING for GROWTH

In 2024, macroeconomic uncertainty, inflation, and commodity price fluctuations made customers cautious, slowing down investment decision-making and consequently impacting our growth. Despite these headwinds, we continued to proactively lay the groundwork for future success. Following our strategy, we improved our profitability, capital efficiency, and customer contact while advancing strategic acquisitions, innovation, and safety.

Despite the disappointing flat sales development compared to 2023, I am pleased with our concerted efforts to enhance internal performance. We streamlined operations, consolidated seven Sales Areas into five, and fostered a performance-driven culture. As a result, both capital efficiency and profitability improved significantly.

- **NET SALES: EUR 482 MILLION** (2023: EUR 484 million)
- **COMPARABLE EBITA: EUR 63 MILLION** (2023: EUR 57 million)
- **COMPARABLE EBITA %: 13.2%** (2023: 11.8%)
- **CASH CONVERSION: 71%** (2023: 42%)

In our pursuit of profitable growth, we accelerated the upgrade of our key internal information systems and business processes. We improved our network infrastructure across all facilities and began rolling out our new enterprise resource planning system, customer relationship management system, field service system, and customer service tools. We also went live with our new financial reporting and consolidation system. These investments boost customer responsiveness and enhance our customers' experience, while providing platforms that are efficient, secure, and scalable, in alignment with our growth ambitions.

The equipment business experienced lower demand at the beginning of the year but saw an improved level through the third and fourth quarters. Comparative sales were negatively impacted largely by a strong comparison 2023 performance in China and slower-than-anticipated initial demand across Asia-Pacific. However, other regions, especially Africa, Europe, and Latin America, somewhat compensated for this weakness. Normet's fleet of SMARTDRIVE® battery-electric vehicles continued to perform well in all markets, providing significant efficiency, performance, and operational benefits to our customers. While demand for battery-electric vehicles was slower than expected, we remain confident and highly committed to the benefits and necessity of this technology shift in underground environments. 2024 was also a year in which several new Normet equipment models and technology platforms, such as our XS Variomec and XL 23 ELECTRODYNAMIC® drive transmixers, expanded into new markets and attracted new customers, accumulating significant operating hours and demonstrating best-in-class performance.

The services business experienced modest growth in the year and has considerable potential for organic growth. The key areas we are prioritizing to grow our services business include:

» Expanding the portfolio and increasing the contribution of maintenance and repair kits, supply agreements, upgrades and modifications, and digital services
» Securing additional service agreements
» Releasing new commercial models covering all service activities and rental agreements
» Continuing to build digital services
» Increasing technical, application, and service sale resources
» Enhancing our customers' experience through improved service levels and developing a true serving mindset.

Despite only modest growth in 2024, we are pleased that our service teams continued to provide high-quality service to our customers, often in remote and very challenging environments. Additionally, we secured contract extensions for several large performance service agreements with long-standing customers, showcasing the benefits of Normet's experience and commitment.

Ground Control & Construction Technologies (GCCT) saw notable growth in our injection resins business, particularly around our mining segment. We also achieved success across the tunnelling segment, especially in Central Europe, Canada, and the UK. One of the most significant developments was the introduction of our self-drilling dynamic bolt system, which saw strong uptake in the North American market. The combination of Normet's sprayed concrete, bolting, and injection resin products, along with our expertise, provides our customers with a broad range of solutions for their ground support needs. While there were pockets of growth, delays in major projects, predominantly in tunnelling and civil construction in some markets, negatively impacted overall business line growth for the year.

Across our new businesses, we invested more in R&D and supported these acquired companies in developing their technology portfolios. We are pleased with the Normet **XROCK®** hydraulic breakers and breaker booms, as well as the **XROCK®** automation system. Additionally, we have invested in expanding our sales, technical, and specialist application support in all markets. Our customers increasingly associate these new portfolios with Normet's own, which comes with a stronger service promise and higher levels of technology and automation. This gives us confidence that these new businesses will account for a significant portion of our growth in 2025 and beyond.

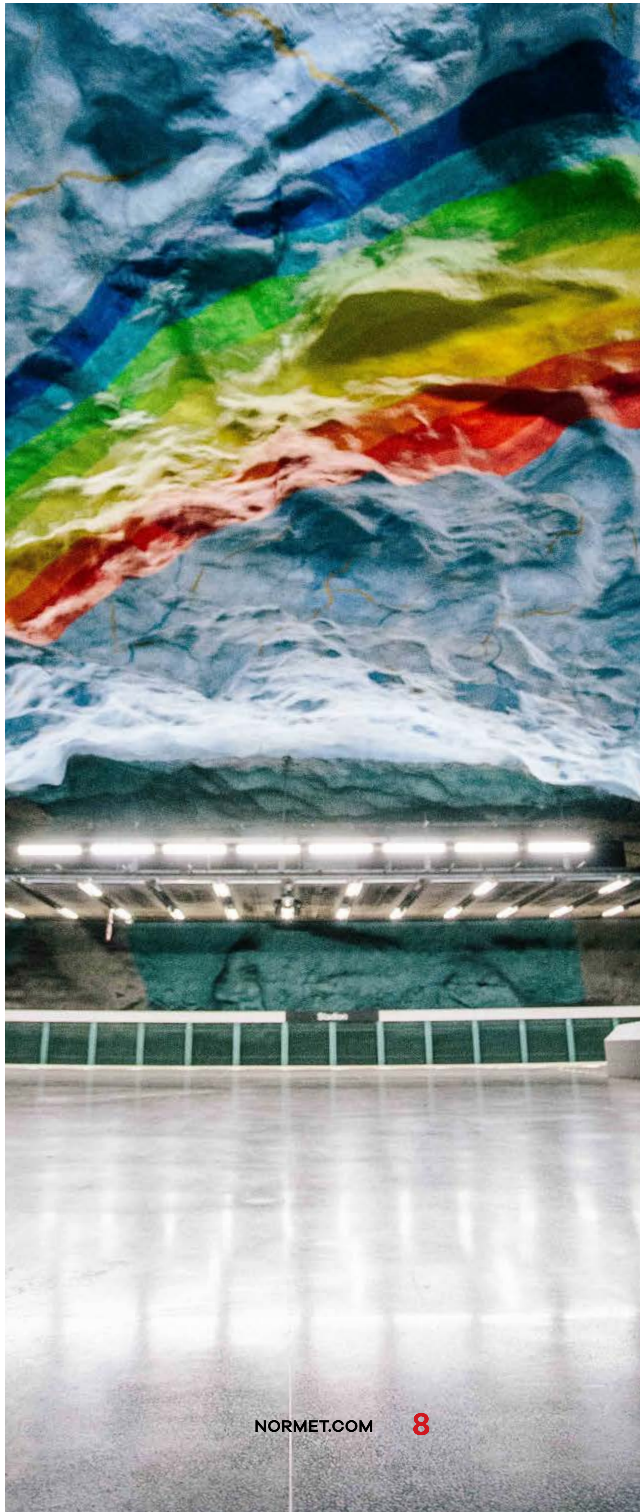
SAFETY CULTURE AND SUSTAINABLE IMPACT

In 2024, we continued to realize our vision of building the safest places underground. Our focus on developing a strong safety culture resulted in measurable improvements, including a reduced Lost Time Injury Frequency Rate (LTIFR) of 2.5, down from 3.5 in 2023. I am particularly proud that several of our facilities and operational sites achieved impressive zero-accident milestones. Beyond improvement in our statistical performance, we focused on increasing mitigation around high-risk areas, including travel and security risk, use of motor vehicles, and working in underground operations.

Our safety culture and improvements extended beyond our own operations and onto our customers' sites. We are especially proud of the Normet team working at Rio Tinto's Oyu Tolgoi copper mine in Mongolia, who marked more than 3,000 days without a lost-time injury. By promoting industry-leading safety standards, we help our customers achieve their safety ambitions and contribute to an improved safety level across mining and tunnelling.

As sustainability is an integral part of our strategy, we strive to be a company that sets and upholds the highest ethical standards and environmental aspirations. I am proud that we have joined the United Nations Global Compact initiative, emphasizing our commitment to sustainable development. We continue to work with customers and partners across our network in delivering practical solutions that provide both short- and long-term sustainable benefits.

Here at Normet, we feel a strong sense of responsibility to support our industry in becoming safer and more environmentally responsible. We actively support the reduction of carbon emissions by improving the sprayed concrete process, eliminating waste, applying new technologies to shorten cycle times, and improving the integrity of ground stabilization.



We appreciate the time Normet employees invest in social activities, especially those supporting under-privileged people and those in need. Throughout the year, we enhanced Normet's governance structures, expanded the scope of our compliance framework, and released several related training and education programs for our employees.

INNOVATIVE TECHNOLOGY FOR AN INDUSTRY IN TRANSITION

To decarbonize our industry beyond what we know, we need more innovative technologies. On the technology front, 2024 was yet again another strong year for Normet.

Throughout the year, our active fleet of Normet **SMARTDRIVE®** battery-electric vehicles continued to impress our customers with their enhanced productivity, operator acceptance, and reliability. The introduction of any new technology needs to be supported with high-quality service capability. Both on-site and remotely, Normet service support has contributed to the impressive performance of these new models.

At the highly anticipated International MINExpo 2024 event held in Las Vegas, we unveiled advanced explosives charging, scaling, and rock breaking solutions. The Scamec LC Thor 135 T and the Charmec LF 1105 DA are engineered to elevate efficiency, safety, and productivity. We also introduced Xquick, an innovative quick coupler system that features automated, cabin-controlled tool and accessory changes, minimizing the need for manual labor and improving operator safety.

During the year, the next phase of Normet **SMARTDRIVE®** model development, such as Variomec SD and L-series SD, moved from prototype assembly to underground testing.

We collaborated with technology-leading companies to develop new underground mining solutions. One notable project is our continued involvement in the Callio FutureMINE, Europe's deepest test mine located in Central Finland. It functions as a laboratory for developing technologies for our industry, with a focus on electrical networks, electrification, automation, and digitalization. Normet plays a leading role alongside several other companies and customers committed to advancing the development and adoption of safer and more productive technologies for underground mining.

In 2024, we acquired 100% of the Finnish technology start-up company, Lekatech, a pioneer in the development of electric hammer technology. This investment aligns with our overall strategy to expand our electrical offering portfolio and demonstrates our commitment to seeking related, mutually beneficial technologies.

ADDING VALUE TO CUSTOMERS AROUND THE WORLD

We continue to expand our business geographically, investing in a strong local presence to work directly with and provide highly personal service to our customers. We see particular opportunities for growth across Asia, Africa, Latin America, and North America. In 2024, our Normet entity in the Democratic Republic of the Congo became fully operational with the opening of a new warehouse and an expanded service presence. Continuing our growth across Africa, Normet has established a new entity in Botswana to support customers and major long-term projects in the region.

THE BEST PEOPLE FOR LEADING BUSINESS PERFORMANCE

Throughout 2024, we continued to invest in attracting and developing people aligned with Normet's values and unique culture. We know that our ability to grow, renew, and deliver exceptional business results depends on recruiting and retaining passionate and motivated people. In keeping with our people strategy, we have made extra efforts to improve our people management through dedicated programs, guiding the development of specific competencies and enhancing our leadership capabilities. Throughout the year, we welcomed several new leadership team members to Normet: CFO **Timo Koponen**, SVP Business Line Equipment **Kalle Sipilä**, and VP Sales Area North America **Jennifer Berger**. Additionally, through an internal promotion, we welcomed **Ville Haatainen** to the position of VP Sales Area Europe, Eurasia, and Africa.

In 2024, we launched a new employee value proposition and a more intuitive and dynamic employee engagement survey. Our employee participation rate remains high, and our employees are engaged and highly committed. Our process for reviewing and addressing employee feedback has improved, leading to visible progress in uniting our employees across the company with a common purpose and aligned values.

POSITIONING NORMET FOR THE FUTURE

Our ambition to grow remains strong, underpinned by technology, innovation, and operational excellence. Our work this year – investing in our processes, products, technology and people – has strengthened our position and enhanced Normet's reputation.

The favorable industry fundamentals and megatrends driving our business remain robust. We are seeing an increase in output from underground mining, with declining ore grades and more unstable and unpredictable mining environments at depth. As mining operations expand with high demand for gold, copper, and other energy transition metals, Normet is ideally positioned to deliver the solutions our customers need.

As we look back on this year, I want to express my gratitude to our talented employees. Your hard work and dedication have been instrumental in our many achievements. In addition to our employees, I also want to thank our customers and our many partners. We have laid a strong foundation, both individually and collectively. I am confident that our efforts will lead to ongoing success and long-term sustainability for our company.

ED SANTAMARIA
PRESIDENT AND CEO

KEY FIGURES 2024

MEUR
454
(477)
Order intake[1]

MEUR
482
(484)
Net sales

MEUR
79
(73)
EBITDA

62%
(63%)
Share of aftermarket and consumables sales[2]

LTIFR
2.5
(3.5)
Lost Time Injury Frequency Rate[3]

[1] Comparative period adjusted to include all Business Lines.
[2] Share of combined Services and GCCT Business Line net sales of Group net sales after elimination.
[3] Calculated per 1,000,000 hours worked; rolling 12 months. 2024 excludes 2024 acquisition Lekatech Oy.

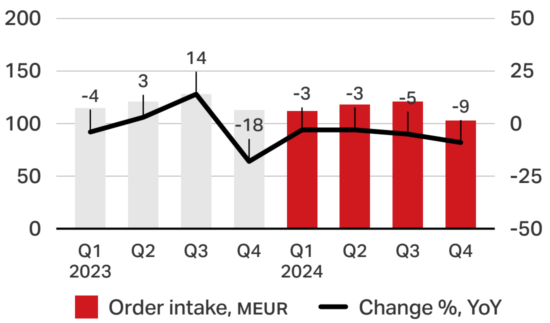
KEY RATIOS

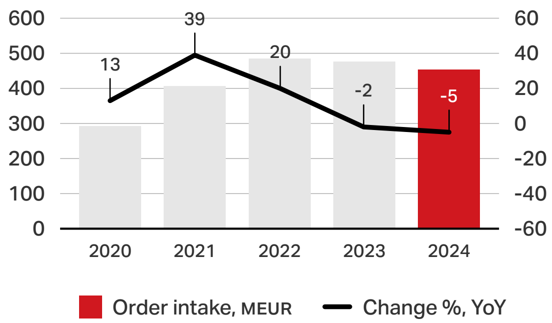
Normet Group IFRS	2024	2023	2022	2021
Order intake, MEUR[1]	454	477	486	407
Net sales, MEUR	482	484	439	359
EBITDA, MEUR	79	73	71	61
EBITDA %	16.4	15.0	16.1	17.0
EBITA, MEUR	61	56	58	50
EBITA %	12.7	11.6	13.3	13.8
Operating profit, MEUR	53	49	51	36
Operating profit %	11.1	10.1	11.6	9.9
Comparable EBITA, MEUR[2]	63	57	58	50
Comparable EBITA %[2]	13.2	11.8	13.3	13.8
Comparable Operating profit, MEUR[2]	56	50	51	36
Comparable Operating profit %[2]	11.6	10.3	11.6	9.9
Net profit, MEUR	41	30	37	28
Net profit %	8.5	6.1	8.4	7.8
Total assets, MEUR	503	493	404	335
Interest-bearing net liabilities, MEUR	126	136	66	42
Number of personnel[3]	1,827	1,807	1,699	1,577
Return on equity %	23.2	18.7	26.0	22.0
Gearing %	62.8	82.5	43.1	32.5
Equity to asset ratio %	41.0	34.7	39.8	40.0

[1] Comparative periods adjusted to include all Business Lines.
[2] 2022-2021 not fully comparable.
[3] Average number of employees.

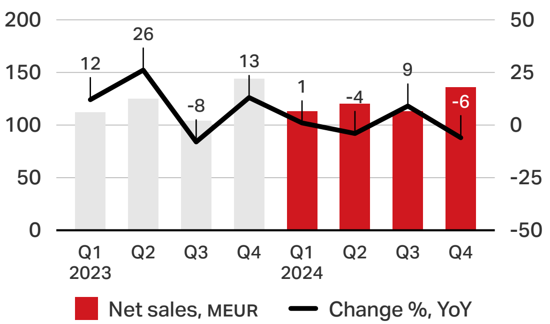
LONG-TERM FINANCIAL TARGETS:
BY 2027, NORMET AIMS TO ACHIEVE AN ANNUAL NET SALES GROWTH OF 10% AND TO INCREASE EBITA MARGIN TO ABOVE 15% PERMANENTLY

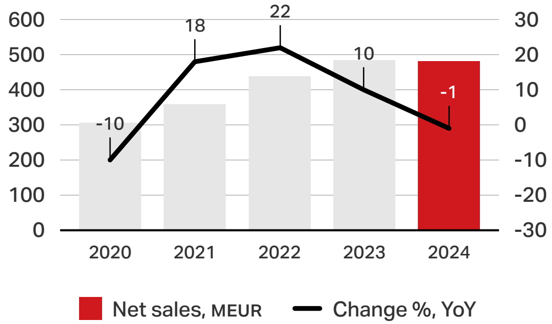
ORDER INTAKE[1]



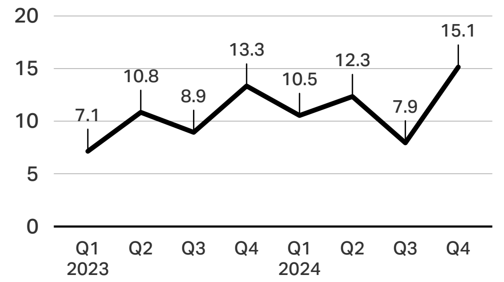


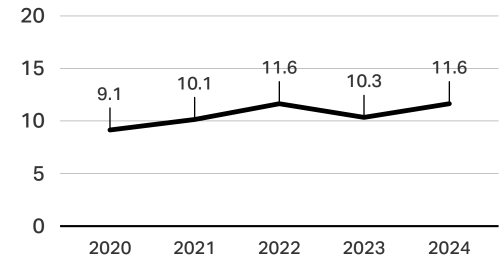
GROUP NET SALES DEVELOPMENT





COMPARABLE OPERATING MARGIN %[2]





[2] Comparable Operating Profit % (excluding the items affecting comparability).
Note: Periods prior to financial year 2023 not fully comparable.

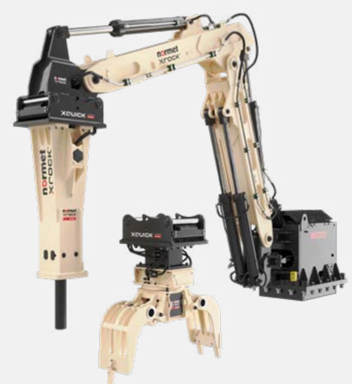
KEY INNOVATIONS 2024

TEST SUCCESS FOR CHARMEC REVO®

In 2024, **CHARMEC REVO®** field tests in Kittilä and Kemi mines in Finland showed a 90% reduction in operator time spent in unsupported tunnels where exposure to risk is high. The Charmec Revo® provides agility and precision with its remote-controlled robotic arm, allowing operators to work away from the danger zone.

FIVE NEW VARIOMEC XS MODELS LAUNCHED

In 2024, we introduced five new applications to our **VARIOMEC XS** offering. The compact and agile Variomec XS is designed to minimize the total cost of ownership, delivering unmatched performance and safety. It has a four-ton payload and fits a 3.5 m x 3.5 m tunnel envelope.



ADVANCED EXPLOSIVES CHARGING, SCALING, AND ROCK BREAKING SOLUTIONS UNVEILED

At MINExpo 2024, Normet unveiled two machines specifically engineered for the unique requirements of the US aggregate mining industry. Both can be adapted for underground operations globally with a large tunnel profile. The **SCAMEC LC THOR 135 T** and the **CHARMEC LF 1105 DA** are engineered to elevate efficiency, safety and productivity.

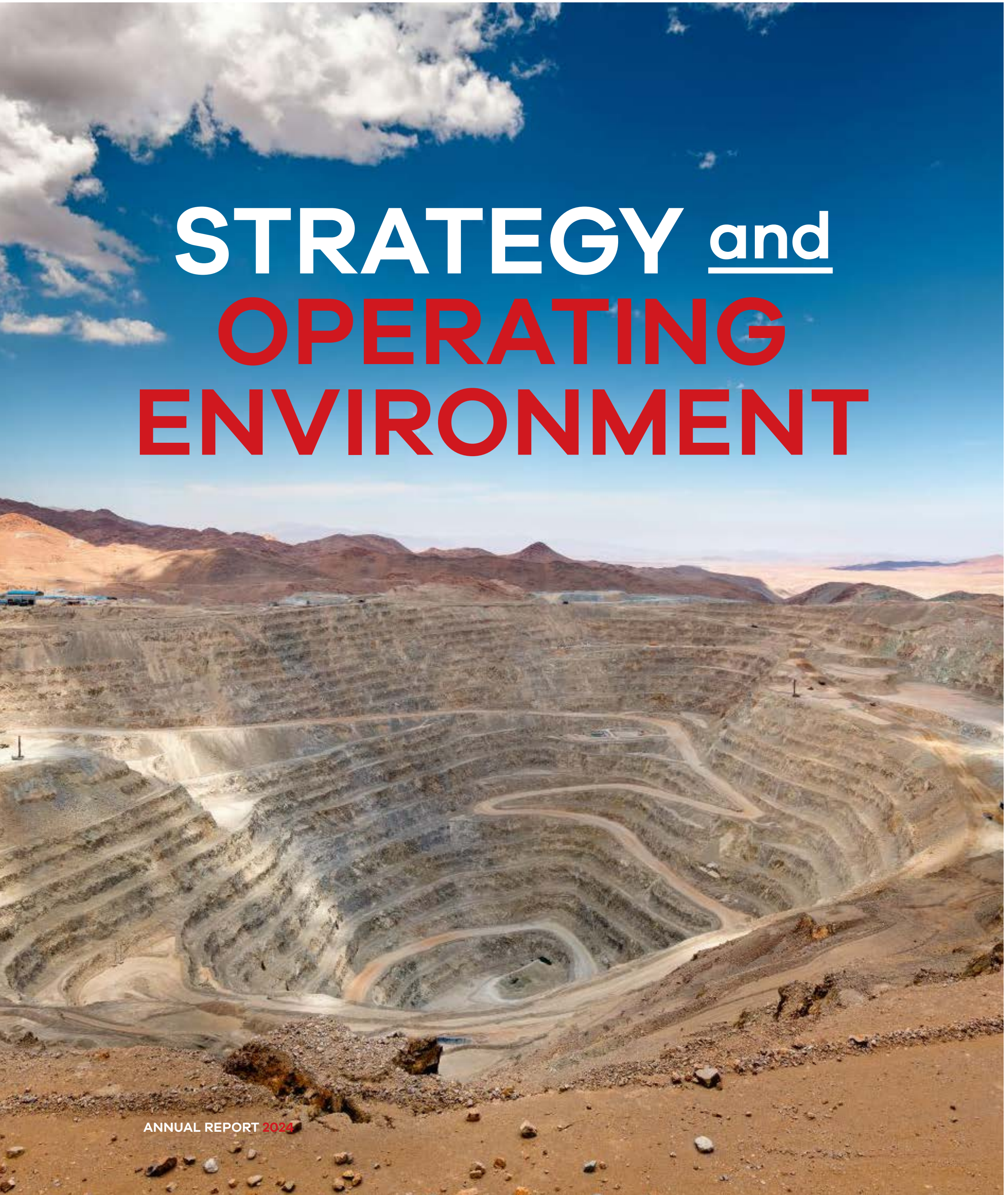
Normet also introduced **XQUICK**, a quick coupler system that marks a significant advancement in mining technology. This innovative system features automated, cabin-controlled tool changes, minimizing the need for manual labor and reducing the risk of injuries. Alongside the new coupler, Normet has expanded its **XROCK®** portfolio of tool attachments to meet the evolving needs of the mining industry, offering customers new and more efficient ways of working.

WE ARE THE FUTURE OF HAMMERING TECH

Normet has taken full ownership of **LEKATECH**, a pioneer in linear electric technology for hammering applications used in the mining, quarrying and construction industries.

The **LEKA TORAS 35**, launched in 2024, features tubular linear (permanent magnet) electric motor technology designed for harsh breaker hammer use. This revolutionary technology received recognition at the World Demolition Summit in November 2024, winning the Innovation Award for 'Tools & Attachments'.

STRATEGY and BUSINESS



STRATEGY and OPERATING ENVIRONMENT

INDUSTRY FUNDAMENTALS

Our strategy is based on the trends driving the mining, tunnelling and civil construction industries, including:

» **DEEPER MINES.** Declining ore grades mean mines are moving deeper, increasing the complexity and operational demands for safety, efficiency and sustainability.

» **SAFETY FIRST.** Across mining, tunnelling and civil construction, safety remains a top priority. Our industry is focused on reducing risks and eliminating high fatality rates.

» **TECHNOLOGICAL PROGRESS.** Automation and digitalization are improving processes and safety as well as overall efficiency and productivity.

» **THE GREEN ENERGY TRANSITION.** As decarbonization and electrification accelerate, the demand for minerals needed increases, which also creates new opportunities for sustainable mining practices.

We deliver value to our customers with solutions that help them to increase both the productivity and efficiency of their operations while also improving safety. As ore grades decline and mines go deeper, customers need technologies that help them navigate safety challenges, improve efficiency, and meet sustainability goals. Our value proposition supports this with innovative solutions for safer, cleaner and more profitable operations.

Electrification is key to advancing sustainability in our industry. And the key to electrification is innovative technology. Consider, for example, our Normet SmartDrive® modular battery-electric vehicle (BEV) architecture. Designed to optimize energy use, enhance performance in underground operations, and deliver zero local emissions, Normet SmartDrive® enables our customers to electrify their operations, reduce their environmental impact, remove harmful diesel emissions from underground and thereby contribute to achieving their sustainability targets.

The demand for tools for the mining and civil construction industries that are both efficient and sustainable is increasing. That is why we focus on developing innovative technologies that improve our customers' efficiency while reducing their overall environmental impact. By combining electrically powered equipment, such as our Normet SmartDrive® vehicles and XRock® breakers and boom systems, we help our customers improve their environmental and economic performance even more. In 2024, we strengthened our electrification capabilities by acquiring Lekatech Oy, a pioneer in linear electric technology for hammering applications used in the mining, quarrying and construction industries.

When it comes to running a safe mining operation, no detail is too small. Our latest development of OilQuick and Xquick, an automated coupler system for tool changes controlled from the cabin reduces injuries by decreasing manual labor and reduces potential for oil spills. Similarly, our Charmec Revo®, a remote-controlled robotic arm designed for explosives charging applications, improves operator safety and operational efficiency. This means removing the operator from the high exposure danger zone, meaning the unsupported area of the tunnel, like Charmec Revo® does. Normet people are committed to contributing to a safe working environment wherever we operate. This responsibility is expected rather than optional and is always appreciated by our customers and partners who see Normet as a leading company when it comes to safety culture and practices.

While electrification and automation are essential, achieving smarter operations requires a holistic approach. This is why we develop admixture and accelerator technologies that allow the use of low carbon cement, as well as advocate innovative tunnel designs. We are also enhancing our technological leadership through innovations in digitalization, fleet connectivity, analytics and automated spraying.

OUR STRATEGY FOR GROWTH 2024–2027

Normet's strategy serves our vision of building the safest places underground, and our strategic pillars provide focus and clarity. We build long-term relationships and develop solutions that maximize value for both customers and the environment, guided by our values (Caring, Committed and Courageous).

We are committed to defining the future of underground operations, enhancing safety and sustainability, innovating for improved performance, and establishing enduring partnerships. This supports Normet's value proposition.

While our strategy must be adaptable as the world changes, we also want to ensure that it is consistent with our vision. Accordingly, we stay true to our strategic pillars, which guide us and help to deliver results:

SAFETY AND SUSTAINABILITY. Underground is in our DNA, and we are dedicated to building the safest places underground. Sustainable operations are critical to our customers' success – and we can only succeed if they succeed. Our deep knowledge of customer processes – sprayed concrete, explosives charging, scaling and breaking, and more – enables us to help our customers achieve their sustainability targets and ambitions.

DELIVERING CUSTOMER VALUE. With operations in more than 30 countries and 90% of our sales made directly to end customers, we have a global presence that truly sets us apart. We can provide highly personal service to our customers whenever and wherever they need it thanks to strategically located service centers, a global network of technicians, and an efficient supply chain.

PROFITABLE GROWTH. We aim for organic growth and growth through acquisitions and partnerships. Partnerships can help us to extend our reach towards customers and share in specific areas of expertise that complement what we do. This can be in areas of technical expertise or local knowledge and geographical position.

TECHNOLOGY AND INNOVATION. We accelerate decarbonization in the industry through innovation, investments and partnerships while also aiming to reduce the carbon footprint of our operations and value chain. Our technological leadership is backed by one of the industry's leading portfolios, effectively addressing the diverse needs of our customers.

BEST PEOPLE DELIVERING LEADING BUSINESS PERFORMANCE. To deliver leading business performance, we aim to have the right people in the right places at the right time. Creating an inspirational and motivating workplace is key. We use careful planning to foster an inclusive and innovative workplace that values and leverages our employees' diversity and distinctive expertise. Leaders provide direction, support and development opportunities, empowering people to act.

Currently, around two-thirds of Normet's sales come from the aftermarket offering. As the Normet equipment fleet expands, the aftermarket sales growth is expected to continue exceeding the equipment sales growth. Key actions that help to capture untapped potential include, for instance, ensuring capabilities for proactive sales across geographical sales areas, covering a broader range of customer segments, data-driven sales leads, and internal training of our salesforce.

Our financial targets remained largely unchanged following the 2024 review process. By 2027, Normet aims to achieve an annual net sales growth of 10% and to increase EBITA margin to above 15% permanently.

DISCOVER OUR NORMET PEOPLE

ANTTI ANTTILA is CEO of Lekatech, a Finnish technology start-up company, fully acquired by Normet in 2024. The investment broadens our offering with a fully electric hammer for mining, quarrying and construction, while also strengthening our electrification capabilities. Anttila believes that increased cooperation provides significant opportunities for growth and development for both companies.

LEKATECH

www.normet.com/en/blog

OUR VALUES

CARING

We work as one to solve all challenges with a positive impact on our people, customers and the environment.

COMMITTED

We listen, understand, and are committed to delivering maximum value.

COURAGEOUS

We are passionate about high performance that generates a sustainable future.

STRATEGIC FOUNDATION

VISION

BUILDING THE SAFEST PLACES UNDERGROUND

VALUES

CARING // COMMITTED // COURAGEOUS

STRATEGY

VALUE PROPOSITION : DEFINING THE FUTURE UNDERGROUND

SECURING A SAFE AND SUSTAINABLE FUTURE // INNOVATING FOR PERFORMANCE // PARTNERING FOR LIFETIME VALUE

- SAFETY AND SUSTAINABILITY
- DELIVERING CUSTOMER VALUE
- PROFITABLE GROWTH
- TECHNOLOGY AND INNOVATION
- BEST PEOPLE DELIVERING LEADING BUSINESS PERFORMANCE

BUSINESSES

We provide a broad range of solutions to our customers in the mining, tunnelling and civil construction industries. We build and design underground equipment and applications, and provide aftermarket services, construction chemicals and rock support equipment and expertise to meet the needs of our customers worldwide.

WE HAVE THREE OPERATIONAL AND FINANCIAL REPORTING BUSINESS LINES:

EQUIPMENT. We offer solutions for concrete spraying and transportation, explosives charging, breaking, scaling, lifting, installation works and underground logistics to hundreds of mines and tunnel worksites around the world.

SERVICES. Through strategically located service centers, service technicians and an efficient supply chain, we provide support – anytime, anywhere. Our service offering consists of many different solutions providing a full range of services, from delivery of parts and training to fleet performance agreements.

GROUND CONTROL AND CONSTRUCTION TECHNOLOGIES (GCCT). We supply ground and rock support products and services, as well as construction chemicals.

These Business Lines operate in five Sales Areas. In 2024, Sales Areas were consolidated (from seven to five) to strengthen our customer-facing resources and capabilities in each region:

- **Europe, Eurasia and Africa (EEA)**
- **Latin America**
- **North America**
- **APAC**
- **Middle East and India**

Sales Areas are accountable for their orders and sales performance, profitability and capital efficiency. They contribute to implementing the Group's strategy through their own initiatives and efforts.

NET SALES BY SALES AREA

2024	MEUR	%
Europe, Eurasia and Africa	165	34
Latin America and North America	106	22
APAC, Middle East and India (incl. China)	210	44

OUR CUSTOMER INDUSTRIES

We serve a diverse range of customers in mining, tunnelling and construction. Approximately 80% of our customers operate in mining, with the remaining 20% in tunnelling and construction.

While our mining and tunnelling customers range from medium-sized to large corporations, our construction customers are mostly small- to medium-sized contractors and quarries. The business is project-based with a local focus.

ADVANCEMENTS IN TECHNOLOGY

Technology and innovation are in Normet's DNA. Our focus is on digitalization, electrification, process optimization and monitoring, automation and remote operation, as well as VR simulators and digital twins. With this in mind, we create innovative technologies that improve efficiency, productivity and safety for our customers, while also lowering carbon emissions, noise pollution and environmental impact. This allows us to contribute to a more sustainable future for our industry.

In 2024, we acquired Lekatech, a pioneer in linear electric technology for hammering applications used in the mining, quarrying and construction industries.

We invest in electrification and automation with products including Normet SmartDrive® modular battery-electric vehicle architecture, Charmec Revo®, a remote-controlled robotic arm, as well as our XRock® automated boom solution and electric drive technology to redefine productivity and operational safety. To support our expanding product portfolio for sustainable underground optimization and automation, we are developing innovative digital solutions such as connectivity, analytics and remote monitoring.

At our Centers of Excellence in Finland and India, we operate two R&D hubs focused on electrification, automation and digitalization, allowing us to stay ahead of the latest technological advancements.

RESEARCH AND DEVELOPMENT EXPENSES

	2024	2023	2022	2021	2020
Research and development expenses, Equipment, MEUR	13.4	11.2	9.5	6.9	3.8
Research and development expenses of net sales, %	2.8%	2.3%	2.2%	1.9%	1.2%

EQUIPMENT

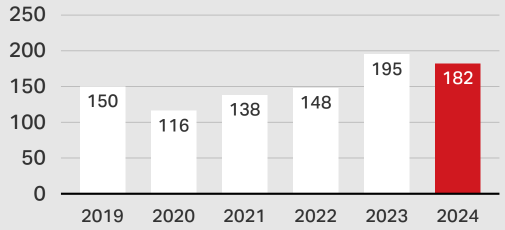
NORMET'S underground equipment is used in hundreds of mines and tunnel sites around the world. We work closely with our customers to develop equipment and technologies that meet and exceed even their most challenging requirements.

EXAMPLES

- CONCRETE SPRAYING
- CONCRETE TRANSPORTATION
- CHARGING
- SCALING
- LOGISTICS
- LIFTING AND INSTALLATIONS
- ROCK BREAKERS AND BOOM SYSTEMS
- HAMMERING

SHARE OF NET SALES / EMPLOYEES

NET SALES, MEUR



SERVICES

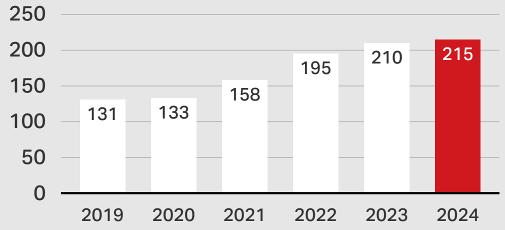
ENSURING that Normet equipment performs at the highest level requires extensive expertise and being located close to where our customers operate. We offer a wide range of innovative aftermarket solutions, including field services, software for automation and digitalization, remanufacturing of equipment and equipment rental agreements.

EXAMPLES

- FIELD SERVICES
- SPARE PARTS AND CONSUMABLES
- EQUIPMENT CONNECTIVITY, AUTOMATION AND OTHER DIGITAL SOLUTIONS
- TRAINING AND EXPERT SERVICES
- RENTAL SERVICES

SHARE OF NET SALES / EMPLOYEES

NET SALES, MEUR



GCCT

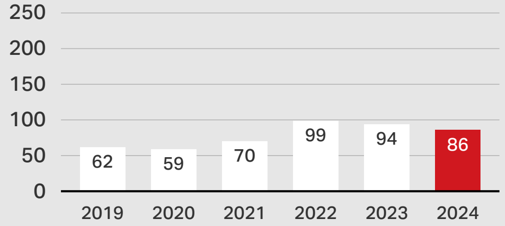
NORMET'S Ground Control and Construction Technologies (GCCT) business line supplies the underground mining, tunnelling and civil construction industries with construction chemicals and ground support equipment and expertise. Our solutions are constantly developed to meet industry needs safely and sustainably.

EXAMPLES

- DYNAMIC ROCK REINFORCEMENT
- GROUND CONTROL INJECTION RESINS
- ADMIXTURES AND ACCELERATORS FOR ALL TYPE OF CONCRETE AND SPRAYED CONCRETE
- TUNNEL BORING MACHINE LUBRICANTS
- TUNNELLING PROCESS TECHNICAL SUPPORT
- TUNNEL DESIGN ADVISORY SERVICES

SHARE OF NET SALES / EMPLOYEES

NET SALES, MEUR



SUSTAINABILITY at NORMET

OUR APPROACH to SUSTAINABILITY

Sustainability and safety is a key pillar in our strategy. For us, sustainability means addressing global issues such as climate change and resource scarcity, safeguarding people and culture, as well as ensuring good business conduct.

MANAGING SUSTAINABILITY

Normet's Board of Directors is the highest body to set the approach to sustainability as it outlines sustainability guiding principles and approves policies. The Board approves the non-financial information as part of the Directors' Report. It monitors and evaluates Normet's risk management processes, including assessment of sustainability risks and impacts. The Board regularly reviews compliance requirements and updates on the progress of practices related to sustainability. In 2024, the Board also focused on various sustainability-driven innovations and investments during the year.

The President and CEO is responsible for ensuring that sustainability remains a strategic priority and, together with the Normet Leadership Team (NLT) and Extended Leadership Team (ENLT), is responsible for monitoring sustainability performance as well as setting and reviewing sustainability targets. The NLT and ENLT adopt and deploy Normet's internal control principles and risk management procedures.

Business Lines and facilities are responsible for their specific targets and most material topics have nominated owners who prepare action plans, oversee their implementation, and report on progress made.

The sustainability function is responsible for providing necessary guidance to the NLT and ENLT, Business Lines and material topic owners, identifying development needs, managing sustainability reporting, and preparing instructions. The function collaborates with occupational health and safety, human resources, legal and compliance, business line supply chain management, R&D, finance and other key areas.

Sustainability is managed through policies, management systems, training and practices in place for material topics. Detailed information is included in the Environment responsibility, Social responsibility and Governance sections on pages 25, 28 and 33.

MATERIALITY ANALYSIS AND KEY SUSTAINABILITY TOPICS

Our sustainability materiality analysis highlights the topics Normet has a significant impact on or which have a significant impact on the company. In 2024, we conducted our first Double Materiality Assessment ("DMA") with a third party in line with the guidance from the European Union Corporate Sustainability Reporting Directive (CSRD). Normet is mandated to report according to the CSRD and associated European Sustainability Reporting Standards (ESRS) from 2025 (based on information available on March 1, 2025). As part of the DMA, we considered both impact materiality, such as our impacts on people and environment and financial materiality, i.e. sustainability-related risks and opportunities likely to have financial implications for Normet. The process included document analysis, workshops and stakeholder interviews, as well as our own risk mapping, based on which the current and potential impacts were identified and their significance assessed.

Impacts were identified mainly through internal assessments which engaged different functions within Normet, including senior management, sustainability, safety, legal and compliance, human resources, risk management and finance, alongside interviews with external stakeholders –customers, suppliers, industry peers and financiers. The significance of each impact was assessed by their severity, which was determined by their scope, scale, irremediability and likelihood. After prioritizing the impacts, risks and opportunities, the most significant topics were selected as material to Normet. Based on the DMA we will revise our sustainability approach and priorities in 2025.

In 2025, additionally, we aim to begin developing a reporting manual and strengthening internal controls that support assurance of our reporting; initiate an EU taxonomy project to determine preliminary eligibility and create a plan for implementation of taxonomy key performance indicators, as well as conduct an assessment and selection of information technology systems to support sustainability disclosure and reporting. Defined material topics will be incorporated into our reporting from fiscal year 2025 in full.

DOUBLE MATERIALITY ASSESSMENT CONDUCTED IN 2024.

DISCOVER OUR NORMET PEOPLE

ELENA SOLJA is Head of Product at Remion, a Normet subsidiary. Her role involves researching, developing and implementing data-driven digital projects that improve the cost-efficiency and safety of underground projects around the world. Solja is helping to push the boundaries of digital applications underground, optimizing processes and connectivity through digital twins and data analysis.

REMION

www.normet.com/en/blog

KEY SUSTAINABILITY TOPICS

Topic	Sub-topic	Sub-sub-topic	Impact Materiality		Financial Materiality	
			Positive impact	Negative impact	Risk	Oppor-tunity
E1 Climate change	Climate change adaptation	Climate change adaptation			●	●
	Climate change mitigation	Climate change mitigation		●		●
	Energy	Energy		●	●	●
E2 Pollution	Pollution of water	Pollution of water		●		
	Pollution of soil	Pollution of soil		●		
	Substances of concern	Substances of concern		●		
E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change		●	●	
	Direct impact drivers of biodiversity loss	Land-use change, fresh water-use change and sea-use change		●		
	Direct impact drivers of biodiversity loss	Direct exploitation		●		
	Direct impact drivers of biodiversity loss	Pollution		●		
E5 Resource use and circular economy	Resource inflows, including resource use	Resource inflows, including resource use		●	●	●
	Resource outflows related to products and services	Resource outflows related to products and services		●	●	
	Waste	Waste				●
S1 Own workforce	Working conditions	Secure employment				●
	Working conditions	Social dialogue	●			
	Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	●			
	Working conditions	Collective bargaining, including rate of workers covered by collective agreements	●			
	Working conditions	Health and safety		●		
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value		●		
	Equal treatment and opportunities for all	Training and skills development			●	●
	Equal treatment and opportunities for all	Diversity				●
S2 Workers in the value chain	Working conditions	Social dialogue	●			
	Working conditions	Health and safety	●	●	●	●
	Other work-related rights	Child labor	●	●		
	Other work-related rights	Forced labor	●			
	Other work-related rights	Privacy		●		
S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts			●	
G1 Business conduct	Corporate culture	Corporate culture				●
	Corruption and bribery	Incidents			●	

[1] Materiality thresholds: Impact materiality was 2.35 and Financial materiality was 2.25.

COMMITTED TO THE UN SUSTAINABLE DEVELOPMENT GOALS

We want to advance our contribution to the sustainable development of societies, and in 2024 we affirmed our commitment to the United Nations Global Compact, the world's largest corporate sustainability initiative. As a member of the Global Compact, Normet is committed to the Sustainable Development Goals (SDGs) and the Global Compact's ten principles promoting human and labor rights, anti-corruption and environmental sustainability. We use this universal framework to further guide our sustainability initiatives.

We have identified four key UN SDGs which are the most significant for us and to which we actively contribute to. Detailed information on our contribution is included in the Environment responsibility, Social responsibility and Governance sections on pages 25, 28 and 33.

- **3 – Good health and well-being**
- **9 – Industry, innovation and infrastructure**
- **12 – Responsible consumption and production**
- **13 – Climate action**

ENGAGING WITH STAKEHOLDERS

Engagement with key stakeholders and responding to their expectations is key to delivering on our sustainability agenda. Engagement should create value for all parties involved, and is focused on exchanging information, building long-lasting relationships, and contributing to society as a whole. Our key stakeholders are our employees, customers, suppliers, industry, financiers, as well as local communities and wider society. Interaction happens across different platforms and forums, such as joint industry initiatives, national and international conferences and seminars, and by participating or holding memberships in associations that are key to us.

A selection of the key industry organizations and initiatives that we were involved in during 2024:

- SubSpace Energy Hub
- International Tunnelling Association
- Australian Shotcrete Society
- Australian Tunnelling Society
- Concrete Institute of Australia
- Australasian Institute of Mining and Metallurgy
- Australian Centre for Geomechanics
- Sprayed Concrete Association (UK)
- British Tunnelling Society
- Finnish Tunnelling Association
- Supply Chain Sustainability School (UK)
- EFNARC
- Society for Mining, Metallurgy & Exploration (USA)
- Nevada Mining Association
- American Shotcrete Association
- Canadian Institute of Mining, Metallurgy and Petroleum
- Tunnelling Association of India
- SIX, Sustainable Industry X

Detailed information about stakeholder expectations and requirements, our collaboration with stakeholders, channels and how collaboration is assessed are included in the table on the next page.

STAKEHOLDER ENGAGEMENT

Stakeholder	Expectations and requirements	Key collaboration	Channels	Assessment
EMPLOYEES	» Current and future employees increasingly value working in a company with high sustainability standards » Place high expectations on occupational safety and good working conditions	» A safe workplace is the first priority for every Normet employee, and we strive for zero accidents. We build a culture of responsible safety, because tunnels and mines are places where there is no room for error	» Internal events, communication channels and daily interaction » People In Focus development discussions » Town hall meetings » Training » Occupational health and safety committees	» Employee Engagement Survey
CUSTOMERS	» Meet tightening compliance requirements and support customers in reducing carbon emissions across their value chains » Expect strong due diligence processes to address human rights risks in the value chain » Set the bar high for safety underground » Require high standards for product safety and responsible use of chemicals	» Continuous development and introduction of new sustainable and safe solutions for mining and tunnelling. We aim to help our customers meet their sustainable development goals in reducing carbon emissions and minimizing noise pollution and harm to the environment » Our approach to tunnelling to be seen as the industry benchmark bringing end-to-end solutions for a low carbon, high efficiency sprayed concrete process and optimized tunnel designs	» Regular meetings » Joint projects » Trade fairs » Workshops, events and seminars » Dedicated marketing » Normet.com, social media channels	» Customer satisfaction survey
SUPPLIERS	» Participation in sustainable development and engage closely to provide guidance, and share information and knowledge	» Continuous collaboration	» Engagement with suppliers on supplier performance Supplier Days » Regular information letters to critical suppliers	» Supplier audits and assessments
INDUSTRY	» Tightening compliance requirements and changing operating environment calls for systematic sustainability management » Recognizes sustainability as an increasingly critical factor for competitive advantage	» We are committed to exceeding industry standards » We are committed to extending the life of used resources to enable a more efficient use of materials » We will optimize processes to improve: our energy efficiency; reduce the amount of cement in production; the carbon footprint of tunnelling and mining projects	» Regular contact with trade and industrial associations » Meetings, seminars, conferences and other events	» Internal review of memberships
FINANCIERS	» Assumes systematic sustainability management and target setting; meet or exceed compliance requirements e.g. CSRD and EU taxonomy	» Continuous collaboration	» One-on-one and group meetings » Press releases » Annual and interim reports	» Feedback
COMMUNITIES AND THE WIDER SOCIETY	» Meet or exceed compliance requirements » Address climate change and promote healthier societies	» We aim to drive or participate in community sustainability projects that cover training, innovations, and health and safety areas to ensure a cleaner, healthier and safer community environment	» Local initiatives » Thesis and dissertation support as well as internships » Events, seminars and lectures » Sponsorships	» Feedback from collaborative partners, and from student and research projects

ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL MANAGEMENT

Normet's operations are guided by Normet's Health, Safety, Environment, and Quality (HSEQ) policy which contains directives to minimize negative environmental impact and optimize the use of natural resources. All our facilities operate within the framework of site-specific environmental permits issued by local authorities.

Normet complies with the ISO 14001 environmental management standard. At the end of 2024, nine of our largest facilities representing 26% of sites, were operating with a certified ISO 14001 management system in place. This covers 60% of our equipment manufacturing facilities. Our ten smaller facilities, covering 29% of sites, follow an internal environmental management system based on ISO 14001. This promotes environmental protection and allows the reduction of adverse impacts to be carried out on a wide front.

MINIMIZING CARBON EMISSIONS

The total energy consumption includes the electricity, heat and fuels used in our facilities.

In 2024, the total use of energy in Normet's operations was 11,063 GWh (2023: 12,947 GWh) and the share of renewable energy was 41% (2023: 40%). For Normet, energy reduction opportunities are continuously assessed at the country or facility level and relate largely to the reduction of used electricity. The opportunity assessments include the purchase of green electricity, utilization of solar power at our sites, and the feasibility of using electric heat pumps for heating purposes instead of natural gas.

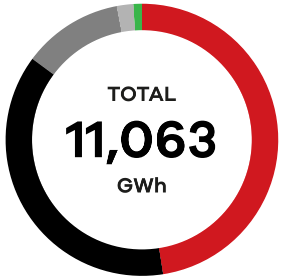
Normet's direct emissions from fuel combustion in owned or controlled boilers, furnaces and vehicles (Scope 1) were 490 tCO_2eq (2023: 400 tCO_2eq) and the indirect emissions from purchased energy (Scope 2, market-based) were 2,000 tCO_2eq (2023: 2,100 tCO_2eq).

When looking at the entire organizational carbon footprint, the majority (>95%) of Normet's emissions arise from the value chain i.e. Scope 3 categories. The greenhouse gas (GHG) emissions from Normet's own operations arise mainly from the use of purchased electricity. In total, 45% (2023: 43%) of purchased electricity and district heating was from renewable sources.

Theme	KPI	2024[1]	2023	2022
MINIMISING HARM TO THE ENVIRONMENT	Greenhouse gas (GHG) emissions, Scope 1, tCO_2eq	490	400	334
	Greenhouse gas (GHG) emissions, Scope 2, market-based, tCO_2eq	2,000	2,100	1,400
	Greenhouse gas (GHG) emissions, Scope 2, location-based, tCO_2eq	1,900	2,000	2,100
	Total energy use, GWh	11,063	12,947	12,042
	Share of renewable energy, %	41%	40%	54%
	Total waste, tonnes	1,900	1,235	1,273
	Hazardous waste, tonnes	182	330	444
	Recycling rate, % (including energy recovery)	75%	75%	76%

[1] 2024 data excludes 2024 acquisition Lekatech Oy and sites: Chile Calama; Germany Lüdinghausen; Hong Kong New Territories; Kazakhstan Zhezkazgan; Mexico Zacatecas; Sweden Luleå and Zambia Kitwe.

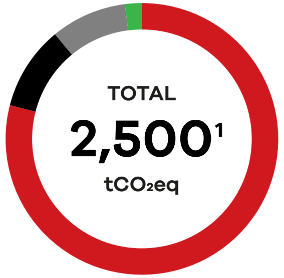
ENERGY CONSUMPTION BY SOURCE



- Electricity: **48%**
- District heating: **37%**
- Natural gas: **12%**
- Solar panels: **2%**
- Fossil fuels: **1%** (LFO, HFO, Diesel)*

* Consumption of own vehicle fuels not included.

GHG EMISSIONS FROM NORMET'S OPERATIONS



- Electricity: **79%**
- Natural gas: **10%**
- Fossil fuels: **9%** (LFO, HFO, Diesel)*
- District heating: **2%**

* Emissions from own vehicles included.

GREENHOUSE GAS (GHG) EMISSIONS

tCO_2eq	2024	2023	2022
Scope 1 direct emissions	490[1]	400[1,4]	334[1,4]
Scope 2 indirect emissions, market-based	2,000[2]	2,100	1,400
Scope 2 indirect emissions, location-based	1,900[3]	2,000	2,100

[1] For Scope 1 emissions, the emission factors are compliant with the fuel classification published by Statistics Finland (2024).

[2] Scope 2 GHG emissions of market-based electricity and heat are calculated by using supplier-specific emission factors or country-specific residual mix factors. If supplier-specific or residual mix factors have not been available, the location-based factor is used. This applies to the following sites: Brazil, Canada, Chile, Peru, India, Mongolia and South Africa.

[3] Scope 2 GHG emissions of location-based are calculated by using country-specific emission factors: The National Greenhouse Accounts (NGA) Factors 2024, Australian Government; Association of Issuing Bodies (AIB) 2024; Climate Transparency (2022); The International Renewable Energy Agency (IRENA) 2023; Department of Environment and Climate Change 2024, Canada; Bureau of energy, Ministry of Economic Affairs 2024, Taiwan and United States Environmental Protection Agency (EPA) 2025.

[4] Scope 1 emissions from own vehicles not included.

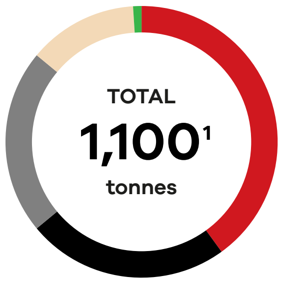
MANAGING WASTE RESPONSIBLY

Normet's operations generate various types of waste. These are divided into two main categories: hazardous and non-hazardous waste. Hazardous wastes include solvents, solvent mixtures, waste paints, varnish, hydraulic oils and oily wastes. Non-hazardous wastes include mixed municipal waste, wood scrap, metals, plastics, biowaste and cardboard.

The main sorting categories are waste for reuse, for recycling, for incineration, and for landfills. Waste management at our facilities is organized according to local waste handling requirements. In 2024, the total amount of waste generated in Normet's own operations was 1,900 tonnes (2023: 1,235 tonnes), of which 75% was recycled or used as energy (2023: 75%).

As part of the mitigation of negative environmental impacts, Normet aims to implement stricter approaches to recycling and waste management than mandated by local legislation.

TOTAL WASTE BY DISPOSAL METHOD



- Recycling: **41%**
- Landfill: **24%**
- Incineration with energy recovery: **22%**
- Preparation for reuse: **13%**
- Incineration without energy recovery: **1%**

WASTE AND RECYCLING

tonnes	2024[1]	2023	2023
Non-hazardous waste			
Reuse	145	195	242
Recycling	443	191	327
Incineration with energy recovery	216	281	53
Incineration without energy recovery	5	71	31
Landfill	213	160	174
Hazardous waste			
Reuse	6	29	22
Recycling	17	221	312
Incineration with energy recovery	32	5	10
Incineration without energy recovery	2	21	42
Landfill	59	51	56
Total waste generated[2]	1,900	1,235	1,273
Recycling rate (incl. energy recovery)	75%	75%	76%

[1] Data includes waste data reported per treatment. Waste figures without disposal information not reported.

[2] Includes total waste generated by sites.

Normet's equipment manufacturing facility and service center in Iisalmi, Finland

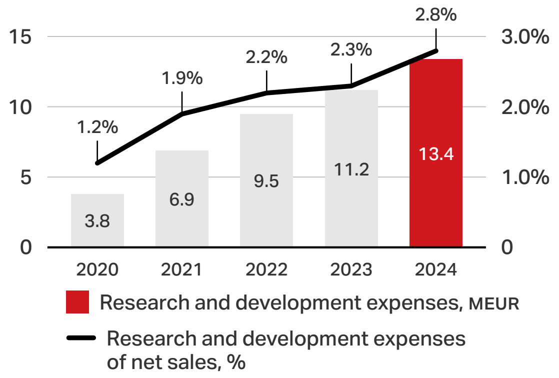
INNOVATIONS, TECHNOLOGY DEVELOPMENT AND COLLABORATION TO SUPPORT A SUSTAINABLE FUTURE

Technology and innovation are in Normet's DNA. Our focus is on digitalization, electrification, process optimization and monitoring, automation and remote operation, as well as VR simulators and digital twins. With this in mind, we create innovative technologies that improve efficiency, productivity and safety for our customers, while also lowering carbon emissions, noise pollution and environmental impact. This allows us to contribute to a more sustainable future for our industry.

Our R&D spending has steadily increased over the years. We have invested in electrification and automation with products including Normet SmartDrive® modular battery-electric vehicle architecture, Charmec Revo®, a remote-controlled robotic arm, as well as our electric drive technology and XRock®automated boom solution to redefine productivity and operational safety. To support our expanding product portfolio for sustainable underground optimization and automation, we are developing innovative digital solutions such as connectivity, analytics and remote monitoring.

We aim to extend the life of used resources to enable a more efficient use of materials. We will optimize processes to improve our energy efficiency, reduce the amount of cement in production, as well as the carbon footprint of tunnelling and mining projects. In addition to our Normet equipment, we offer a wide range of innovative aftermarket solutions, including spare parts and consumables, field service, equipment connectivity, automation and other digital solutions, remanufacturing of equipment, training solutions, and equipment rental agreements. Through these services, Normet maximizes material efficiency, extending the lifespan of equipment for reduced environmental impact, and minimizes material loss.

RESEARCH AND DEVELOPMENT EXPENSES



PEOPLE

Everyone at Normet is encouraged to shine. We are building an environment that enables everyone to enjoy their work, do their best and give support to others. At the foundation of our culture are our values (Caring, Committed and Courageous), our Leadership Principles, and great employee engagement.

Theme	KPI	2024	2023	2022
IMPROVING SAFETY	Lost Time Injury Frequency rate (LTIFR)[1]	2.5	3.5	4.9
	Total Recordable Injury Frequency rate (TRIFR)[1]	6.8	8.2	9.6
	Total safety observations[2]	49,246	38,900	No data

[1] Calculated per 1,000,000 hours worked; rolling 12 months. 2024 excludes 2024 acquisition Lekatech Oy.
[2] Normet has reached an acceptable level in the observations and has set a target to focus more on improving the quality of submitted observations.

In our industry safety is a top priority. Tunnels, mines and construction sites are places where there is no room for error. To ensure safety in work environments, we strive for zero injuries through building a positive safety culture.

Our people consist of more than 1,800 professionals from different fields, ranging from engineering and R&D to field service and technical support and equipment manufacturing and sales operations, and more.

TAPPING INTO UNIQUENESS, RESILIENCE AND SCALABILITY

Our people strategy 2024–2027 is structured under three pillars that fuel our people-related ambitions.

- **UNIQUENESS** is about Normet's culture and values, and how we make these visible both internally and externally. As part of this, developing our strategic competencies differentiates us in the industry and delivers new opportunities.
- **RESILIENCE** means knowing our skills and planning ahead by putting structures in place that enable us to have the right people in the right places at the right time.
- **SCALABILITY** looks at our ways of working. We rely on real data to gain insights into where we are currently and develop the processes that will allow us to grow more efficiently.

Normet assumes the annual People in Focus (PIF) process to guide and document discussions and plans for Normet employee performance and development. In 2024, 73% (1,331 employees) of employees were covered by the PIF process (2023: 1,275 persons accounting for 70% of employees). PIF conversations provide an opportunity for feedback, setting mutually agreed goals, and growth – empowering our people and helping them to recognize opportunities for further development.

We value good leadership, and our leaders play a key role in building our performance culture. In 2024, we kicked off a project to refine our Leadership Principles, which are the foundation of what is expected of our leaders. This work will be completed in 2025. We also continue to invest in our leaders. In 2024, however, due to operational efficiency measures Normet Leader and a few other key Group-wide training programs, dedicated to fostering distinctiveness within our leadership culture, plateaued temporarily.

Continuous learning and development are key to employee engagement and turnover. Normet utilizes a 70-20-10 model which means that 70% of learning takes place on the job, 20% through drawing on the knowledge of others in the workplace, and 10% stems from structured, most often instructor-led, training.

DISCOVER OUR NORMET PEOPLE

JUHA TUOMINEN, CIO at Normet, is responsible for steering the company's entire IT strategy. Amongst other projects, he is heavily involved in the creation of the Smart365 concept, implementing a range of IT solutions to help ensure long-term, global success.

www.normet.com/en/blog

In 2024, our Group-wide competence development platform Workday hosted 121 mandatory and voluntary e-Learning courses (2023: 95 courses) that covered compliance, ICT, safety and sustainability, among others. Altogether around 5,140 courses were completed by the end of 2024 (2023: 6,220).

In 2024, we rolled out an extensive cybersecurity awareness training program to all employees. The program's completion rate was 80%. We also invested in practical system administration and user training to ensure smooth adoption of several new information systems deployed across the Group. Over 600 employees participated in 94 different Smart365-related learning courses, organized as 187 training sessions.

2024 also saw the continuation of Normet Jumpstart, an e-Learning program that gives employees the opportunity to learn the basics of our products and technologies. In the program, our topic experts host 15 webinars deep diving into key process excellence areas in sprayed concrete, charging, scaling, breaking and lifting, among others. In 2024, we had a record number of participants with almost 150 employees from 15 different operating countries participating. Another notable training initiative was the launch of the Fundamentals of Diversity, Equity and Inclusion (DEI) e-Learning course open to all employees – helping to further embed DEI into our culture. In 2024 the gender representation for Normet employees was 85% men and 15% women (2023: men 84% and women 16%).

Safety training plays a key role in developing our positive safety culture. For non-production employees the Safety Training e-Learning course is provided as a part of the Group-wide induction process. In 2024, 89% of our non-production employees had completed this basic safety course (2023: 90%). For our production employees, we conduct ongoing safety training locally to maintain and improve our culture of safety.

RESPECTING HUMAN RIGHTS

We care for our employees, business partners and other stakeholders throughout our value chain. As stated in our Code of Conduct, we respect human and employee rights, as defined in the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work, of everyone working at and for Normet.

We promote human and labor rights as a signatory member of the UN Global Compact Initiative. We respect the right of employees to establish and to join organizations to collectively promote and defend their respective interests and to negotiate. We do not participate in or approve of any forms of child labor, forced labor or any form of modern slavery in our operations and operations within our value chain.

LISTENING TO FEEDBACK

Our employee engagement survey is a key means of receiving feedback from our people along with PIF. In 2024, we launched a new survey WeCare, which is conducted quarterly (twice a year for production employees due to survey access limitations). Through the anonymous surveys, employees are encouraged to share their views on the company strategy, their own work and the working environment. From 2024 onwards we use the Employee Net Promoter Score (eNPS) to track our employees' engagement. After each survey, the results are analyzed, and teams discuss the results, acknowledging and building on strengths, and making plans for any corrective actions. In 2024, one key action based on the 2023 survey was the launch of a Group-wide "Get in touch" channel, a low threshold channel for employees to reach senior leaders with any feedback, input or ideas important enough to share. At the end of 2024 the response rate was 86% (2023: 80%) and our eNPS score was 24, which is slightly below the benchmark yet on a good level.

SAFETY IS A FIRST PRIORITY

In developing a positive safety culture, we continue to strengthen our safety mindset, increase safety awareness, as well as adhere to policies and develop effective safety management systems and practices.

Normet's occupational health and safety principles are defined in our Health, Safety, Environment, and Quality (HSEQ) policy, which are:

- **All injuries are preventable**
- **Everyone has the right to be safe at work and challenge unsafe behavior and conditions**
- **Everyone is involved in improving safety**
- **Follow safety rules and instructions and wear protective gear as required**
- **Bullying and harassment is not tolerated**
- **Inform and report any incidents**
- **Good housekeeping is an expectation**

Our facilities are required to have management systems in place that conform to the HSEQ policy. At the end of 2024 nine of our largest facilities representing approximately 42% of Normet employees and 26% of sites were operating with a certified ISO 45001 occupational health and safety management system in place. Our ten smaller facilities, covering 29% of sites, follow an internal health and safety management system based on ISO 45001, and another Normet management system is in use in 16 facilities, covering 45% of sites.

We have a comprehensive safety agenda, and we take continuous actions to improve the safety of all our employees, partners, customers, suppliers and other stakeholders. In 2024 we continued work on the detailed health and safety requirements for our Business Lines and Sales Areas using our Life-Saving Rules as a foundation, launched in 2020.

Normet's Life-Saving Rules are designed to prevent fatalities and severe incidences, especially in hazardous underground environments. The rules consist of the nine most common risks that could cause fatal injuries:

1. **Energy and machinery isolation**
2. **Driving safety**
3. **Working with high voltage**
4. **Handling and storing chemicals**
5. **Fire safety**
6. **Lifting**
7. **Mechanical hazards**
8. **Underground safety**
9. **Working at heights**

We apply a risk-based approach to managing health and safety hazards. Our managers are responsible for following health and safety policies and procedures, identifying hazards, supervising that safe working practices are followed and implementing control measures, as well as reporting and investigating all work-related incidents and accidents. Similarly, employees are required to conduct themselves in a safe manner, remove themselves from work if there is an imminent danger to the health or life of him/herself or others, and are encouraged to report all potential work-related incidents and risks promptly.

Normet assumes root cause analysis procedures for incidents and severe near-miss cases. This root cause process consists of clarifying what happened, deciding upon and implementing preventive and corrective actions, and following up on those actions. Facilities systematically implement safety reviews and audits and share lessons from incidents and near misses. Additionally, monthly safety performance reporting for all employees improves transparency and further improves our safety mindset.

Employee participation and consultation ensures the successful implementation of our health and safety management system and practices. At most facilities, Normet has local health and safety committees with representation from management, health and safety professionals, and employees, which provide excellent forums for local dialogue. The committees review injuries, near-misses and any outstanding corrective actions. The committees also make proposals regarding the organization of occupational health and safety training, work guidance and induction, and participation in activities that contribute to maintaining employees' ability to work. In 2024, we kicked off a global safety committee with safety managers from all our facilities and operating countries. The aim of the committee is to improve visibility and share best practices across the organization.

MOST IMPORTANT SAFETY ACTIONS IN 2024

- ESTABLISHED A GLOBAL SAFETY COMMITTEE
- REFOCUS ON LIFE-SAVING RULES
- TRAVEL AND SECURITY RISK IDENTIFICATION
- STRENGTHENING SAFETY AWARENESS OF BATTERY-ELECTRIC VEHICLES UNDERGROUND, AND FIRE HAZARD UNDERGROUND
- TARGETED INJURY PREVENTION CAMPAIGNS, FOR EXAMPLE, ON CHEMICAL HANDLING AND ROAD SAFETY

BUILDING THE SAFEST PLACES UNDERGROUND

Our customers operate in a safety-critical industry. By designing our products so that they can be operated in a safe way and by servicing customers with a high-safety focus, we can improve the safety of our customers – solutions for autonomous operations and remote control, mechanized equipment and battery driven solutions, to name a few. In doing so our high safety focus can bring new business opportunities as well.

We carry out regular and systematic product safety and quality inspections at our equipment manufacturing facilities. We have a clear process where product-related safety and quality concerns are reported, and how corrective and preventive actions are implemented. At the end of 2024, 31% of sites had the ISO 9001 management system in place.

STANDARDISED, LOCALLY DRIVEN OCCUPATIONAL HEALTH SERVICES

We require all our facilities to conduct occupational health risk assessments covering all activities. Normet employees working in customer worksites follow Normet's occupational health practices. The occupational health services that Normet provides are contracted locally and facilities have contracts with a nearby health service center. Because they are delivered locally, non-occupational health services may vary. Our facilities tailor voluntary health promotion campaigns and programs for employees to promote non-work-related health and wellbeing such as access to flu vaccinations and sports, culture, and fitness benefits.

IMPROVING SAFETY PERFORMANCE

We track three priority metrics: Lost Time Injury Frequency rate (LTIFR), Total Recordable Injury Frequency rate (TRIFR) and the number of safety observations. The most common types of work-related injuries in our operations are hand and finger cuts and pinches, manual overloading, and hitting a body part against a solid structure. We believe that early prevention reduces risks and the possibility of harm, and our safety actions address this. In 2024 we continued to eliminate the causes of hand injuries by further developing our production processes, replacing manual hammering with pulling tools, and introducing new cut protection gloves across our manufacturing facilities.

We concluded 2024 with a Lost Time Injury Frequency rate of 2.5 (2023: 3.5) and are on a good trajectory to achieve the <1.5 target, which has been determined after evaluating benchmarking data coming from peer's organizations. The TRIFR target ambition is to achieve <3.5, and in 2024 our Total Recordable Incident Frequency rate was 6.8 (2023: 8.2). We are on the right track towards a bigger objective to realize zero harm.

We believe that collecting near-miss reports reinforces a culture that seeks to identify and control work-related hazards, which over time will reduce risks and the possibility of harm. The total number of safety observations means that each employee had on average submitted approximately 1.74 safety observations per month in 2024.

EMPLOYEE DATA

WORKFORCE

	2024	2023	2022
Normet employees	1,818	1,821	1,734
Workers not Normet employees - Contingent labor[1]	583	598	545
Total	2,401	2,419	2,279

Employee data reported as at 31 December 2024, and includes 2024 acquisition Lekatech Oy.

[1] Workers who are not employees and whose work is controlled by the organization e.g., contractual workers/external workforce.

NORMET EMPLOYEES BY EMPLOYEE CATEGORY

	2024	2023	2022
Production	345	378	366
Non-production	1,473	1,432	1,371

NORMET EMPLOYEES BY EMPLOYMENT CONTRACT TYPE

	2024	2023	2022
Permanent	1,646	1,670	1,567
Temporary	172	151	167

NORMET EMPLOYEES BY TIME TYPE

	2024	2023	2022
Full-time	1,793	1,786	1,708
Part-time	25	35	26

NORMET EMPLOYEES NET GROWTH

	2024	2023	2022
Employees net growth	-3	87	111

NORMET EMPLOYEES BY BUSINESS LINE

	2024	2023	2022
Equipment	614	611	569
Services	789	809	775
GCCT	222	221	217
Functions	193	180	173

NORMET EMPLOYEES BY GEOGRAPHICAL AREA (NORMET SALES AREA)

	2024
APAC	257
Middle East and India	975
Europe, Eurasia and Africa	324
North America	63
Latin America	210

NORMET EMPLOYEES BY AGE

	2024
Under 30 years old	396
30-50 years old	1,129
Over 50 years old	293
Total	1,818

NORMET EMPLOYEE TURNOVER

	2024
Rate of Normet employee turnover	11%

COMPOSITION OF GOVERNANCE BODIES (BY GENDER)

	Male	Female
Board of Directors[1]	6 (2023: 5)	1 (2023: 0)
Normet Leadership Team	8 (2023: 15)	1 (2023: 1)
Extended Leadership Team[2]	5	1
Total	19 (2023: 20)	3 (2023: 1)

[1] Including deputy member of the Board.
[2] Normet Extended Leadership Team established in 2024.

NORMET EMPLOYEES (BY GENDER)

	2024	2023
Male	1,538	1,531
Female	279	290
Total	1,818	1,821

NUMBER OF NORMET EMPLOYEES BY EMPLOYMENT CONTRACT TYPE AND GENDER

	Permanent	Temporary
Male	1,382 (2023: 1,404)	157 (2023: 127)
Female	264 (2023: 266)	15 (2023: 24)
Total	1,646 (2023: 1,670)	172 (2023: 151)

NUMBER OF NORMET EMPLOYEES BY TIME TYPE AND GENDER

	Full-time	Part-time
Male	1,524 (2023: 1,509)	15 (2023: 22)
Female	269 (2023: 277)	10 (2023: 13)
Total	1,793 (2023: 1,786)	25 (2023: 35)

COLLECTIVE BARGAINING AGREEMENTS

	2024
Total employees covered by collective bargaining agreements	38%

SUSTAINABLE GOVERNANCE
(SUSTAINABILITY)

For us, business conduct is about maintaining the highest regulatory and ethical compliance across our operations, including in relation to human rights, anti-corruption, bribery, tax compliance, trade compliance, supplier management and fair competition in line with our Code of Conduct. It further includes managing sustainability in the supply chain, as well as handling personal data of customers, suppliers and other stakeholders with care and respect. We manage governance and other sustainability topics through Group-level policies, systems, training and practices. They add to the obligations outlined in applicable laws, which all Normet employees and contingent workers must follow. We expect our suppliers and other stakeholders to follow similar regulatory and ethical standards as we do.

GROUP POLICIES FOR GOOD GOVERNANCE

We respect human and employee rights, as defined in the Universal Declaration of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work, of everyone working at and for Normet. We promote human and labor rights as a signatory member of the UN Global Compact Initiative, and the company is committed to its ten principles on human and labor rights, anti-corruption and environmental sustainability.

We are committed to complying with applicable legislation in our operations across all the Normet Group companies. We have developed policies and processes to ensure good governance. They cover internal controls and management processes. The key governance and compliance policies are:

» **THE APPROVAL POLICY** aims to ensure Normet's operations are efficient while maintaining the financial integrity of its Group companies. This requires good governance and careful delegation of authority. The Approval Policy includes governance guidelines such as authorization management. It also specifies rules and controls for external commitments.

» **SUBSIDIARY GOVERNANCE INSTRUCTION** contains harmonized instructions for Normet Group's subsidiary governance. Its goal is to establish adequate oversight, manage risks, and promote transparency and compliance among Normet Group's companies.

» **CODE OF CONDUCT (CoC)** outlines the fundamental principles and practical guidelines for all Normet employees. The CoC addresses a wide range of issues, including conflicts of interest, corruption, health, safety, fair competition, human rights and sustainability.

» **THE ANTI-CORRUPTION POLICY** supplements the CoC in combating and detecting corruption. Normet is fully dedicated to stopping corruption and complies with all anti-corruption treaties and laws in the countries where it operates.

Other important policies on governance and compliance are Normet's Trade Compliance Policy, Data Privacy Policies, Information Security Policy, Contract Management Policy, Health, Safety, Environment and Quality (HSEQ) Policy, Supplier Code of Conduct (SCoC) and Purchasing Policy.

MAINTAINING THE HIGHEST REGULATORY AND ETHICAL COMPLIANCE

We are committed - Code of Conduct (CoC) compliance, training and updates
In 2023, we launched an e-Learning refresher course on our CoC to further strengthen employees' understanding of good business practices and compliance awareness. In 2024, the total completion rate was 93% for non-production employees and 82% for all employees. Our goal is to achieve a 100% completion rate by 2025. By completing the training, our employees commit to our CoC.

In 2024, we decided to conduct biannual reviews of our e-Learning courses. As part of this initiative, we are going to expand and update our CoC, which has been in place since 2018. This will include a thorough review and any necessary updates to reflect changes in regulation and at the company's business. Once the updated CoC is complete, a new CoC e-Learning course will be implemented.

Implementation of internal controls and restructuring our legal framework
Normet worked towards strengthening governance by implementing internal controls and restructuring our legal framework. In 2022, we began to further tighten our internal controls, which consist of rules, processes and related controls that govern the operations of Normet Group subsidiaries. Internal controls hold subsidiaries accountable and require them to demonstrate compliance. Internal controls development continued across all entities in 2024, with ongoing follow-ups and audits, particularly in our Sales Areas, to ensure compliance.

In addition, we began restructuring our internal legal framework in 2024 to strengthen oversight and improve discipline at the subsidiary level. This ensures that each entity operates in a financially viable manner and meets local legal requirements.

Normet is also standardizing its governance practices. In 2023, we started by consolidating our main supply agreements into a single database. Besides this we strengthened our governance by reviewing the Approval Policy and authority matrix, improving internal communication of related policies, and by increasing transparency. In 2024, a key initiative was to integrate acquired companies into our Approval Matrix to standardize governance practices.

Speaking up
Speaking up is an integral part of doing the right thing – we can correct and learn only from the mistakes or misconduct that has been brought forward. All Normet employees are encouraged and expected to voice their concerns, in case they come across activities that breach the law or our ethical commitments presented in the Code of Conduct.

The primary means for reporting suspected misconduct incidents is via direct supervisors, or the Extended Leadership Team or other senior management. However, employees also have alternative reporting routes. These include an externally hosted whistleblowing channel, which allows reporting in key languages, or reporting directly to the Legal and Compliance function. If a suspected violation involves the senior management of Normet Group, or where the suspected case is believed to be significant, the Audit and Risk Committee of the Board can be contacted directly. The whistleblowing channel lets employees, suppliers, customers and other stakeholders report suspected crimes, misconduct, or violations of the CoC. All reported incidents are reviewed and investigated as relevant for the reported incident, and appropriate corrective actions are taken in line with our CoC. In 2024, similar to previous years, the majority of all reported incidents were grievance cases.

Additionally, during 2024, no material non-compliance with laws was found, nor were any fines or sanctions imposed on Normet.

Compliance with global sanctions
Normet follows global trade laws, in particular applicable economic sanctions. Consequently, we do not trade with any sanctioned customers, suppliers or other business partners. While sanctions against Russia have tightened, the company has taken appropriate additional control measures to ensure that Group remains fully compliant with the sanctions.

Normet decided to stop all its business activities in Russia in 2022 following the Russian invasion of Ukraine. Normet has a dormant legal entity in Russia, but does not sell to Russia nor have any active operations in Russia.

Lobbying and political engagement
Normet does not participate in political activities or support political parties. We are members of industrial associations, such as

the Confederation of Finnish Industries, which carry out lobbying on their own. Furthermore, we do not actively employ individuals from public administration, including regulators.

Advancing sustainability and ethical practices in the supply chain

Normet expects its suppliers to operate ethically and responsibly. To promote and enforce our ethical standards, we codified our principles of ethical business practices in our Supplier Code of Conduct (SCoC). The SCoC outlines our expectations for suppliers in terms of health, safety, human and labor rights, the environment, anti-corruption, conflicts of interest, and conflict minerals.

Our Purchasing Policy, which defines our requirements for all direct material and major indirect suppliers, also requires them to commit to our SCoC. Small indirect suppliers are exempt. Our Purchasing Policy covers procurement governance, supplier approval, purchase orders and duty segregation.

All direct material suppliers and the largest indirect suppliers must sign our SCoC or have their own CoC that meets the same or higher standards. By the end of 2024 61% of direct material suppliers to our biggest subsidiaries (based on spending) Normet Oy, Normet International, Normet Chile, and Normet India had met this requirement. Additionally, 64% of large indirect suppliers to Normet Group Oy and Normet Oy had done so.

We conduct both supplier assessments and audits to ensure our suppliers' alignment with Normet's policies and standards. The supplier assessments are targeted to potential new suppliers to evaluate critical aspects of their operations, including procurement practices and manufacturing processes, quality management as well as environmental, social and governance performance. In addition to assessments, Normet conducts supplier audits to further assess and monitor safety, human rights and environmental topics in the supply chain. The audits allow us to evaluate suppliers based on their ability to identify risks, opportunities and improvements. Currently, we only conduct selective audits of new and key existing suppliers.

Managing customer data with care and strengthening cybersecurity

To keep up industry standard hygiene related to cybersecurity and privacy, Normet is compliant with current legislation and manages personal and customer data with care. We have consistently improved our cybersecurity governance and operations models for securing personal and customer data. Together with all Business Lines and IT, cybersecurity is governed within a Normet wide forum. In 2024, we didn't have any substantiated complaints concerning breaches of privacy laws or losses of customer data.

Another key area for us is cybersecurity, and in 2024, we focused on redesigning our global data network and improving security posture. We have also taken steps to ensure that our operations are NIS2 compliant, affecting the entire Normet Group. With NIS2 cybersecurity regulations, we will also need to ensure that our suppliers meet these standards in the future.

RISKS AND RISK MANAGEMENT

Because Normet's business, like any other, has risks, we must ensure that we can execute our strategy, meet our financial targets, and prepare for potential hazards by maintaining a risk-aware culture and risk mitigation practices.

Our risk management approach identifies risks that could stop us from reaching our goals and determines whether they are acceptable. If not, we take steps to avoid, mitigate, transfer or monitor them. When possible, we try to turn risks into opportunities.

MANAGING RISKS

Normet's Board of Directors are responsible for overseeing the company's risk profile, reviewing the most important risks, and supervising the annual enterprise risk management process. The President and CEO, along with the Normet Leadership Team and Extended Leadership Team, are responsible for establishing a risk-aware culture and integrating risk management across Business Lines and Sales Areas.

The leadership team reviews the Group's risk profile, identifying potential risks, determining which are relevant and most critical, and developing mitigation plans by a defined process, providing guidance and setting priorities as needed to ensure the sufficiency of risk management measures. Our Business Lines and Sales Areas are responsible for carrying out their strategies and meeting their operational and financial targets. Similarly, they and their management teams are responsible for implementing risk management actions.

RISK CATEGORIES AND DESCRIPTIONS

We categorize risks into three types: strategic, operational and financial. Our approach to risk identification is fact-based. We want to quantify risk to make rational management decisions. Before implementing mitigation plans, we evaluate identified risks based on their likelihood, financial impact, and level of risk treatment.

Competition
Competitors may improve their offering and geographical reach faster than Normet can respond. This can lead to significant gaps in our support or offering. Additionally, Normet might be slow to develop and launch new technologies, such as in electrification, automation and remote operation, as well as process optimization and monitoring. To mitigate these risks, we will continuously analyze our market, develop portfolio strategies, and create competitive solutions for specific markets and locations. To maintain our leadership in customer process digitalization, we will accelerate our fleet connectivity plans, enhance our e-commerce platform, and develop new products that go beyond digitalization.

Market volatility
Commodity prices impact mining customers' ability to invest in their operations, resulting in decreased demand for Normet. As part of our business review processes, we intend to identify, monitor, analyze and incorporate the appropriate commodity price outlook to mitigate this risk.

Supply chain disruptions
Supply chain disruptions can happen quickly. They can limit or even eliminate the availability of critical components and spare parts. A single-source disruption can have far-reaching consequences. This is especially true for components found in battery-electric vehicles. We will reduce this risk by requiring supply contingency plans from critical single-source suppliers, exploring alternative sources when technically and financially feasible, and improving our monitoring of our suppliers' financial health to detect risks earlier. Furthermore, we are increasing our manufacturing efficiency and flexibility.

Technological disruptions
Using AI, automation and analytics, new digital players might be able to disrupt our existing business model. They may capture the most profitable parts of our value chain, significantly undermining our value proposition. We will focus on designing truly innovative products that complement our digitalization offering, building analytics and key software development capabilities in-house, and piloting selected business models. We will also be carefully monitoring the development of emerging e-commerce models. We need to constantly reconsider our product development strategy, establish realistic timelines, and allocate adequate resources. When deciding whether to develop or acquire a new technology, we must consider its readiness.

Safety and compliance risks
Significant safety, compliance or corruption breaches pose a threat to Normet's reputation. To address these challenges, we enforce our "zero harm" policy for policy violations. Additionally, we are offering our people courses on good business practices to reduce risks. New employees must complete these courses during onboarding. We will also continue to monitor our sales intermediaries. To strengthen our efforts, we have implemented internal controls. By focusing on these areas, we aim to maintain our reputation and brand.

Human capital challenges
Failing to attract and retain skilled workforce and talents imposes a risk on company's operations and growth. Normet mitigates these human capital challenges inter alia by promoting Normet as the employer of choice, competence development, and improving organizational efficiencies.

Geopolitical and regulatory influences
Unstable political conditions and geopolitical instability increase the uncertainties in global trade and worsen global business conditions. Further, trade restrictions and trade wars may slow down investment and economic growth in impacted geographies. Challenging economic conditions typically have an effect on our customer behavior and purchasing power, as well as may lead to the closing of key shipping routes and shipping to and from Finland may become costly. A major war in Europe, high inflation rates and high interest rates are examples of recent events affecting the macro environment. Additionally, nationalizations may limit customers' ability to operate or significantly alter their operating model. However, Normet's geographically dispersed operations enable us to address regional issues and their consequences.

To stay current, we closely monitor global political and economic trends, particularly in high-risk countries. We have also drawn up contingency plans for possible relocations and strengthened our aftermarket services offering.

Business interruption
A major business interruption event, such as a fire at a major facility, presents a significant risk. Additionally, a lack of timely access to financial resources (e.g. debt, bonds and equity) can also pose a threat to growth initiatives. To avoid devastating business disruptions, we prioritize fire safety and maintain our manufacturing capabilities. By increasing profits and capital efficiency, we will prevent funding issues from slowing growth and threatening business continuity.

Cyberattacks
Cyberattacks can compromise sensitive information and lead to financial fraud and outages, disrupting our operations. To fortify our cybersecurity, we are constantly upgrading our digital infrastructure. Among other things, we are redesigning our global data network and improving security posture. We have also taken steps to ensure that our operations are NIS2 compliant and have invested in a new enterprise resource planning system to reduce the risk of unexpected outages.

Product liability
Our products may fail or cause damage to people or property, leading to product liability claims. As a result, we may lose business and financing opportunities. To protect ourselves, we take several steps to review design, manufacturing and aftersales to ensure quality and product safety. Our quality assurance team will ensure that the documentation is in place and that product safety is prioritized. We issue bulletins to address any safety or other risks in the operation of our products. In addition to providing product compliance management training to key resources, we maintain product liability insurance to mitigate potential financial impacts. We also have plans in place to manage product recalls and address customer claims.

GRI REPORTING PRINCIPLES

REPORTING SCOPE AND PRACTICES

Our sustainability materiality analysis highlights the topics Normet has a significant impact on or which have a significant impact on the company. In 2024, we conducted our first Double Materiality Assessment ("DMA") with a third party in line with the guidance from the European Union Corporate Sustainability Reporting Directive (CSRD). Normet is mandated to report according to the CSRD and associated European Sustainability Reporting Standards (ESRS) from 2025 (based on information available on March 1, 2025).

Normet Annual Report 2024's sustainability sections have still been prepared with reference to the Global Reporting Initiative (GRI) Standards version 2021 Universal Standard. GRI topic standards have been reported based on the evaluation of Normet's material environmental, social and governance matters. Comparison and additional information to the Standards can be found in the GRI Content Index 2024 in this section. Additionally references to pages in the Annual Report are indicated in the Index. The sustainability sections haven't been assured.

Reporting mostly follows the same rules as Normet's financial reporting January 1 – December 31, 2024. Any restrictions and omissions to the rules are reported in the sustainability sections and in the GRI Content Index.

All financial data, employee-related and environmental data have been collected from Normet's internal reporting systems. Employee-related data has been collected from the global HR management system. Regarding environmental reporting all Normet Group companies with majority ownership (50% or over) have been taken into account in the calculations. A list of the Normet Group companies can be found in the financial statements for 2024 on page 84. Methods of collecting data from Normet's systems and suppliers are continuously being improved.

GREENHOUSE GAS EMISSIONS REPORTING

Normet calculates its emissions in accordance with the Greenhouse Gas Protocol (GHG). GHG calculations are conducted by Normet Group based on the data collected from Normet facilities, and the facilities are responsible of the quality and completeness of the submitted data.

For Scope 1 and 2 emissions, the climate impact consists of carbon emissions, as the share of other greenhouse gas emissions is estimated to be very low and therefore irrelevant for reporting purposes. Methods of collecting GHG emissions from Normet's own systems and from suppliers are continuously being improved.

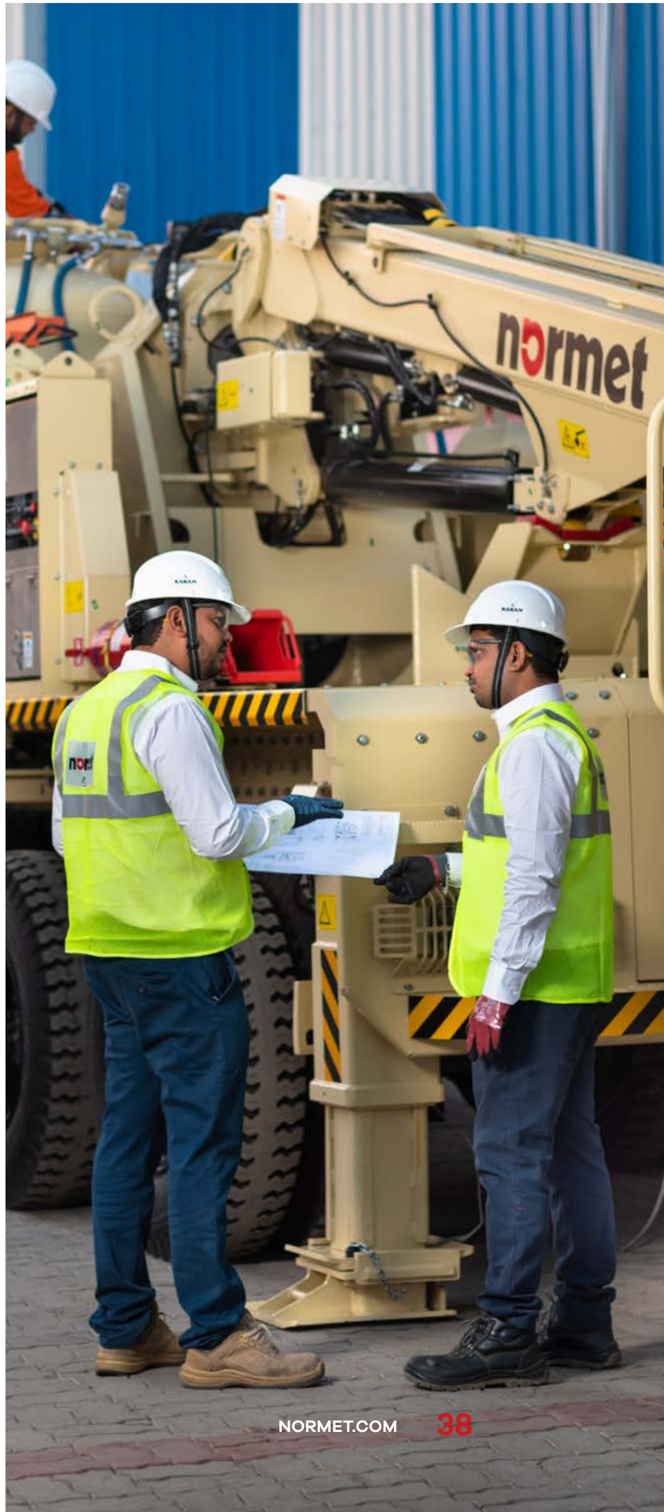
DIRECT SCOPE 1 emissions are calculated from fuels used at Normet's facilities.

DIRECT SCOPE 2 emissions include emissions from purchased electricity and heat used at Normet's facilities.

Environmental data is based on actual usage. For Scope 1 emissions, the emission factors are compliant with the fuel classification published by Statistics Finland (2024).

Scope 2 GHG emissions are calculated by using country-specific emission factors (location based): The National Greenhouse Accounts (NGA) Factors 2024, Australian Government; Association of Issuing Bodies (AIB) 2024; Climate Transparency 2022; The International Renewable Energy Agency (IRENA) 2023; Department of Environment and Climate Change 2024, Canada; Bureau of energy, Ministry of Economic Affairs 2024, Taiwan and United States Environmental Protection Agency (EPA) 2025.

Scope 2 GHG emissions of market-based electricity and heat are calculated by using supplier-specific emission factors or country-specific residual mix factors. If supplier-specific or residual mix factors haven't been available, the location-based factor has been used. This applies to the following sites: Brazil, Canada, Chile, India, Mongolia, Peru, South Africa, Taiwan and USA.



GRI INDEX

		Location	Comments
GRI 2: General disclosures (2021)			
Organizational profile			
2-1	Organizational details	• Normet in brief, **p. 4** • Notes to the consolidated financial statements, **pp. 61–62** • Governance Statement, **pp. 41-48**	
2-2	Entities included in the organization's sustainability reporting	• Reporting principles, **p. 39**	
2-3	Reporting period, frequency and contact point	• Reporting principles, **p. 39** • GRI index	Reporting contact: nina.pavon@normet.com
2-4	Restatements of information	• GRI index	Possible restatements have been indicated in the report.
2-5	External assurance	• GRI index	Normet's sustainability reporting has not been externally assured.
Activities and workers			
2-6	Activities, value chain and other business relationships	• Normet in brief, **p. 4** • Strategy and business, **pp. 16–18**	
2-7	Employees	• Social responsibility, **p. 33**	
2-8	Workers who are not employees	• Social responsibility, **p. 34**	Normet reports the total number of contingent labor.
Governance			
2-9	Governance structure and composition	• Governance statement, **pp. 42–48** • Board of Directors' Report, **p. 56**	
2-10	Nomination and selection of the highest governance body	• Governance statement, **p. 42**	Reported partly.
2-11	Chair of the highest governance body	• Board of Directors' Report, **p. 56** • GRI index	The Chair of the Board of Directors is not a senior executive of the company.
2-12	Role of the highest governance body in overseeing the management of impacts	• Our approach to sustainability, **p. 20**	
2-13	Delegation of responsibility for managing impacts	• Our approach to sustainability, **p. 20**	
2-14	Role of the highest governance body in sustainability reporting	• Our approach to sustainability, **p. 20** • GRI index	Normet's Board of Directors approves the entire Annual Report, including the Sustainability section.
2-16	Communication of critical concerns	• Sustainable governance, **pp. 35–36**	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	• Review by the President and CEO, **pp. 7–9**	
2-23	Policy commitments	• Sustainable governance, **p. 34** • Webpage: **Code of Conduct** • Webpage: **Supplier Code of Conduct**	Reported partly.
2-24	Embedding policy commitments	• Sustainable governance, **p. 34** • Webpage: **Code of Conduct** • Webpage: **Supplier Code of Conduct**	
2-25	Processes to remediate negative impacts	• Our approach to sustainability, • **pp. 21–23**	
2-26	Mechanisms for seeking advice and raising concerns	• Sustainable governance, **pp. 35–36** • Webpage: **Suppliers**	
2-27	Compliance with laws and regulations	• GRI index	There have been no incidents of non-compliance with laws and regulations in 2024.
2-28	Membership associations	• Our approach to sustainability, **p. 22**	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	• Our approach to sustainability, **pp. 22–23**	
2-30	Collective bargaining agreements	• Social responsibility, **p. 32**	
GRI 3: Material Topics (2021)			
3-1	Process to determine material topics	• Our approach to sustainability, **p. 20**	
3-2	List of material topics	• Our approach to sustainability, **p. 20**	
3-3	Management of material topics	• Environmental responsibility, **p. 24** • Social responsibility, **p. 28** • Sustainable governance, **p. 34**	
ECONOMIC STANDARDS			
GRI 201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	• Board of Directors' Report, **pp. 51–52** • Consolidated financial statements, **pp. 57–60** • Notes to the consolidated financial statements, **p. 61**	Reported partly. Economic value retained not reported.

GRI INDEX

		Location	Comments
GRI 205: Anti-corruption (2016)			
205-1	Operations assessed for risks related to corruption	• Risks and risk management, **p. 38** • GRI index	Reported partly. Normet conducts annual identification and analysis of strategic, operational, and financial risks as part of its Group-level Enterprise Risk Management (ERM) process.
205-2	Communication and training about anti-corruption policies and procedures	• Sustainable governance, **p. 35**	Reported partly. Normet reports the share of employees having completed the Code of Conduct e-Learning.
205-3	Confirmed incidents of corruption and actions taken	• GRI index	There have been no reported incidents of corruption in 2024.
ENVIRONMENTAL STANDARDS			
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	• Environmental responsibility, **p. 24**	
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	• Environmental responsibility, **p. 25**	
305-2	Energy indirect (Scope 2) GHG emissions	• Environmental responsibility, **p. 25**	
GRI 306: Waste (2020)			
306-2	Management of significant waste-related impacts	• Environmental responsibility, **p. 25**	
306-3	Waste generated	• Environmental responsibility, **p. 25**	
306-4	Waste diverted from disposal	• Environmental responsibility, **p. 25**	
306-5	Waste directed to disposal	• Environmental responsibility, **p. 25**	
SOCIAL STANDARDS			
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	• Social responsibility, **p. 33**	
GRI 403: Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	• Social responsibility, **pp. 28–30**	
403-2	Hazard identification, risk assessment, and incident investigation	• Social responsibility, **pp. 28–29**	
403-3	Occupational health services	• Social responsibility, **p. 29**	
403-4	Worker participation, consultation, and communication on occupational health and safety	• Social responsibility, **p. 29**	
403-5	Worker training on occupational health and safety	• Social responsibility, **p. 29**	
403-6	Promotion of worker health	• Social responsibility, **p. 29**	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Social responsibility, **pp. 29–30**	
403-8	Workers covered by an occupational health and safety management system	• Social responsibility, **p. 28**	Reported partly. Normet reports the sites with a certified OHS system.
403-9	Work-related injuries	• Social responsibility, **p. 28**	Reported partly. Normet reports LTIF, TRIF and the main types of work-related injuries.
GRI 404: Training and Education (2016)			
404-2	Programs for upgrading employee skills and transition assistance programs	• Social responsibility, **p. 31**	Reported partly. Normet reports on the programs for upgrading employee skills.
404-3	Percentage of employees receiving regular performance and career development reviews	• Social responsibility, **p. 31**	Reported partly.
GRI 405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	• Social responsibility, **p. 32**	

CORPORATE GOVERNANCE

GOVERNANCE STATEMENT

DESCRIPTION OF NORMET GROUP LTD.'S SUPERVISORY BODIES AND THEIR COMMITTEES

General Meeting of Shareholders
The General Meeting of Shareholders is the highest decision-making body of Normet Group Ltd. ("Company"). The Annual General Meeting must be held annually by the end of June. At the General Meeting, all shareholders have the right to speak, ask questions and vote. Company's General Meeting is convened by the Board of Directors.

The Annual General Meeting decides, among other things, on the approval of the financial statements, the use of profit shown in the balance sheet, the discharge of the members of the Board of Directors and President and CEO from liability, and the election of the members of the Board of Directors and the auditor. In accordance with the Articles of Association, the invitation to the General Meeting must be sent to shareholders no earlier than four weeks and no later than eight days before the General Meeting.

The 2024 Annual General Meeting was held on April 2, 2024 in Helsinki, Finland. Additionally, the unanimous shareholders made the resolution to elect a deputy member to the Board of Directors and resolved on the remuneration payable to the deputy member on October 14, 2024.

Board of Directors and its composition
Pursuant to the Articles of Association, the Company's Board of Directors may consist of one to six ordinary members. The Annual General Meeting decides on the members of the Board of Directors and their number. The Board of Directors elects the Chair of the Board from among its members. The period of office of the Board members ends at the next Annual General Meeting.

Duties of the Board of Directors
The Board of Directors is responsible for ensuring that the Company's administration and organization of its operations are appropriate and that the Company's accounting and financial management are properly supervised. The Board of Directors monitors the Company's financial development through information provided by management. The Board of Directors convenes the General Meetings, and prepares and submits proposals for resolutions to the General Meeting, and makes a profit distribution proposal to the General Meeting in alignment with the owner's expectations, oversees the risk management system and internal controls, reviews and approves the report of the Board of Directors and the financial statements and other financial reports, and decides on the establishment or termination of committees and approves their rules of procedure.

In addition to the duties mentioned in the Companies Act, the Board of Directors discusses and decides on important and far reaching matters for the Company, such as long-term vision, strategic goals and financial targets, strategic or financially significant investments, significant business expansions or reductions, corporate and business acquisitions and divestments, significant contingent liabilities and other matters significant to Normet's business and the principles within which management can make decisions on investments, acquisitions and divestments. In addition, the Board of Directors approves the Company's strategy and monitors its implementation and approves the annual action and financial plan on the basis of the strategy and monitors their implementation.

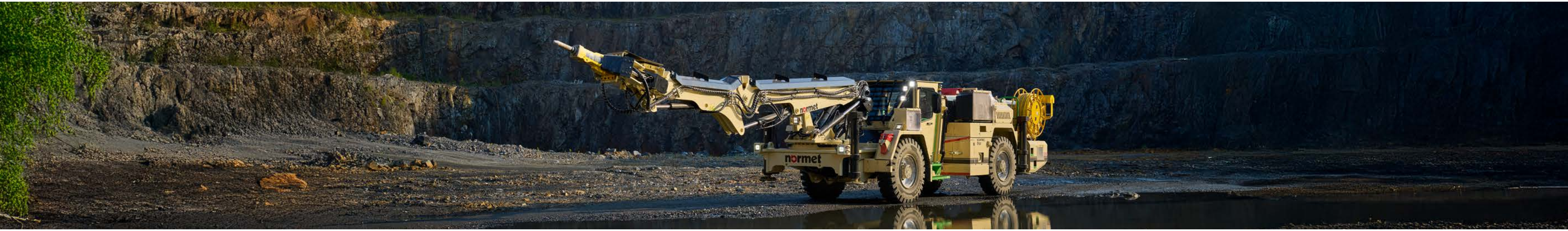
Meetings of the Board of Directors
The Board of Directors draws up an annual meeting plan for itself. This annual meeting plan includes:

1. meeting schedule;
2. main issues to be discussed at each meeting.

The Board of Directors meets in accordance with the schedule agreed in the annual meeting plan, normally eight times a year, and may additionally hold extraordinary meetings, if necessary. Extraordinary meetings of the Board of Directors are convened by the Chair of the Board of Directors or the President and CEO. A quorum is reached when more than half of the members of the Board of Directors are present. Additionally, the Board of Directors may decide on matters without convening a meeting by means of minutes signed by all members of the Board of Directors.

Members of the Board of Directors
At the Annual General Meeting in 2024, five members were re-elected to the Board of Directors: **Aaro Cantell**, **Tom Melbye**, **Mikko Keto**, **Lars Engström** and **Mikko Puolakka**. **Sanna Hokkanen** was elected as a new member to the Board of Directors. The Board of Directors elected Aaro Cantell as the Chair from among its members. The Board of Directors convened nine times during 2024. On October 14, 2024 the unanimous shareholders resolved to appoint **Matias Cantell** as the deputy member to the Board of Directors. The attendance rate of the members of the Board of Directors was 98%.

Member of the Board of Directors	Attendance
Aaro Cantell (Chair)	9/9
Tom Melbye	9/9
Mikko Keto	8/9
Lars Engström	9/9
Mikko Puolakka	9/9
Sanna Hokkanen	7/7
Matias Cantell (Deputy member)	3/3



Composition and duties of committees established by the Board of Directors
In order to increase the efficiency of its work, the Board of Directors decided on April 26, 2021 to form a Mergers and Acquisitions Committee and on June 28, 2022 to form an Audit and Risk Management Committee.

Mergers and Acquisitions Committee (M&A Committee)
The M&A Committee, among other things, reviews in more detail the M&A opportunities of the Company. The M&A committee does not have independent decision-making power but reports and makes decision proposals to the Board of Directors.

The M&A Committee convened four times during 2024. The attendance rate of the members of the committee was 100%.

Member of the M&A Committee	Attendance
Aaro Cantell (Chair)	4/4
Lars Engström	4/4
Tom Melbye	4/4
Matias Cantell	4/4

Audit and Risk Management Committee (ARC Committee)
The ARC Committee, among other things, monitors and controls the financial reporting process, reviews the financial statements and interim reports, and monitors and evaluates the effectiveness of internal control, internal audit and risk management systems. The Board of Directors annually elects the members and the Chair of the committee from among its members and approves the written charters of the committee. The committee does not have independent decision-making power but reports and makes decision proposals to the Board of Directors.

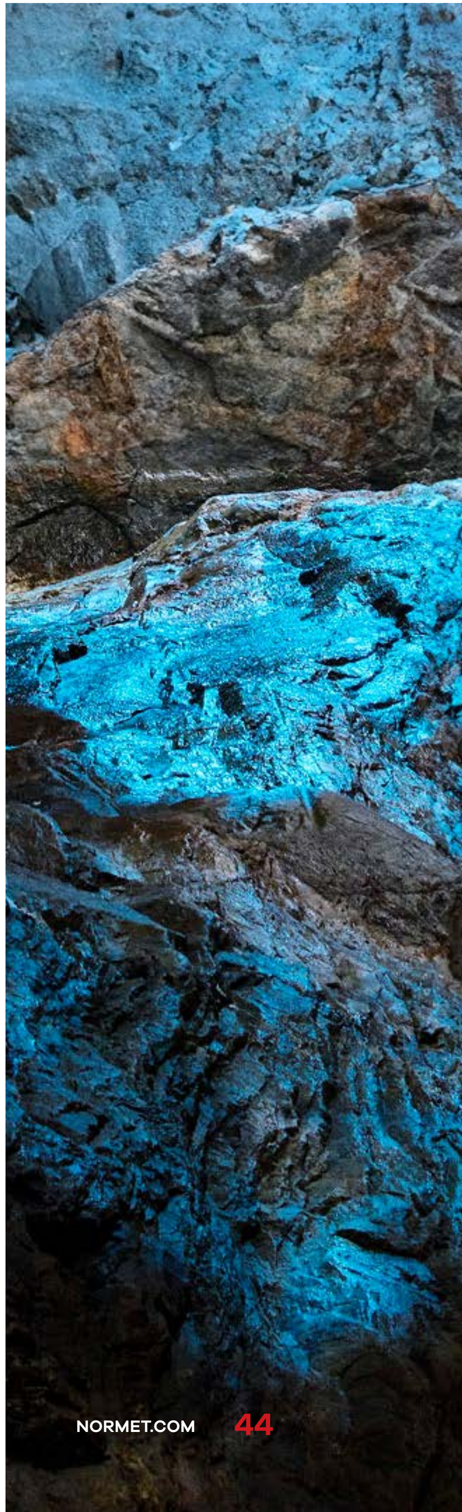
The ARC Committee convened five times during 2024. The attendance rate of the members of the committee was 83%.

Member of the ARC Committee	Attendance
Mikko Puolakka (Chair)	5/5
Aaro Cantell	4/5
Mikko Keto	5/5
Sanna Hokkanen	1/3

President and CEO and Normet Leadership Team duties
The President and CEO manages and develops the Company's business operations and is in charge of its operative management. The President and CEO manages the company's current executive matters in accordance with the Board of Director's instructions and is responsible for ensuring that the company's accounts adhere to the law and that financial management is reliable.

The Normet Leadership Team (NLT) assists the President and CEO in developing and managing the business and operations, including the management of property, assets, and financial and human resources at Normet. NLT consists of the President and CEO, Chief Financial Officer (CFO), Heads of Business Lines, Chief Information Officer (CIO), Head of Human Resources and General Counsel. In 2024, an Extended Leadership Team (ENLT) was formed and it consists of the NLT and the Sales Area Heads, who were previously members of the NLT. Additionally, Sales Areas were restructured (from seven to five) to strengthen our customer facing resources and capabilities in their regions.

In addition to the President and CEO, NLT and ENLT, Normet's operative business organization consists of Business Lines, Sales Areas and Functions, and the managerial duties and authorities in Normet follow this business structure. The NLT meets monthly to review the Group's financial performance and discuss Group-wide topics. The ENLT meets quarterly to discuss and align on the implementation of strategic topics, review the sales development and prepare group-wide plans. The President and CEO, along with the NLT, and supporting managers, review the performance of the Business Lines and Sales Areas in quarterly operational reviews.



COMPOSITION OF THE BOARD OF DIRECTORS

AARO CANTELL
Chair of the Board since 2005

Nationality: Finnish

Born: 1964

Education: M.Sc. (Technical Physics)

Non-independent Member of the Board

Main Occupation: Chair, Normet Group

Board Chair: Confederation of Finnish Industries (EK); Technology Industries of Finland Centennial Foundation and Tana Oy

Key Experience:

- Entrepreneur and Chairman at Normet Group since 2005
- Managing Partner and Owner of Fenno Management 1997–2005
- Investment Director at Sitra 1993–1997
- Positions at Cantell Oy, Fibox Oy Ab, Fiskars Oyj and Helsinki University of Technology, 1987–1993

TOM MELBYE
Member of the Board since 2018

Nationality: Norwegian

Born: 1955

Education: M.Eng.

Independent Member of the Board

Main Occupation: Senior Advisor and Board Professional

Board Member: Rental Group AS

Key Experience:

- President and COO of Normet Group 2007–2016
- Vice President, Underground Division at BASF 1990–2007
- Director at Rescon Group Norway, Sweden and Finland 1981–1990
- Head of Sprayed Concrete and Injection Division; Tunnel Contractor at Furuholmen Norway (now Skanska Norway) 1977–1981

MIKKO KETO
Member of the Board since 2018

Nationality: Finnish

Born: 1967

Education: M.Sc. (Econ.)

Independent Member of the Board

Main Occupation: Group CEO, FLSmidth

Key Experience:

- President, Mining Industry at FLSmidth 2021
- President, Minerals Services and Pumps Business Areas at Metso 2017–2020
- Senior Vice President, Spare Parts Business Line at Metso 2016–2017
- Several Management Positions in different service businesses at Metso 2010–2015
- Head of Sales, Maintenance Business Unit at KONE Corporation 2008–2009
- Various international Management and Sales Positions at Nokia 1994–2007

LARS ENGSTRÖM
Member of the Board since 2020

Nationality: Swedish

Born: 1963

Education: M.Eng.

Independent Member of the Board

Main Occupation: Board Professional

Board Member: Kalmar, Alcadon

Key Experience:

- President, Business Area Mining & Rock Technology at Sandvik 2015–2019
- Interim President and CEO at BE Group 2014–2015
- President and CEO at Munters Group 2006–2014
- Senior Management and Finance Positions at Atlas Copco 1994–2006 and at Seco tools 1988–1994

MIKKO PUOLAKKA
Member of the Board since 2022

Nationality: Finnish

Born: 1969

Education: M.Sc. (Econ.)

Independent Member of the Board

Main Occupation: CFO, Cargotec Oyj

Key Experience:

- CFO at Outotec Oyj 2010–2016
- CFO at Elcoteq SE 2007–2010
- Finance Director Europe at Elcoteq SE 2004–2007
- Finance Director at Elcoteq AG 2001–2003
- Head of Operations Control at Huhtamaki Oyj 1999–2001
- Finance Director at Leaf Poland Sp. Z.o.o. 1997–1999, and various Treasury Positions in Huhtamaki in Switzerland and Finland 1995–1997

COMPOSITION OF THE BOARD OF DIRECTORS

SANNA HOKKANEN

Member of the Board since 2024

Nationality: Finnish

Born: 1974

Education: M.Sc. (Behavioural Science)

Independent Member of the Board

Main Occupation: Senior Vice President, Learning and Development, KONE Corporation

Key Experience:

» Vice President, Human Resources for Service Business and global functions at KONE Corporation 2018–2022
» Director, Human Resources at Musti Group 2015–2018
» Senior Vice President, Human Resources and Communications at Altia Corporation 2011–2015
» HR Director at Fujitsu Services Oy 2008–2010
» Various HR roles at Nokia 1997–2008

MATIAS CANTELL

Deputy member of the Board since 2024

Nationality: Finnish

Born: 1995

Education: B.Sc. (Finance)

Independent Member of the Board

Main Occupation: Cantell Oy Next Generation Coach, Board trainee

Key Experience:

» Cantell Oy Board member since 2018
» CBM certificate 2024 (certified Board member)
» Trainee in data analysis at Normet 2022–2023

COMPOSITION OF THE LEADERSHIP TEAM

ED SANTAMARIA
President and CEO

Nationality: Australian

Born: 1959

Education: MBA

Joined the company in **2019**

Normet Leadership Team member since **2019**

Board member: Forcit Group

Key Experience:
- President, Parts & Services Division at Sandvik Mining & Rock Technology 2016–2019
- Several Senior Leader positions at Sandvik 2006–2016
- General Manager & other Management Positions at SDS Corporation 1986–2006

KALLE SIPILÄ
Senior Vice President, Equipment Business Line

Nationality: Finnish

Born: 1979

Education: M.Sc. (Tech)

Joined the company in **2024**

Normet Leadership Team member since **2024**

Key Experience:
- Vice President, Pumps Business Line at Metso 2019–2024
- Senior Vice President, Finance for Metso Minerals Services Business area 2018–2019
- Several Senior Finance Positions at Metso 2010–2017
- Consulting and Manager Positions at Accenture 2003–2010

ALAN PENGELLY
Senior Vice President, Ground Control & Construction Technologies (GCCT) Business Line

Nationality: British

Born: 1970

Education: M.Eng. (Civil Eng.), MBA

Joined the company in **2016**

Normet Leadership Team member since **2020**

Key Experience:
- Several Leader Positions at Normet 2016–2020
- Regional Head of Commercial, Asia at Fosroc 2015–2016
- Vice President, Industrial at Mongolian Star Melchers 2012–2014
- Several Senior Manager Positions at BASF 2002–2012

KARI HÄMÄLÄINEN
Senior Vice President, Strategic Business Development

Nationality: Finnish

Born: 1967

Education: M.Eng.

Joined the company in **2004**

Normet Leadership Team member since **2010**

Key Experience:
- Several Leader Positions at Normet 2004–2023

SUBHASIS MOHANTY
Vice President of India and Middle East Sales Area & Services Business Line (Interim)

Nationality: Indian

Born: 1972

Education: B.Eng. (Mech.), MBA (Mktg.)

Joined the company in **2020**

Normet Leadership Team member **2020–2023**, member of the Extended Leadership Team since **2024**

Key Experience:
- Global Commercial role in Parts & Services; and Business Line Manager for Parts & Services and Rock Tools for India at Sandvik 2014–2020
- Business Development and Regional Business Head at Hindustan Colas 2009–2014
- Prior to that several positions at Reliance Industries and Hindustan Petroleum Corporation

NIINA PESONEN
Vice President, Human Resources

Nationality: Finnish

Born: 1965

Education: M.Sc. (Social and Behavior Science)

Joined the company in **2017**

Normet Leadership Team member since **2017**

Key Experience:
- Senior Vice President, Human Resources at Comptel 2007–2017
- Several Leader Positions in Human Resources at Nokia 1992–2007

COMPOSITION OF THE LEADERSHIP TEAM

TIMO KOPONEN
Chief Financial Officer

Nationality: Finnish

Born: 1969

Education: M.Sc. (Econ. and Business Administration)

Joined the company in **2024**

Normet Leadership Team member since **2024**

Key Experience:

» Chief Financial Officer at Lamor Corporation Plc 2021–2024
» Vice President, Processing Solutions/CEO at Wärtsilä-Hamworthy 2012–2019
» Several Senior Finance Positions at Wärtsilä, Hackman Metos and Konecranes 1996–2012

KIMMO KARIHTALA
General Counsel

Nationality: Finnish

Born: 1976

Education: LL. M., eMBA

Joined the company in **2017**

Normet Leadership Team member since **2017**

Key Experience:

» Several Leader positions in legal, compliance and procurement at Outokumpu 2007–2016
» Senior Associate, attorney-at-law at Fennica Attorneys 2004–2007
» Legal Counsel at Finnish National Fund for Research and Development 2001–2004

JUHA TUOMINEN
Chief Information Officer

Nationality: Finnish

Born: 1968

Education: M.Sc. (Industrial Eng. and Management)

Joined the company in **2023**

Normet Leadership Team member since **2023**

Key Experience:

» Vice President, Information Management at McGregor Group (part of Cargotec) 2014–2023
» Vice President, Information Technology at Metso 2012–2014
» Several Senior Leader Positions in information management at Andritz, Konecranes and SAP 1994–2012

MARK SINCLAIR
Vice President, APAC Sales Area

Nationality: Australian

Born: 1988

Education: MBA

Joined the company in **2023**

Normet Leadership Team member in **2023**, member of the Extended Leadership Team since **2024**

Key Experience:

» Head of Sales & Business Development and Director, Global Key Account Management at Metso 2020–2023
» Director, Long Term Service Agreements & Modernizations and Vice President, Services & Regional Business Management, EMEA at Outotec 2018–2020

VILLE HAATAINEN
Vice President, EEA Sales Area

Nationality: Finnish

Born: 1982

Education: M.Sc. (Tech)

Joined the company in **2017**

Normet Leadership Team member in **2023**, member of the Extended Leadership Team since **2024**

Key Experience:

» Several Business Leader Positions at Normet since 2017
» Vice President, Head of Value Chain Management in Electrifications and Motors and Generators divisions; and Manager, Sales and Operations planning at ABB 2012–2017
» Several Manager Positions at Nokia 2010–2012

JENNIFER BERGER
Vice President,
North America Sales Area

Nationality: Canadian

Born: 1980

Education: B.Sc. Geological Science, P. Geo.

Joined the company in **2024**

Normet Extended Leadership Team member since **2024**

Key Experience:

» Vice President and Regional Business Leader, Mining, Minerals and Metals at Stantec 2019–2024
» Mine Manager at KGHM International 2018–2019
» Mine Superintendent at KGHM International 2017–2018
» Underground Production Supervisor & various technical roles at KGHM International 2010–2017
» Mine Geologist at Vale Coleman Mine 2006–2010
» Consulting Geologist at Pacific North West Capital Corporation 2005–2006
» Underground Mine Geologist, Seabee Mine at Claude Resources Inc. 2003–2005

COMPOSITION OF THE LEADERSHIP TEAM

ODILON MENDES
Vice President,
Latin America Sales Area

Nationality: Brazilian

Born: 1966

Education: B.Sc., M.Sc. (Mech. Eng.)

Joined the company in **2014**

Normet Extended Leadership Team member since **2024**

Key Experience:

» Managing Director at Normet Brazil 2014–2024
» Sales Manager, Machinery and Equipment division at Pall Corporation 2013–2014
» Sales Manager at Paul Wurth 2010–2013
» Commercial Manager at P&H MinePro (now Komatsu Mining) 2004–2010
» Business Advisor at Shell Brasil 2001–2003

RIKU HELANDER
Senior Vice President,
Services Business Line

Until: September 2024

JAAKKO KOPPINEN
Vice President,
EMEA Sales Area

Until: April 2024

JEAN-GUY COULOMBE
Vice President,
North America Sales Area

Until: May 2024

VILLE PASANEN
CFO

Until: March 2024

Additionally, following the changes to the organization of Normet Leadership Team in 2024, **JUKKA KURHINEN**, Vice President, Eurasia Sales Area and **DANIEL YANG**, Vice President, China Sales Area left the Leadership Team in September 2024 but both continue in their positions.

FINANCIAL STATEMENTS

BOARD OF DIRECTORS' REPORT

ABOUT NORMET

Normet is a privately held technology company headquartered in Finland. It manufactures equipment for underground applications and provides aftermarket services, construction chemicals, and rock support products for the mining, tunnelling, and civil construction industries.

In 2024, Normet's net sales were EUR 482 million. The company employs over 1,800 professionals and operates globally in more than 50 locations across 30 countries.

Normet has three Business Lines: Equipment (38% of net sales), Services (44% of net sales), and Ground Control and Construction Technologies (GCCT, 18% of net sales).

2024 was another year of economic uncertainty, leading to overall caution in customer investment activity. However, signs of recovery began to emerge towards the end of the year. Demand in the underground equipment market remained healthy, driven by gradually increasing capital expenditure from mining companies.

Normet operating environment—the mining, tunnelling, and civil construction industries—are shaped by the need for:

- **DEEPER MINES.** Declining ore grades are pushing mines deeper, increasing complexity and operational demands for safety, efficiency, and sustainability.
- **SAFETY FIRST.** Across mining, tunnelling and civil construction, safety remains a top priority. Our industry is focused on reducing risks and eliminating high fatality rates.
- **TECHNOLOGICAL PROGRESS.** Automation and digitalization are enhancing processes, improving safety, and boosting overall efficiency and productivity.
- **THE GREEN ENERGY TRANSITION.** As decarbonization and electrification accelerate, demand for essential minerals is rising, creating new opportunities for sustainable mining practices.

STRATEGY OVERVIEW AND FINANCIAL TARGETS

Normet's strategy serves our vision of building the safest places underground. While the strategy must remain adaptable to changes in the operating environment, the company also ensures it stays aligned with this vision. Accordingly, Normet's 2024–2027 strategy focuses on five pillars, unchanged from the previous strategy period: safety and sustainability, delivering customer value, profitable growth, technology and innovation, and empowering its people to deliver leading business performance.

SAFETY AND SUSTAINABILITY. Underground is in the company DNA, and we are dedicated to building the safest places underground. Sustainable operations are critical to our customers' success. Our deep knowledge of customer processes – including sprayed concrete, explosives charging, scaling, and breaking – enables us to support our customers in achieving their sustainability targets and ambitions.

CUSTOMER VALUE. With operations in over 30 countries and 90% of company sales made directly to end customers, Normet's global presence truly sets it apart. Strategically located service centers, a global network of technicians, and an efficient supply chain allow the company to provide highly personalized service whenever and wherever customers need it.

PROFITABLE GROWTH. We pursue both organic growth and growth through acquisitions and partnerships. Partnerships enable us to expand our reach to customers and access specialized expertise that complements our own. This may include technical know-how, local market knowledge, or geographical presence.

TECHNOLOGY AND INNOVATION. Normet aims to accelerate decarbonization in the industry through innovation, investments, and partnerships, while also striving to reduce the carbon footprint of its own operations and value chain. Our technological leadership is backed by one of the industry's leading portfolios, effectively addressing the diverse needs of our customers.

BEST PEOPLE. To deliver leading business performance, we aim to have the right people in the right places at the right time. Creating an inspirational and motivating workplace is key.

Currently, around two-thirds of Normet's sales come from the aftermarket offering. As the Normet equipment fleet expands, the aftermarket sales growth is expected to continue exceeding the equipment sales growth. Key actions to capture untapped potential include, for example, ensuring proactive sales capabilities across geographical areas, covering a broader range of customer segments, leveraging data-driven sales leads, and providing continuous training for the Normet salesforce.

By 2027, Normet aims to achieve an annual net sales growth of 10% and to increase EBITA margin to above 15% permanently.

KEY RATIOS

Normet Group IFRS	2024	2023
Order intake[1]	454	477
Net sales, MEUR	482	484
EBITDA, MEUR	79	73
EBITDA %	16.4	15.0
EBITA, MEUR	61	56
EBITA %	12.7	11.6
Operating profit, MEUR	53	49
Operating profit %	11.1	10.1
Comparable EBITA, MEUR	63	57
Comparable EBITA %	13.2	11.8
Comparable Operating profit, MEUR	56	50
Comparable Operating profit %	11.6	10.3
Net profit, MEUR	41	30
Net profit %	8.5	6.1
Total assets, MEUR	503	493
Interest-bearing net liabilities, MEUR	126	136
Number of personnel[2]	1,827	1,807
Return on equity %	23.2	18.7
Gearing %	62.8	82.5
Equity to asset ratio %	41.0	34.7

[1] Comparative periods restated to include all Business Lines.
[2] Average number of personnel.

FINANCIAL PERFORMANCE

In 2024, macroeconomic uncertainty, inflation, and commodity price fluctuations made customers cautious, slowing down investment decision-making and consequently impacting company growth. Despite these challenges, Normet continued to proactively lay the groundwork for future success. The company streamlined operations, improved customer contact, advanced strategic acquisitions and innovations, and continued to foster its performance-driven culture, resulting in improved capital efficiency and profitability.

In 2024, Normet's order intake amounted to EUR 454 million (2023: EUR 477 million) and net sales to EUR 482 million (2023: EUR 484 million) with positive contributions from the Equipment and Services Business Lines. The GCCT Business Line was impacted by delays in major projects, predominantly in tunnelling and civil construction in some markets. Comparable operating profit increased by 13% to EUR 56 million (2023: EUR 50 million), with a margin of 11.6% (2023: 10.3%).

ALTERNATIVE PERFORMANCE MEASURES

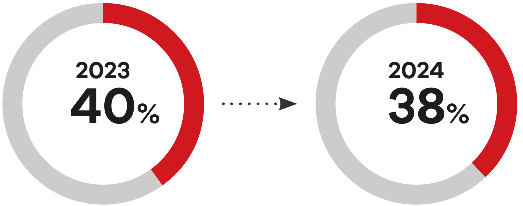
Normet uses and discloses the following alternative performance measures (APM) to better illustrate the operative development of its business.

Certain income and expenses are presented as items affecting comparability when they have significant impact on the consolidated statement of income. Items affecting comparability consist of income and expenses, which result from restructuring activities aiming to adjust the capacity of Normet's operations. They may also include other income and expenses incurred outside Normet's normal course of business, such as impairment charges, M&A related costs (e.g. acquisitions, liquidations), settlements recognised as a result of legal proceedings with third parties or unforeseen obligations from earlier discontinued businesses.

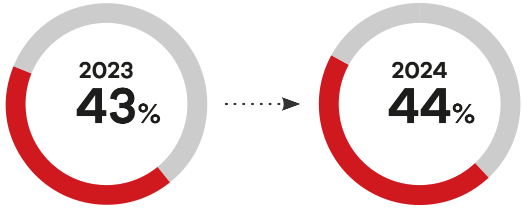
ITEMS AFFECTING COMPARABILITY

Normet Group IFRS (EUR thousand)	1.1.–31.12.2024	1.1.–31.12.2023
Operating profit (EBIT)	53,431	48,706
Amortization of intangible assets	7,476	7,502
Impairments of intangible assets	442	
EBITA	61,349	56,209
Transactions costs from business combinations	181	1,040
Impairments of tangible assets	244	0
Restructuring costs	1,559	0
Other	167	0
Comparable EBITA	63,499	57,249
Amortization of intangible assets	-7,476	-7,502
Comparable EBIT	56,023	49,746
Operating profit (EBIT)	53,431	48,706
Amortization and impairments of intangible assets	7,918	7,502
Depreciations	17,687	16,349
EBITDA	79,036	72,558

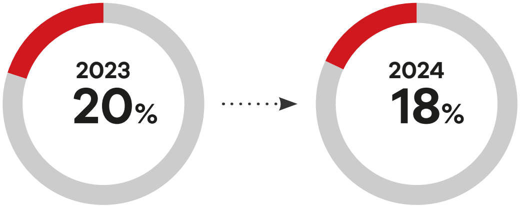
EQUIPMENT, SHARE OF GROUP NET SALES



SERVICES, SHARE OF GROUP NET SALES



GCCT, SHARE OF GROUP NET SALES



NET SALES, BUSINESS LINE

MEUR	2024	2023
Equipment	182	195
Services	215	210
GCCT	86	94
Elimination	-1	-15
Total	**482**	**484**

PERFORMANCE OF BUSINESS LINES

The Business Lines include Equipment, Services, and Ground Control and Construction Technologies (GCCT).

The net sales of the Equipment business decreased by 7% to EUR 182 million (2023: EUR 195 million) in 2024. The business experienced lower demand at the beginning of the year but saw an improved level through the third and fourth quarters. Comparative sales were negatively impacted largely by a strong comparison 2023 performance in China and slower-than-anticipated initial demand across the Asia-Pacific region. However, other regions, especially Africa, Europe, and Latin America, helped offset this weakness. Prospects for battery-electric vehicles remain strong, but in 2024, market growth was slower than expected. Nevertheless, the company remains confident and highly committed to the benefits and necessity of this technological shift in underground environments.

Services business net sales increased by 2% to EUR 215 million (2023: EUR 210 million), driven by solid growth in Asia-Pacific, India and the Middle East. Other regions experienced moderate growth. Despite only modest growth in 2024, Normet's service teams continued to provide high-quality service to customers, often in remote and very challenging environments. Additionally, contract extensions for several large performance service agreements with long-standing customers continue to showcase the benefits of Normet's experience and commitment.

GCCT net sales decreased by 9% to EUR 86 million (2023: EUR 94 million). The business saw notable growth in its injection resins business, particularly around the mining segment. Successes were also achieved across the tunnelling segment, especially in Central Europe, Canada, and the UK. One of the most significant developments was the introduction of our self-drilling dynamic bolt system, which saw strong uptake in the North American market. The combination of Normet's sprayed concrete, bolting, and injection resin products, along with our expertise, provides customers with a broad range of solutions for their ground support needs. While there were pockets of growth, delays in major projects – predominantly in tunnelling and civil construction in some markets – negatively impacted overall business line growth for the year.

Across the new businesses, the emphasis of investment was placed more on R&D and supporting the acquired companies (Rambooms Oy, Marakon Oy and Aliva Equipment from 2023 and 2022 respectively) in developing their technology portfolios. Successes were achieved with Normet Xrock® hydraulic breakers and breaker booms, as well as the Xrock® automation system. Additionally, the company invested in expanding its sales, technical, and specialist application support in all markets. Customers increasingly associate these new portfolios with Normet's own, which comes with a stronger service promise and higher levels of technology and automation.

ACQUISITIONS

Normet acquired the remaining shares of Lekatech Oy, achieving 100% ownership of the company (previously 20% of the voting shares). Lekatech is a pioneer in linear electric technology for hammering applications used in the mining, quarrying and construction industries. The company is based in Iitti, Finland.

RESEARCH AND DEVELOPMENT

In 2024, Normet invested EUR 13.4 million (2023: EUR 11.2 million) in R&D and supported acquired companies in developing their technology portfolios, such as Xrock® hydraulic breakers and breaker booms, as well as the Xrock® automation system. 2024 also saw the introduction of Xquick, an innovative quick coupler system that features automated, cabin-controlled tool and accessory changes. Additionally, the company unveiled advanced explosives charging and scaling solutions such as the Scamec LC Thor 135 T and the Charmec LF 1105 DA, which are engineered to elevate efficiency, safety, and productivity. During the year, the next phase of Normet SmartDrive® model development, such as Variomec SD and L-series SD, moved from prototype assembly to underground testing.

RESEARCH AND DEVELOPMENT EXPENSES

MEUR	2024	2023
Research and development	13.4	11.2

INVESTMENTS

In 2024, the Group's investments totalled EUR 22.7 million (2023: EUR 29.4 million), reaching nearly 5.0 % of Normet's net sales. The most significant investments included the continued implementation of an enterprise resource planning system, customer relationship management system, field service system, and customer service tools. Additionally, a new financial reporting and consolidation system was brought into use.

FINANCING

Hybrid bond
In May 2023, Normet issued EUR 30 million in capital securities. The hybrid bond bears interest at a fixed rate of 9.3% until the reset date of June 19, 2025, and thereafter, at a floating interest rate as described in the terms and conditions of the new hybrid bond. The hybrid bond does not have a specified maturity date, but the company is entitled to redeem them for the first time on June 19, 2025, and thereafter, on each interest payment date.

Facilities agreement
The Group has EUR 200 million facility agreement, with a final maturity date of January 2026. The loan has a variable interest rate. On December 31, 2024, the Group had approximately EUR 60 million of undrawn credit facilities at its disposal.

LIQUIDITY AND EQUITY RATIO

Management has prepared scenarios based on the anticipated development of various external factors and will deploy the necessary mitigation actions promptly to maintain profitability in line with strategic targets. Based on the scenarios, the conclusion is that the Group will remain capable of operating and that the covenants of the financial instruments will not be breached.

The Group's debt financing facility, totalling EUR 200 million, includes financial covenants tied to factors such as the Group's net debt-to-EBITDA ratio and equity ratio. These covenants do not directly restrict the use of capital but may affect the Group's financing in the future or, accordingly, require negotiations with the financing entity on certain aspects.

The cash assets recorded in the balance sheet of Normet's Russian subsidiary are not available to the parent company and other subsidiaries. The cash assets amount to RUB 428.9 million (EUR 4.0 million) on December 31, 2024, and they are included in cash and cash equivalents in the consolidated balance sheet. The funds of the Russian subsidiary can currently be repatriated to the parent company through dividend payments or capital returns within the framework of the legislation in force in Russia. The assets of the Russian subsidiary are freely available for use by the local Russian subsidiary, subject to the aforementioned restrictions.

The Group's cash flow is being constantly monitored, and any required corrective action is taken without delay to ensure the company's liquidity. On December 31, 2024, the company has approximately EUR 60 million of undrawn credit facilities at its disposal.

SUSTAINABILITY PERFORMANCE

Sustainability governance and management
The Board of Directors regularly reviews sustainability progress, while the President and CEO of Normet ensures its integration into the company strategy. Business Lines and facilities set and manage specific targets, with nominated material topic owners overseeing action plans, implementation, and reporting. The sustainability function provides guidance to the Normet Leadership Team and Extended Leadership Team, Business Lines, and topic owners, identifies development needs, consolidates reporting, and prepares instructions. It collaborates with key functions such as health and safety, HR, legal and compliance, supply chain, R&D, and finance.

Material topics
In 2024, Normet conducted a double materiality assessment ("DMA") to prepare the company for the upcoming European Union Corporate Sustainability Reporting Directive (CSRD) regulation. Normet is mandated to report according to the CSRD and its ESRS reporting standards from 2025*.

These material topics determine Normet's sustainability-related focus areas and reporting from the fiscal year 2025.

ENVIRONMENTAL	SOCIAL	GOVERNANCE
» Climate change » Pollution » Biodiversity and ecosystems » Resource use and circular economy	» Own workforce » Workers in the value chain » Affected communities	» Business conduct

Sustainability is managed through policies, management systems, training and practices in place for material topics.

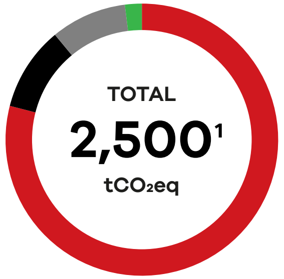
*Based on information available on March 1, 2025.

ENVIRONMENTAL MATTERS

Environmental management
Normet's operations are guided by its Health, Safety, Environment, and Quality (HSEQ) policy which contains directives to minimize negative environmental impact and optimize the use of natural resources. Normet's operations comply with ISO 14001, with 60% of equipment manufacturing facilities certified. The management systems promote environmental protection and enable the reduction of adverse impacts.

Minimising carbon emissions
Total energy consumption includes the electricity, heat, and fuels used in Normet's facilities. In 2024, Normet's operations consumed 11,063 GWh (2023: 12,947 GWh), and the share of renewable energy was 41% (2023: 40%). New energy reduction opportunities are continuously assessed at the country or facility levels, primarily relating to the reduction of used electricity. Direct Scope 1 carbon emissions were 490 tCO_2eq (2023: 400 tCO_2eq) and the indirect Scope 2 emissions were 2,000 tCO_2eq (2023: 2,100 tCO_2eq). The majority (over 95%) of Normet's emissions arise from the value chain, that is Scope 3 categories. Normet's greenhouse gas emissions mainly stem from the use of purchased electricity and district heating, of which 45% (2023: 43%) was from renewable sources.

GHG EMISSIONS FROM NORMET'S OPERATIONS



- Electricity: **79%**
- Natural gas: **10%**
- Fossil fuels: **9%** (LFO, HFO, Diesel)*
- District heating: **2%**

* Emissions from own vehicles included.

Managing waste responsibly
Normet categorizes waste into hazardous and non-hazardous types. Waste management at the company facilities is organized according to local waste handling requirements. In 2024, Normet operations generated 1,900 tonnes (2023: 1,235 tonnes) of waste, of which 75% was recycled or used as energy (2023: 75% in 2023). Normet aims to implement stricter approaches to recycling and waste management than those mandated by local legislation.

Technology and innovation
Normet recognizes the pivotal role of technological advancement in driving sustainability. By prioritizing electrification, automation, and digitalization, the company enhances efficiency, productivity, and environmental performance. Increased R&D investments focus on energy efficiency, emissions reduction, circularity, and safety. Normet's intelligent and connected equipment, alongside innovations such as battery-electric vehicle architecture and automated solutions, strengthens its leadership in sustainable underground optimization, delivering cleaner, safer, and more efficient solutions to customers.

PEOPLE

Normet is committed to fostering a culture where employees can thrive, grounded in the company's core values: Caring, Committed, and Courageous.

The Normet People Strategy 2024–2027 is built on three pillars:

- » Uniqueness – Strengthening company culture and strategic competencies to differentiate in the industry.
- » Resilience – Ensuring the right talent in the right roles through structured workforce planning.
- » Scalability – Leveraging data to enhance efficiency and support business growth.

Employee development is guided by the annual People in Focus (PIF) process, covering 73% of employees in 2024. Leadership development remains a key focus, with the refinement of our Leadership Principles underway for 2025.

Normet uses the Employee Net Promoter Score (eNPS) to track employee engagement. At the end of 2024, the response rate was 86% (2023: 80%), with an eNPS score of 24—slightly below the benchmark but still at a good level.

Safety is a top priority for both the industry and Normet, recognizing its critical significance to the company and its customers. The unique challenges of tunnels, mines, and civil construction sites require a meticulous approach to minimizing negative impacts.

Normet strives for zero injuries by fostering a strong safety culture, promoting a safety mindset, increasing awareness, and implementing effective safety management systems. Certified ISO 45001 systems cover approximately 42% of the workforce and 26% of sites, ensuring compliance to local laws and customer expectations.

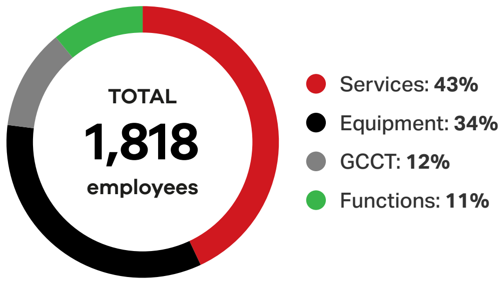
The company takes a risk-based approach, encouraging reporting, root cause analysis, and continuous improvement. This is reinforced by safety training and regular internal safety reviews.

Theme	KPIs	2024	2023	2022
IMPROVING SAFETY	Lost Time Injury Frequency rate (LTIFR)[1]	2.5	3.5	4.9
	Total Recordable Injury Frequency rate (TRIFR)[1]	6.8	8.2	9.6
	Total safety observations[2]	49,246	38,900	No data

1) Calculated per 1,000,000 hours worked; rolling 12 months. 2024 excludes 2024 acquisition Lekatech Oy.
2) Normet has reached an acceptable level in observations and has set a target to focus more on improving the quality of submitted observations.

Personnel
Normet employs more than 1,800 professionals across various fields, including engineering, R&D, field service, technical support, equipment manufacturing, and sales operations. Normet's total workforce was 2,401 in 2024, of which 1,818 were directly employed by Normet.

PERSONNEL



RISK MANAGEMENT

Normet recognizes the inherent risks in its operations and upholds a risk-aware culture to safeguard its strategy, financial targets, and operational performance. Normet's approach to risk identification is fact-based. The Board of Directors oversees the overall risk profile, while the Normet Leadership Team and Extended Leadership Team identify and manage group key risks in alignment with the overall risk profile and ensure a company-wide risk awareness culture. Risk mitigation plans are enacted to avoid, mitigate, transfer, or monitor risks, fostering a proactive response to potential threats or opportunities.

KEY RISKS AND MITIGATION PLAN

Competition: Normet mitigates the risk of competitors advancing more rapidly by continuously analyzing the market, refining portfolio strategies, and enhancing solutions to meet specific market and regional needs.

Market volatility: Normet actively monitors commodity prices and incorporates appropriate commodity price outlooks into its business review processes, allowing the company to identify, analyze, and mitigate commodity price volatility's potential impacts on its mining customer investments.

Supply chain disruptions: Normet counters supply chain disruptions by improving strategic sourcing, enhancing supplier selection, and increasing manufacturing efficiency and flexibility, especially for critical components such as battery-electric vehicle parts.

Technological disruptions: To stay ahead of technological disruptions, Normet focuses on designing innovative products, re-evaluating product development strategies, setting realistic timelines, and ensuring sufficient resources to adapt promptly to evolving technological landscapes.

Safety and compliance risks: Normet mitigates safety, compliance, and corruption risks by enforcing its Zero Harm policy, Normet Code of Conduct and other policies, providing business ethics training, requiring onboarding courses for new employees, monitoring and imposing contractual obligations on its sales intermediaries, and implementing internal controls.

Human capital challenges: Failing to attract and retain skilled workforce and talents imposes a risk on company's operations and growth. Normet mitigates these human capital challenges inter alia by promoting Normet as the employer of choice, competence development, and improving organizational efficiencies.

Geopolitical and regulatory influences: Unstable political conditions and geopolitical tensions increase uncertainty in global trade and worsen global business conditions. Trade restrictions and trade wars can slow investment and economic growth in affected regions. Economic challenges impact customer behavior, purchasing power, and shipping costs, particularly to or from Finland if key routes close. Events such as a war in Europe, high inflation, and rising interest rates further shape the macro environment. Additionally, nationalizations may restrict customer operations or force significant changes to their operating models.

Normet's geographically diverse posture helps mitigate regional disruptions. The company closely monitors global political and economic trends, particularly in high-risk areas.

Business interruption: Normet prioritizes fire safety and maintains manufacturing capabilities to mitigate major business interruptions from hazards.

Cyberattacks: Normet mitigates cyberattack risks by upgrading its digital infrastructure, enhancing security, employing cyber risk management operating model in line with NIS2 directive, and implementing a new enterprise resource planning system to protect data and maintain operational continuity.

Product liability: Normet mitigates product liability risks by reviewing design, manufacturing, and after-sales processes, prioritizing safety through quality assurance, providing compliance training, and maintaining insurance and recall plans to address claims and financial impacts.

Exchange rate exposure: Normet Group operates globally and its business operations are exposed to risks arising from exchange rate fluctuations, particularly those affecting cash flows from sales and financing activities. The Group employs hedging techniques for certain trade receivables denominated in foreign currency but does not apply hedge accounting under IFRS.

GROUP STRUCTURE

The parent company Normet Group Oy owns 96.08% of Normet Oy's shares. The remaining share capital is owned by the Normet Group Board of Directors and executive management.

On August 28, 2024, Normet acquired the remaining voting shares of Lekatech Oy, a pioneer in electric hammering technology used in the mining, quarrying and construction industries, achieving full ownership. The company is based in Iitti, Finland.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

In January 2025, to refinance existing loans, Normet Group Oy signed a new three-year financing agreement totalling EUR 200 million, with an option to extend its maturity by 1-2 years depending on the facility. This arrangement replaced the former EUR 200 million facility agreement which was paid back at the same time. The covenant and the covenant levels remained unchanged from the previous agreement.

SHARE CAPITAL AND SHARES

The company's share capital consists of 656,100 shares. On December 31, 2024, Normet Group Oy does not hold any of its own shares. The company has only one class of shares.

BOARD OF DIRECTORS

At the Annual General Meeting in 2024, six members were elected to the Board of Directors of Normet Group Oy. **Aaro Cantell**, **Tom Melbye**, **Mikko Keto**, **Lars Engström**, and **Mikko Puolakka** were re-elected, and **Sanna Hokkanen** was elected as a new member. **Aaro Cantell** was elected as the Chairman of the Board of Directors.

The shareholders of Normet Oy unanimously resolved to appoint **Matias Cantell** as the deputy member of the Board of Directors. In 2024, the Board of Directors convened nine times and the attendance rate of the Board members was 98%.

MERGERS AND ACQUISITIONS COMMITTEE (M&A COMMITTEE)

The M&A Committee reviews the company's M&A opportunities in greater detail. The committee does not have independent decision-making authority but reports to the company's Board of Directors and makes decision proposals. The committee members are **Aaro Cantell**, **Lars Engström**, **Tom Melby,** and **Matias Cantell.**

AUDIT AND RISK MANAGEMENT COMMITTEE (ARC COMMITTEE)

The ARC Committee oversees and monitors the financial reporting process, reviews financial statements and interim reports, and evaluates the effectiveness of internal control, internal audit and risk management systems. The committee does not have independent decision-making authority but reports to the company's Board of Directors and makes decision proposals. The committee members are **Mikko Puolakka**, **Aaro Cantell**, **Mikko Keto**, and **Sanna Hokkanen**.

PRESIDENT AND CEO

Edoardo Santamaria serves as the company's President and CEO.

AUDITOR

Ernst & Young Oy was the Group's auditor, with **Antti Suominen**, Authorized Public Accountant, as the principal auditor.

RELATED PARTY TRANSACTIONS

The Group provides its Board of Directors and executive management with a facility with a market-determined interest rate to borrow funds related to the share subscription of Normet Oy. The facility is repayable within five years from the date of disbursement. At the end of 2024, Normet Group had loan receivables from the Board of Directors and executive management amounting to EUR 0.8 million (EUR 0.7 million on December 31, 2023).

SHORT-TERM FINANCIAL RISKS AND UNCERTAINTIES

Foreign exchange risk related to the intra-Group loan receivables is mitigated by diversifying these receivables across multiple geographical areas.

OUTLOOK 2025

The industry fundamentals in mining continue to be positive and Normet expects the demand for its equipment and services to remain on a good level. In the tunnelling and construction the short-term outlook is more subdued.

ANNUAL GENERAL MEETING 2024

At the Annual General Meeting on April 2, 2024, decisions within the authority of the meeting were made. It was resolved to pay a dividend of EUR 6.10 (EUR 6.10) per share for 2024, amounting to EUR 4,002,210 (EUR 4,002,210).

BOARD OF DIRECTORS' PROPOSAL ON THE USE OF PROFIT

The parent company's distributable funds total EUR 23,103,952.18, including a net profit of EUR 20,645,002.07 for the year.

The Board of Directors proposes to the Annual General Meeting that of the distributable profit, a dividend of EUR 9.15 for each share to be paid, totalling EUR 6.003.315,00. The remaining distributable equity, EUR 17,100,637.18 will be retained and carried forward.

No significant changes have occurred in Normet's financial position since the end of the financial year. Liquidity remains at a healthy level, and the proposed dividend distribution does not pose any risk to the company's financial standing.

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	1.1.–31.12.2024	1.1.–31.12.2023
NET SALES	1.1	**481,843**	**484,323**
Materials, supplies and subcontracting	1.2	-227,747	-239,652
Personnel cost	2.1	-114,842	-108,833
Depreciation and impairments	5.4	-25,605	-23,851
Other operating expenses and income, net	1.3	-60,217	-63,279
Operating profit		**53,431**	**48,706**
Financing income	1.4	5,050	6,531
Financing expenses	1.4	-16,522	-14,935
Share of profit/loss accounted for using the equity method	6.2	416	**-25**
PROFIT/LOSS BEFORE TAX		**42,375**	**40,276**
Tax on income from operations	3.1	-1,376	**-10,574**
PROFIT/LOSS FOR THE PERIOD		**40,998**	**29,702**

EUR thousand	Note	1.1.–31.12.2024	1.1.–31.12.2023
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan	2.4, 3.2	-785	-67
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	7.7	-4,627	**-3,921**
Net investment hedging		1,675	0
Other comprehensive income for the period, net of tax		**-3,737**	**-3,989**
Total comprehensive income		**37,262**	**25,713**
Owners of the parent company		40,567	28,873
Non-controlling interests in net income		432	829
		40,998	**29,702**
Owners of the parent company		40,909	24,966
Non-controlling interests		90	748
		40,998	**25,713**

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	31.12.2024	31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5.2	34,723	29,241
Goodwill	5.1	44,853	35,656
Property, plant, equipment	5.3	47,026	49,217
Right-of-use assets	5.5	20,444	19,861
Investments accounted for using the equity method	6.2	4,479	5,350
Other non-current financial assets	7.2	53	365
Non-current trade and other receivables	4.2	3,206	3,650
Deferred tax asset	3.4	24,354	16,638
NON-CURRENT ASSETS		**179,138**	**159,978**
CURRENT ASSETS			
Inventories	4.1	159,676	173,885
Trade receivables and other receivables	4.2	118,954	117,417
Tax Receivable, income tax	4.2	3,124	4,353
Cash and cash equivalents	7.4	42,031	37,085
CURRENT ASSETS		**323,784**	**332,739**
ASSETS		**502,922**	**492,718**

EUR thousand	Note	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
Owners of the parent company			
Share capital		3,423	3,423
Share premium		3,350	3,350
Unrestricted equity reserve		6,758	3,013
Hybrid bond		29,693	29,693
Reserves		618	316
Translation differences		-10,236	-7,928
Retained earnings		160,785	130,618
Owners of the parent company	7.7	**194,392**	**162,486**
Non-controlling interests	7.7	**5,884**	**2,795**
EQUITY		**200,275**	**165,281**
NON-CURRENT LIABILITIES			
Non-current liabilities, interest-bearing	7.2, 7.5	155,499	155,875
Non-current interest-free liabilities	7.5	8,086	14,677
Non-current provisions	4.4	2,263	852
Liabilities from defined benefit plan	2.4	2,122	1,297
Deferred tax liability	3.4	5,054	5,678
NON-CURRENT LIABILITIES		**173,023**	**178,379**
CURRENT LIABILITIES			
Current interest-bearing liabilities	7.2, 7.5	10,152	18,070
Trade Payables and Other Liabilities	4.3	107,380	113,585
Tax liability, income tax	3.4	11,020	14,285
Current provisions	4.4	1,072	3,117
CURRENT LIABILITIES		**129,623**	**149,057**
Liabilities		**302,647**	**327,436**
EQUITY AND LIABILITIES		**502,922**	**492,718**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from operating activities		
Profit for the period	40,998	29,702
Depreciation, amortisation and impairment	24,919	23,851
Unrealised foreign exchange gains and losses	-2,586	1,159
Share of profit/loss accounted for using the equity method	-416	25
Other items without cash flow impact	3,306	7,196
Financial income and expenses	11,472	8,405
Taxes	1,376	10,574
Change in provisions	240	-2,281
Other adjustments	0	80
Operating cash flow before changes in net working capital	**79,311**	**78,712**
Change in inventories	15,403	-15,162
Change in interest-free current receivables	-4,868	-12,881
Change in interest-free current liabilities	-13,801	-2,441
Change in net working capital	**-3,266**	**-30,483**
Financial expense	-11,689	-9,865
Financial income	1,371	1,207
Income taxes paid	-9,624	-8,847
Net cash from operating activities	**56,103**	**30,723**

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Cash flow from investing activities		
Purchase of tangible and intangible assets	-22,670	-29,414
Proceeds from sale of tangible and intangible assets	5,291	6,586
Other investments	0	-810
Acquisition of a subsidiary and business acquistions, net of cash acquired	-8,017	-47,965
Net cash used in investing activities	**-25,396**	**-71,603**
Cash flow from financing activities		
Share issue	155	153
Proceeds from loans	21,285	66,428
Loan repayments	-31,000	0
Repayment of lease liabilities	-6,751	-6,362
Hybrid bond repayments	0	-35,000
Proceeds from hybrid bond	0	30,000
Hybrid bond interest and expenses	-2,775	-2,242
Dividends paid	-6,189	-9,222
Net cash from financing activities	**-25,275**	**43,754**
Change in cash flows	**5,432**	**2,874**
Cash and cash equivalents, at beginning	**37,085**	**36,896**
Change in cash flows	5,432	2,874
Net foreign exchange difference	-486	-2,685
Cash and cash equivalents, at end	**42,031**	**37,085**

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, 2024	**3,423**	**3,350**	**3,013**	**29,693**	**316**	**-7,928**	**130,618**	**162,486**	**2,795**	**165,281**
Dividends paid to equity holders							-6,187	-6,187	-89	-6,276
Share issue			155					155		155
Other changes			3,589		302	643	-644	3,891	3,088	6,979
Hybrid bond interest and expenses							-2,775	-2,775		-2,775
Profit for the period							40,558	40,558	432	40,990
Other comprehensive income						-2,952	-785	-3,737	-342	-4,079
Total comprehensive income	0	0	0	0	0	-2,952	39,773	36,822	90	36,911
Balance at December 31, 2024	**3,423**	**3,350**	**6,758**	**29,693**	**618**	**-10,236**	**160,785**	**194,392**	**5,884**	**200,275**

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**
Dividends paid to equity holders							-7,002	-7,002	-149	-7,152
Share issue			153					153		153
Other changes					11		-141	-130	-346	-476
Proceeds from hybrid bond				-34,666				-34,666		-34,666
Hybrid bond repayments				29,693				29,693		29,693
Hybrid bond interest payments							-1,884	-1,884		-1,884
Profit for the period							28,873	28,873	829	29,702
Other comprehensive income						-3,921	-67	-3,989	-1	-3,990
Total comprehensive income	0	0	0	0	0	-3,921	28,806	24,885	827	25,712
Balance at December 31, 2023	**3,423**	**3,350**	**3,013**	**29,693**	**316**	**-7,928**	**130,618**	**162,486**	**2,795**	**165,281**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ABOUT THE GROUP

Normet provides advanced and technically innovative solutions for mining, tunnel, and construction business processes. Normet's Underground operation are comprised of business operations (3), sales areas (5) and Group support units (4). The business operations include equipment, services and ground control and construction technologies. The sales areas include Asia Pacific, India and Middle East, Eurasia and Europe as well as Latin America, and North America. The Group support functions are finance, human resources, IT and legal services.

Normet Group Oy is a Finnish private limited company with domicile in Iisalmi. Normet Group Oy and its subsidiaries form Normet Group (hereinafter referred to as "Normet" or "Group"). Normet Group Oy is part of Cantell group.

ACCOUNTING PRINCIPLES FOR FINANCIAL STATEMENTS

Normet's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), applying the approved IAS and IFRS standards as well as SIC and IFRIC interpretations in effect on 31 December 2024. The consolidated financial statements are presented in euros, which is the functional and reporting currency of the parent company and they are based on historical cost basis unless otherwise stated in the accounting principles. The information of the consolidated financial statements is presented in thousands of euros. The information of the parent company is presented in euros.

NEW IFRS STANDARDS AND IFRIC INTERPRETATIONS AND CHANGES TO THE EXISTING STANDARDS AND INTERPRETATIONS

The changes in the IFRS standards effective from periods beginning 1 January 2024 included mainly amendments or improvements to current standards and did not have material impact on Normet financial statements. Other standards issued that are effective from periods on or after 1st of January 2025 mainly include amendments and improvements to current standards that are not expected to have a material impact on the Group's consolidated financial statements.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the parent company Normet Group Oy and all subsidiaries over which the parent controls, and associates. Control refers to the right to control the company's financial and business policies to benefit from its operations. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The mutual shareholding between Group companies has been eliminated with the acquisition method. The acquisition cost has been allocated for the funds identified for the asset acquired, at the time of the acquisition, at their fair value, if the fair value can be measured reliably. Deferred taxes are recognised from the acquisition cost allocations pursuant to the valid tax rate. The remaining share has been marked as goodwill in the balance sheet. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full in consolidation.

FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised by the Group entities at their respective functional currency rates prevailing at the date of the transaction. At the end of each reporting period, foreign currency monetary items are retranslated at the functional currency spot exchange rate in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Change in accounting principles related to currency translation
The Group has specified the conversion of profit and loss accounts of subsidiaries outside the Euro area. As from 2024, profit and loss accounts are converted into euros according to average exchange rates for each reporting period. The Group has assessed the impact of the change in conversion method, and it does not have a significant impact on profit for the period. Comparison periods have not been adjusted.

In the consolidated financial statements, profit and loss accounts of subsidiaries outside the Euro area will be converted into euros according to the periodic average rates and the balance sheets will be converted according to the rate on the closing date. The average rate difference caused by the different currency rates of the comprehensive income statement and the balance sheet have been recognised in the other items in the statement of comprehensive income. The exchange differences arising from eliminations of foreign subsidiaries and converting of equity items accumulated after acquisition will be recognised in other comprehensive income. Rate differences caused by such monetary items that are part of a net investment into a foreign unit will be recognised in the other comprehensive income and then recognised again in the profit and loss account once the foreign unit has been relinquished.

GOVERNMENT GRANTS

Government grants are presented for the period in which the requirements for the grant are met. The grant is recognised in the profit and loss account as a deduction of expenses to be covered while the corresponding expenses are recorded as profit or loss. The grants allocated to activated product development projects are presented in the balance sheet as adjustments of acquisition costs and they are recognised as income in the form of reduced depreciation during the economic useful life of the intangible right.

CRITICAL ACCOUNTING ESTIMATES AND SOURCES OF UNCERTAINTY

The preparation of the financial statements in accordance with IFRS requires management to make estimates and judgments that affect the valuation of reported assets and liabilities, goodwill and other information, such as contingent liabilities and recognition of income and expenses in the statement of income. These assumptions, estimates and judgments are based on management's historical experience, best knowledge about the events and other factors, such as expectations on future events, which are assessed to be reasonable in the given circumstances. Although these estimates and judgments are based on the management's best understanding of current events and circumstances, actual results may differ from the estimates. Possible changes in estimates and assumptions are recognised in the financial reporting period the estimate or assumption is changed.

The management of Normet must exercise estimates and judgments in allocating fair values for business acquisitions. For material intangible assets, property, plant and equipment in an acquisition, services of external advisors are utilized for fair valuation of the target of the acquisition and determining assets remaining useful life.

1 GROUP PERFORMANCE

1.1 NET SALES

In 2024, net sales of Normet remained at the level of 2023 achieving EUR 482 million (EUR 484 million) in net sales, which is 0.5% decline from the previous year.

Accounting policy

The Normet Group's revenue consist of sales of goods and services. The sales of goods include underground construction equipment, services, spare parts as well as construction chemicals. The sale of services includes equipment maintenance, equipment leasing and sale of used equipment.

Revenue is recognised at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. The transaction price is usually fixed but may also include variable considerations such as buy-back obligations, rights to return or discounts. In the equipment deliveries that include a buy-back provision and in which the buy-back provision is very likely to be exercised, part of the selling price is transferred to non-current and current liabilities (portion corresponding to the buy-back value). The corresponding amount of the cost of sales is transferred back to inventories. These items are reversed on the balance sheet after buy-back obligation has expired. Other variable considerations are estimated using the most likely value method if not yet realised at the end of the reporting period. When calculating the revenue, the total invoice value is adjusted with reductions and indirect taxes of sales. The exchange rate differences related to sales in foreign currency are recognised in the sales adjustment items.

The Group's typical customer contracts for the sale of goods and services constitute only one performance obligation. The Group recognises revenue when it satisfies an identified performance obligation by transferring promised goods or service to the customer. Goods and services are generally considered to be transferred when the customer obtains the control to it. Control means that the customer can direct the use of and obtain benefit from the good and service and prevent others from directing the use of and receiving the benefits from them. Thus, customer has sole possession of the right to use the good or service for the remainder of its economic life or to consume the good or service in its own operations.

Accounting estimates and considerations

In many respects, the recognition of revenue requires judgements and estimates. Majority of group's revenue is recognised at point in time, when the customer gains control of the goods or services.

Contractual buy-back clauses require management special consideration.
If the criteria are met portion of the corresponding buy-back value is transferred to the long- and short-term debt.

NET SALES BY REGION

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Europe and Eurasia	167,351	146,764
Latin America and North America	105,537	98,897
Asia Pacific, China and India	208,955	238,662
Total	**481,843**	**484,323**

NET SALES BY BUSINESS LINE

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Equipment	182,054	195,306
Services	214,700	210,120
GCCT	86,197	94,318
Elimination	-1,109	-15,421
Total	**481,843**	**484,323**

EXCHANGE DIFFERENCES INCLUDED IN THE NET SALES

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Foreign exchange gain and loss, realised	122	-1,882
Foreign exchange gain and loss, unrealised	1,034	265
Exchange rate differences in sales	**1,156**	**-1,617**

1.2 COST OF SALES

PROCUREMENT AND PRODUCTION

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Materials, supplies and subcontracting	208,199	219,901
External services	19,548	19,751
Total	**227,747**	**239,652**

EXCHANGE DIFFERENCES INCLUDED IN COST OF SALES

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Foreign exchange gain and loss, realised	-3,157	-2,577
Foreign exchange gain and loss, unrealised	2,796	470
Total	**-361**	**-2,107**

1.3 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Rental Income	160	19
Gain on sale of non-current assets	239	200
Unrealised gain from a change in the fair value of financial assets and liabilities	1,325	0
Other	694	1,019
Total	**2,418**	**1,238**

OTHER FIXED OPERATING EXPENSES

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Non-statutory employee benefits	2,363	2,400
Rents	964	1,505
Other variable expenses	17,921	20,190
General business costs	27,061	25,902
Operating and maintenance costs	4,448	4,164
Other expenses	5,955	6,425
Sales and marketing costs	2,019	1,557
Change in provision for bad debt	1,903	2,374
Total	**62,635**	**64,517**

1.4 FINANCING INCOME AND EXPENSES

Exchange rate gains and losses include exchange rate differences on loans and other receivables. Hedge accounting is not applied by Normet.

FINANCING INCOME

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Interest income	930	927
Other financial incomes	10	0
Foreign exchange gain	4,110	5,604
Total	**5,050**	**6,531**

FINANCING EXPENSES

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Interest Expenses	8,760	7,977
Lease interest expenses	1,155	926
Foreign exchange loss	5,414	6,034
Other financial expenses	1,194	-2
Total	**16,522**	**14,935**

2 PERSONNEL

2.1 PERSONNEL EXPENSES

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Salaries and fees	91,964	92,437
Share-based payments	-492	424
Variable pension expenses, defined contribution plans	3,784	2,790
Variable pension expenses, defined benefit plans	-9	42
Pension expenses, defined contribution plans	4,907	5,797
Pension expenses, defined benefit plans	293	269
Other variable employee benefits	10,474	2,868
Other indirect employee costs	3,921	4,207
Total	**114,842**	**108,833**

In full year 2024, the Group had an average of 1,827 employees (1,807).

2.2 LONG-TERM INCENTIVE PROGRAMMES

The Group has long-term cash-based incentive programme for the company's key personnel for years 2024 – 2026, with final payout in 2027. Incentive scheme includes group performance targets and employment requirements.

Accounting policy

The Group has long-term incentive plan paid in cash. The benefits granted in accordance with the inventive plan are measured at expected cost at end of the value period. The value of the plan is based on group performance targets and is calculated as estimated payout to synthetic units granted to participants. The final cost of the plan will be based on outstanding synthetic units at the time of payout.

Value of the cash-settled plan is remeasured at each reporting date until payment. The group updates the assumptions quarterly. Changes in estimated payout value are recognised in profit or loss for the reporting period, and the plan value is recognised as a liability. At the end of the plan the actual cost is recognised against the liability in the balance sheet.

Main terms and conditions of the share-based plan ended in 2024

The long-term incentive scheme initiated in 2018 in which options were granted and incentive scheme initiated in 2019 in which synthetic options were granted have ended during 2024. The schemes were for the company's key personnel. Incentive schemes included performance targets and employment requirements.

The Group had a long-term incentive scheme established in 2018, according to which participants were granted options. Based on the vesting period, the scheme was divided into three different programs, which were 2018A, 2018B and 2018C. The options granted were options entitling to the B shares of the Group's main operating company, Normet Oy. The shares were subject to a redemption clause, due to which the amortized cost of the option program and any share subscriptions were recorded in non-current liabilities in the consolidated financial statements. Part of the incentive scheme's options was related to a requirement to subscribe for shares of Normet Oy.

The Group also had a long-term incentive plan established in 2019, according to which participants received synthetic options. For the plan, 1/3 had a performance condition and for 2/3 there was only a service condition. The synthetic options covered by the arrangement were paid in cash.

The earnings periods of both 2018 and 2019 incentive plans ended gradually between 30 April 2021 and 2023, after which the options were be available until 30 June 2024.

In 2024, group has redeemed all options and shares from the key personnel. The shares held by Board of Directors and CEO are presented in equity.

There are no outstanding options on December 31, 2024 (87,198 on December 31, 2023). There was no outstanding accrued liability recognised in the balance sheet at 31.12.2024. Cost for the financial year is disclosed in note 2.1 Personnel expenses.

2.3 EMPLOYMENT BENEFITS FOR THE EXECUTIVE MANAGEMENT

The executive management comprises the parent company's Board of Directors and the Group's Leadership Team. The remuneration paid or payable based on the work performed consists of the following:

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023*
Salary, bonuses and other short-term employee benefits	3,569	4,819
Share-based payments	-492	433
Other long-term employee benefits	359	0
Termination benefits	270	0
Total	**3,705**	**5,253**

* Comparative figures have been adjusted.

The composition of Normet's Leadership Team changed during the 2024 and 2023 financial years. The remuneration of the Leadership Team members who resigned from the Board is included in the key management employment benefits for the period they were members of the Board. In Normet Group Oy has loan receivables from the executive management amounting to EUR 0.8 million (EUR 0.7 million). Normet had no loans, liabilities or commitments to persons belonging to Normet's related parties at the end of financial year 2024 or 2023.

2.4 DEFINED BENEFIT PLANS

Accounting policy

The Group's pension plans comply with the local regulations and practices. The plans are classified either as defined contribution plans or defined benefit plans.

Defined contribution plans are post-employment benefit arrangements under which the Group pays fixed contributions into a separate entity with no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Group's contributions to the defined contribution plans are charged directly in the year to which these contributions concern.

A defined benefit plan is a pension plan under which the Group itself has the obligation to pay retirement benefits and bears the risk of change in the value of plan liability and assets. The liability recognised on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation regarding each significant plan is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds with approximating terms to maturity and that are denominated in the currency in which the benefits are expected to be paid. The applied discount rates are determined in each country by an external actuary.

Actuarial gains and losses related to remeasurements of a defined benefit plan and the effect of the asset ceiling, if any, are recognised directly in the statement of comprehensive income. Interest and all other expenses related to defined benefit plans are recognised directly through profit or loss. If a plan is amended or curtailed, the portion of the changed benefit related to past service by the employees, or the gain or loss on curtailment, is recognised directly in the statement of income when the plan amendment or curtailment occurs.

Accounting estimates and considerations

The estimate of the obligations amount of each defined benefit pension plan is based on the actuarial estimates concerning, among other things, the future pay rises, discount interests and profits from funded assets. The changes in these assumptions may significantly affect the pension obligations and pension costs.

The present value of pension obligations depends on several factors which are defined actuarially, using several financing and demographical assumptions, and changes in them affect the accounting value of the pension obligations. The discount rate is the most important of all the financing assumptions used in the defining of the net expenses (or profits) caused by pensions. The appropriate discount rate is determined at the end of each year and it is used to calculate the present value for the estimated future cash flows required to fulfil the pension obligations. The yield in country and corporate level high-quality bonds defines the appropriate discount rate at the reporting date. These bonds are denominated in the currency in which the benefits are paid and have a maturity close to the length of the vesting period. Other key assumptions concerning pension obligations include monetary assumptions, such as the expected increases in salaries and pensions, and demographical assumptions, such as life expectancy.

The Group has various post-employment benefit plans around the world. Pension arrangements are made in accordance with local regulations and practices in line with the defined contribution pension plans or defined benefit pension plans.

The defined benefit pension plans determine the amount of pension to be paid and the benefits to be paid for disability and at termination of employment. The pension benefits are usually based on the length of employment and the level of final salary. The calculations for defined benefit obligations and assessment of the fair value of assets at the end of the reporting period have been made by qualified actuaries.

The Group has defined benefit pension plans in Switzerland, Finland, and Indonesia. The most significant plans are in Switzerland. The defined benefit plans have been organized through insurance companies. The major pension plans are funded, and the assets of these plans are segregated from the assets of the Group. The subsidiaries meet the funding requirements, and the assets have been invested in various investments in accordance with the local regulations.

These defined benefit plans expose the Group to actuarial risks, such as inflation risk, interest rate risk, expected retirement age and market risk.

SUMMARY OF THE IMPACT OF POST-EMPLOYMENT BENEFITS IN THE FINANCIAL STATEMENTS

EUR thousand	2024	2023
Present value of unfunded obligations	3,641	3,031
Present value of funded obligations	14,661	14,315
Fair value of plan assets	13,291	13,675
Pension obligations in the balance sheet	**5,011**	**3,671**
Defined benefit pension plans and other post-employment benefits expenses	1,246	1,029
Expenses in the income statement	**1,246**	**1,029**
Change in value of the defined benefit pensions plans and other post-employment benefits	952	75
Amounts recognised through other comprehensive income	**952**	**75**

Expected contributions to defined benefit plans during the next financial period are EUR 0.8 million (EUR 0.7 million) million. The duration of the most significant defined benefit obligation at the end of the reporting period was 11.2 (31 December 2023: 10.8) years.

CHANGES IN PENSION OBLIGATIONS DURING THE FINANCIAL YEAR

EUR thousand	Present value of plan assets	Fair value of plan assets	Total
1.1.2024	**17,346**	**13,675**	**3,671**
Current service cost	832	0	832
Interest expense (+) / income (-)	351	220	130
Past service cost	-14	0	-14
Remeasurement of value:			
Return on plan assets, excluding interest recognised in profit and loss	0	-51	51
Actuarial gains (-) and losses (+) arising from changes in economic assumptions	750	0	750
Experience gains (-) and losses (+)	151	0	151
Actuarial gains (-) and losses (+) recognised in income statement	298	0	298
Foreign exchange gains (-) and losses (+)	-220	-219	-1
Contributions by employer	0	857	-857
Contributions by plan participants	321	321	0
Benefits paid	-1,512	-1,512	0
Other	0	0	0
31.12.2024	**18,302**	**13,291**	**5,011**

EUR thousand	Present value of plan assets	Fair value of plan assets	Total
1.1.2023	**14,917**	**11,523**	**3,394**
Current service cost	786	0	786
Interest expense (+) / income (-)	370	237	133
Past service cost	58	0	58
Remeasurement of value:			
Return on plan assets, excluding interest recognised in profit and loss	0	-112	112
Actuarial gains (-) and losses (+) arising from changes in economic assumptions	189	0	189
Experience gains (-) and losses (+)	-226	0	-226
Actuarial gains (-) and losses (+) recognised in income statement	56	0	56
Foreign exchange gains (-) and losses (+)	804	791	12
Contributions by employer	0	839	-839
Contributions by plan participants	317	317	0
Benefits paid	80	80	0
Other	-4	0	-4
31.12.2023	**17,346**	**13,675**	**3,671**

BREAKDOWN OF ASSETS AND LIABILITIES BY GEOGRAPHICAL AREA

EUR thousand	Finland	Switzerland	Other countries
Present value of plan obligations:			
2024	3,084	14,449	769
2023	2,543	14,121	683

BREAKDOWN OF ASSETS

EUR thousand	2024	2023
Qualifying insurance policy	210	195
Other assets	13,081	13,480
Total	**13,291**	**13,675**

The assets do not include the company's own instruments or other assets in its use.

DEFINED BENEFIT PLANS: ACTUARIAL ASSUMPTIONS USED IN CALCULATION

EUR thousand	Finland	Switzerland	Other countries
Discount rate 2024 (2023)	3.4% (3.4%)	0.90% (1.65%)	7.04% (6.7%)
Future salary increase assumption 2024 (2023)	3.0% (3.3%)	1.0% (1.0%)	6.0% (6.0%)

The discount rate has been determined separately for each plan. The discount rate is based on a yield of corporate bonds with an 'AA' and 'AAA' credit rating that are denominated in the same currency and have a duration that approximates the plan duration.

SENSITIVITY ANALYSIS OF THE KEY ACTUARIAL ASSUMPTIONS RELATED TO THE MOST SIGNIFICANT ACTUARIAL ASSUMPTIONS

EUR thousand	2024	Change
0,25 % -point increase in the used variable rate would impact defined benefit liability as follows:		
Discount rate	14,026	-423
Future salary increase assumption	14,505	57
Pension increase assumption	14,644	195
0,25 % -point decrease in the used variable rate would impact defined benefit liability as follows:		
Discount rate	14,900	451
Future salary increase assumption	14,392	-57
Pension increase assumption	14,258	-191
Increase of life expectancy by one year	**14,603**	**155**
Decrease of life expectancy by one year	**14,294**	**-155**

EUR thousand	2023	Change
0,25 % -point increase in the used variable rate would impact defined benefit liability as follows:		
Discount rate	13,748	-373
Future salary increase assumption	14,166	45
Pension increase assumption	14,305	184
0,25 % -point decrease in the used variable rate would impact defined benefit liability as follows:		
Discount rate	14,518	397
Future salary increase assumption	14,074	-47
Pension increase assumption	13,941	-180
Increase of life expectancy by one year	**14,250**	**129**
Decrease of life expectancy by one year	**13,991**	**-130**

The tables above summarise the results of the sensitivity analysis prepared separately for each plan, and for each relevant actuarial variable, by an external actuary. The sensitivity analysis has been prepared for one variable at a time while holding all other variables constant. Regardless of the actual volatility of the given variable, for presentation purposes the analysis has been prepared by assuming a fixed change in the key variable as indicated in tables. Consequently, the purpose of the analysis is not to quantify possible or expected changes in the defined benefit obligation but to illustrate the sensitivity of the value of obligation to these variables, the fluctuation of which may deviate from the figures presented in practice.

The sensitivity analysis above assesses only the pension liability's sensitivity to given variables without considering the plan assets. Although the changes in the discount rate create the most significant risk to the plan based on the sensitivity analysis, in practice, the interest rate sensitivity is partly offset by the plan assets that include investments in bonds. The assets correspond to the cumulated plan payments made to the insurance company or fund. The assets are the responsibility of the insurance company or fund and part of the investment assets of the insurance company or fund. The amount of the pension liability is determined based on the current best estimate of the life expectancy. If the assumed life expectancy proves to be underestimated, the recognised plan liability will also be insufficient. Uncertainty regarding the reliability of this estimate is also a risk to the plan.

3 INCOME TAXES

Accounting policy

Income taxes in the statement of income comprise the Group companies' taxes based on the taxable income, prior period adjustments and changes in deferred taxes. The tax effect of items recognised in the consolidated statement of comprehensive income is also recognised directly in the consolidated statement of comprehensive income. Income tax based on taxable income for the period is calculated based on taxable income using the income tax rate effective in each country.

Deferred tax assets or liabilities are calculated on the temporary differences between carrying value and taxable value using tax rates that have been enacted or substantively enacted by the end of each reporting period. The most significant temporary differences arise from defined benefit pension plans, provisions, intercompany elimination of inventory margin, depreciation of tangible assets and loss carryforwards. Deferred taxes are recognised for investments in subsidiaries and associates, but only to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax liabilities are recognised in full in the balance sheet and the tax assets to the extent that it is probable that it can be utilised in future years against taxable income. Recognition criteria for deferred tax assets are reviewed in this respect at end of each reporting period.

Accounting estimates and considerations

The Group is subject to income taxes in several countries and the computation of the Group´s income tax expense and income tax liabilities require judgement and estimation. Income tax positions are regularly evaluated by the management to identify situations when there might be uncertainty due to tax regulation being subject to interpretation. Provisions for these uncertain tax positions are recognised when it is considered more likely than not that the positions will be challenged by the tax authorities. The provision recognised is based on the estimation of the amount of the final taxes to be paid to the tax authorities.

3.1 INCOME TAXES IN THE INCOME STATEMENT

EUR thousand	31.12.2024	31.12.2023
Tax expense for the current year	-8,928	-12,584
Tax for previous years	-562	151
Change in deferred tax asset and liabilities	8,114	1,859
Total	**-1,376**	**-10,574**

3.2 TAXES ASSOCIATED WITH OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

	1.1.–31.12.2024			1.1.–31.12.2023		
EUR thousand	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Actuarial profit (+) / losses (-) of defined benefit plans	895	110	-785	-72	5	-67
Other OCI-items	**895**	**110**	**-785**	**-72**	**5**	**-67**

3.3 EFFECTIVE TAX RATE RECONCILIATION

EUR thousand	31.12.2024	31.12.2023
Profit before taxes	42,375	40,276
Tax calculated at the domestic corporation tax rate of 20.0%	-8,475	-8,055
Effect of different tax rates of foreign subsidiaries	278	1,049
Tax from previous years	-562	151
Withholding tax, non-creditable	-534	0
Tax free income and undeductible expenses	-346	-2,628
Realisability of deferred taxes	8,261	-1,560
Other items	2	469
Total	**-1,376**	**-10,574**
Effective tax rate %	**3.2%**	**26.3%**

3.4 DEFERRED TAXES

Other temporary differences contain timing differences that are caused by the allocation of costs, advances received and unrealized rate differences which are not tax-deductible before they are realized.

The deferred tax claims and liabilities have been offset at the juridical company level when there is the lawfully enforceable right to offset the receivables based on the period's taxable income against the liabilities based on the period's taxable income.

A deferred tax liability on undistributed profits of subsidiaries located in countries where distribution generates tax consequences is recognised when it is likely that earnings will be distributed in the near future.

Accounting estimates and considerations

Estimates in the tax liabilities and receivables are mainly related to the measuring of the deferred tax receivables related to tax losses. A deferred tax receivable is recognised for unused tax losses and other temporary differences only to the extent it is likely that taxable income will be created. Tax receivables are not recognised for such tax losses that contain uncertainties. Normet Group operates in jurisdictions which have enacted or substantively enacted Pillar Two legislation. However, this legislation does not apply to the Group as its consolidated revenue is lower than EUR 750 million.

DEFERRED TAX ASSETS

EUR thousand	31.12.2024	31.12.2023
Inventories	8,762	7,332
Intangible and tangible assets	708	429
Provisions	3,749	2,321
Unused tax losses	6,257	0
Pension liabilities	2,345	3,110
Other items	2,533	3,446
Total	**24,354**	**16,638**
Tax expense reported in the statement of profit or loss	**7,657**	**1,843**

In 2024, the Group has re-assessed deferred tax assets related to tax losses. The tax losses for which no deferred tax assets are recognised due to the uncertainty of the utilization of the losses, amounted to EUR 11.0 million at the end of 2024 (EUR 55.7 million). Of these, EUR 1.0 million will expire within the next five years and the rest will expire later or have no expiry.

DEFERRED TAX LIABILITIES

EUR thousand	31.12.2024	31.12.2023
Inventories	0	62
Intangible and tangible assets	3,823	5,286
Employee benefits	181	0
Other items	1,050	330
Total	**5,054**	**5,678**
Tax expense reported in the statement of profit or loss	**456**	**17**

4 OPERATIONAL ASSETS AND LIABILITIES

4.1 INVENTORIES

Accounting policy

The inventory stock obsolescence provision is based on the best estimate of slow-moving and obsolete inventory at the balance sheet date. The estimates are based on frequent review and evaluation of inventory ageing and composition. Inventories are recognised on the balance sheet using the weighted average price method and measured at the lower of acquisition cost and likely selling price. As a rule, the acquisition cost of inventory includes variable direct costs.

Inventories include an amount equivalent to the buy-back value of equipment deliveries insofar as it is highly likely (>10%) that the Group needs to buy back the equipment.

The corresponding amount is recognised on the balance sheet in non-current and current liabilities.

The value of inventories includes impairment due to obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Accounting estimates and considerations

The amount of inventory impairments caused by obsolete and excessive stock is based on the management's best estimate on the closing date. The estimate is based on the analysis of the expiration of the inventories, circulation rate and structure when compared to the anticipated future use.

EUR thousand	31.12.2024	31.12.2023
Raw materials and consumables	76,696	70,716
Work in progress	19,374	25,113
Finished goods	60,755	76,488
Equipment related to buy backs	1,823	857
Advance payments for inventory	1,028	710
Inventories total	159,676	173,885

The inventories contain a total of EUR 7.8 million of obsolescence provision at the end of the financial year (EUR 7.1 million).

4.2 TRADE RECEIVABLES AND OTHER NON-INTEREST-BEARING RECEIVABLES

Accounting policy

Trade receivables and other receivables are originally recognised in their fair value, after which they are measured at their amortised cost. The trade receivables represent the Group's absolute right to the purchase price (which means that only the passing of time affects it until the purchase price has to be paid). The credit loss provisions of trade receivables are estimated based on the Group's credit loss history, which is adjusted with the current information and reasonable and reliable predictions. The effect of the provisions is recognised as a cost in the income statement.

Accounting estimates and considerations

Estimated expected credit loss provisions are based on management's best judgement. Management judgement includes past years' experience and a forward-looking understanding of the client's payment behaviours and economic situation. Assessing whether it is probable that the consideration from contracts with customers will be collected requires judgement and might impact the timing and amount of revenue recognition.

EUR thousand	31.12.2024	31.12.2023
Trade receivables gross	80,393	84,829
Bad debt allowance	-7,513	-5,730
Trade receivables net	**72,880**	**79,100**

OTHER RECEIVABLES

	31.12.2024			31.12.2023		
EUR thousand	Non-current	Current	Total	Non-current	Current	Total
Loan receivables	10	271	282	0	274	274
Prepaid expenses and accrued income	0	16,174	16,174	617	9,750	10,367
Tax receivable	0	3,124	3,124	0	4,353	4,353
Other receivables	3,196	29,628	32,823	3,398	28,293	31,691
Non-interest-bearing receivables total	**3,206**	**49,197**	**52,403**	**4,015**	**42,670**	**46,685**

AGEING ANALYSIS OF TRADE RECEIVABLES

EUR thousand	31.12.2024	Expected credit losses
AR not due yet	53,132	403
AR 1-90 days due	18,472	999
AR 91-360 days due	5,833	3,254
AR over 360 days due	2,956	2,856
Total	**80,393**	**7,513**

There has not been any significant indication of change in customer payment behavior, and therefore same principles have been applied for expected credit loss recognition as in the financial statements 2023. The collection of trade receivables is highlighted, and the risk related to the availability of recoverable assets is not deemed to have grown significantly. On the closing date, the Group had not received significant cancellations. Order cancellations and postponements have remained very close to the Group's normal level. However, as a result of slower customer decision making order intake for the year has decreased from previous year.

CREDIT LOSS PROVISION OF TRADE RECEIVABLES

EUR thousand	31.12.2024	31.12.2023
Accumulated provision at beginning of year	5,730	3,510
Write-offs	-89	-52
Change in provision	1,872	2,271
Accumulated provision at end of year	**7,513**	**5,730**

The balance sheet values of trade receivables are almost equal to their fair values. Due to the Group's extensive and diverse customer base, trade receivables are only subject to a small credit loss risk. Credit losses recognised from the customer contracts for the financial year totalled EUR 0.3 million (EUR 0.1 million).

4.3 TRADE PAYABLE AND OTHER LIABILITIES

	31.12.2024			31.12.2023		
EUR thousand	Non-current	Current	Total	Non-current	Current	Total
Accounts payable	0	43,668	43,668	0	58,514	58,514
Derivative instruments	0	67	67	0	220	220
Other payables						
Tax liabilities	0	11,609	11,609	0	14,285	14,285
Accrued personnel costs	4,766	16,163	20,930	4,060	10,194	14,254
Advances received	0	14,456	14,456	0	16,757	16,757
Buy back liabilities	1,882	0	1,882	893	0	893
Interest payable	0	1,441	1,441	0	1,389	1,389
Other payables	1,438	30,996	32,434	9,725	26,364	36,089
Other payables total	**8,086**	**74,665**	**82,751**	**14,677**	**68,989**	**83,667**

4.4 PROVISIONS

Accounting policy

Provisions are recognised in the balance sheet when the Group has a current legal or constructive obligation as a result of past events, and it is probable that fulfilling the obligation requires a financial performance or causes a financial loss. In addition, a reliable estimate of the amount of the obligation must be feasible. Provisions are accounted for using the best estimate for the costs required to settle the obligation at the end of the reporting period. In case the time value of money is significant, the provision is stated at present value of the expected costs. Changes in provisions are recognised in the income statement in the same batch in which the provision was originally recognised.

Provisions for warranties cover the estimated costs to repair or replace products still under warranty at the end of the reporting period. Provision for warranty is calculated based on historical experience of levels of repairs and replacements.

Accounting estimates and considerations

The amount of the provision to be recognised is the closing day's best estimate of the cost needed to fulfil the obligation. The estimate of the event's financial impact requires the company management to use judgement based on previous similar events and, in some cases, the statements of an outside expert. The provisions are reviewed regularly and corrected when necessary to correspond with the best estimate at the time of reviewing. The expenses to be realised may deviate from the estimate.

	31.12.2024			31.12.2023		
EUR thousand	Non-current	Current	Total	Non-current	Current	Total
Provisions	2,263	1,072	3,334	852	1,077	1,929

Provisions consist of warranty provision, and provisions for restructuring, quality errors, legal proceedings and loss-making agreements, in the extent the loss exceeds the balance sheet value of the unfinished work or partial recognition of revenue.

The warranty cost provision covers the costs related to the repairing or replacing of products during their warranty period. Provisions subject to warranty are defined based on the historical realised warranty costs of standard products and services.

5 INTANGIBLE AND TANGIBLE ASSETS

5.1 GOODWILL

Accounting policy

Goodwill corresponds to the part of the acquisition cost that exceeds the Group's share of the fair value of the acquired company's net identifiable assets at the time of the acquisition. Goodwill is measured at cost less impairment. Impairment losses are recognised in the income statement.

In case of a potential impairment, the Group tests the goodwill that has indefinite economic useful life at least once a year. Additionally, signs of impairment are assessed at regular intervals. The impairment need is reviewed at the level of the cash-generating units (CGU). If the recoverable amount is less than the carrying amount of the asset, the impairment is recognised on the balance sheet as a cost. The recoverable amount is either the CGU's fair value after depreciations arising from transfer-related expenses or its value in use, whichever is larger. The value in use is determined as the present value of the corresponding cash flows. The applied discount rate reflects the market's opinions of money's time value and special risks related to the asset. The impairment loss recognised for the goodwill cannot later be reversed.

Accounting estimates and considerations

The key assumptions made by the management in the future developments relate to market and profitability outlooks. Key factors affecting profitability are sales volume and cost efficiency. The estimates are based on the results of previous years and contain the management's expectations related to future development of selling prices, business structure, costs, market shares and volumes.

Goodwill is reviewed for potential impairment whenever there is an indication that the current value may be impaired, or at least annually. Impairment testing of goodwill is carried out by allocating goodwill to the lowest cash generating unit levels which generate independent cash flows. These levels have been identified according to the operative business model. Due to the way the company is managed and organised, it is not possible to define independent cash flows for lower-level divisions.

The determination of the value-in-use uses estimates about future market development, such as growth and profitability and other key factors. Of the factors that are the basis for the estimates, the ones with the most significant effects are the growth of sales in a market area, business result, economical useful life of assets, future investment needs and discount rate. Changes of these assumptions may significantly affect the estimated cash flows to be recovered in the future. When reviewing signs of impairment, Normet management has used significant judgement. The amount recoverable from the operating segments have been compared to their book value.

Impairment testing of goodwill
The recoverable amounts of the cash generating units are determined based on value-in-use calculations. The future cash flow projections used in the calculations are based on the strategic plans approved by the top management and the Board of Directors. The cash flow projections cover five years, on which the terminal value is defined as the value of the last projection period. Cash flows beyond the forecast period are projected by using a two percent long-term growth rate that is based on a prudent estimate about the long-term growth rate of the industries. The profitability levels of the forecast period reflect the actual profitability.

ALLOCATION OF GOODWILL

EUR thousand	Used WACC before taxes %	Average annual growth during the forecast period %	Does the assumed increase in the forecast period reflect the outcome?	Terminal increase %	Goodwill	Tested book values	Discounted cash flows exceed the value of the assets being tested
Cash-generating units:							
Equipment	14.5%	6.3%	Yes	2.0%	23,161	149,236	>100%
Services	15.7%	4.7%	Yes	2.0%	11,396	130,884	>100%
GCCT	16.2%	6.6%	Yes	2.0%	10,296	35,731	>100%

ALLOCATION OF GOODWILL

EUR thousand	31.12.2024	31.12.2023
Goodwill is allocated to the following cash-generating units:		
Equipment	23,161	13,142
Services	11,396	12,191
GCCT	10,296	10,323
Total	**44,853**	**35,656**

The discount rate used in the calculations is the weighted average cost of capital (WACC) before taxes determined for each business area that reflects the total cost of equity and debt and the market risks related to the segments in question. The components of WACC are risk-free interest rate, market risk premium, comparable peer industry beta, net gearing and credit risk premium. Pre-tax discount rate (WACC) used for the Equipment was 15 (14) per cent, for Services 16 (16) per cent, and for GCCT 16 (15).

There are no indications of impairment of goodwill after the annual impairment testing performed of year 2024. There have been no impairments in goodwill in between years 2021–2024.

Sensitivity analysis
The Group has compiled a sensitivity analysis in which the sensitivity of impairment tests is tested with the changes in central assumptions. The central variables are revenue, profitability and discount interest. Based on the sensitivity analysis, the probability for material impairment losses was low in all CGUs. Under the basic scenario for CGUs, the value-in-use calculations were on average 2.5 times higher than the value of CGUs' assets employed.

5.2 OTHER INTANGIBLE ASSETS

Accounting principles

Intangible assets are recognised in the balance sheet at historical cost if the acquisition cost can be measured reliably and it is probable that the future economic benefits attributable to the asset will flow to the Group.

Other intangible assets include patents, trademarks, licences, software and capitalised development costs. They are stated in the balance sheet at historical cost less accumulated depreciation and amortisation and any provisions for impairment.

Intangible assets with a finite useful life are recognised as expenses with straight-line amortisation through profit and loss over their known or expected useful life. The Group does not have intangible assets with an indefinite useful life.

Intangible assets with finite useful life are recognised as expenses with straight-line amortisation through profit and loss over the useful life as follows:

» capitalized development costs 3 years
» patents and trademarks 10 years
» other intangible assets 7 - 10 years

The useful life of the assets is reviewed and adjusted, if necessary, at the end of each reporting period. Amortisation of intangible assets begins when the asset is available for use, i.e. when it is at the site and in the condition necessary for it to operate in the manner intended by management.

Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

» The technical feasibility of completing the intangible asset so that it will be available for use or sale.
» Its intention to complete and its ability to use or sell the asset.
» How the asset will generate future economic benefits.
» The availability of resources to complete the asset.
» The ability to reliably measure the expenditure during development.

Expenses related to the deployment of new technology or development of a new product generation are activated and depreciated during the economic useful life of 3 years. When determining the economic useful life, the expiry of technology and typical life cycle of products will be considered. The depreciations begin once the product can be utilized commercially or the asset is available for use. The maintenance and insignificant improvements of existing products are recognised directly as expenses. Government grants related to research and development operations are recognised in the profit and loss account as a deduction of expenses to be covered while the corresponding expenses are recognised as profit or loss.

Accounting estimates and considerations

Assessing the probability of expected future economic benefits and the useful lives of intangible assets require management judgement. The estimated useful lives and the residual values are reviewed at least at the end of each reporting period, and if they differ significantly from previous estimates, the amortisation periods are adjusted accordingly. Also, assessing any indication of impairment requires management judgement.

INTANGIBLE ASSETS

EUR thousand	Development costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Goodwill	Consolidated goodwill	Total
Cost 1.1. 2024	28,511	15,810	37,751	2,011	13,907	52,159	150,150
Translation differences	11	-8	60	0	202	-186	79
Additions	83	108	1,072	8,051	0	0	9,313
Business combinations	1,197	0	2,752	0	0	9,232	13,182
Disposals	-8,445	-4,975	-390	0	0	0	-13,810
Reclassifications	-13	0	6,265	-6,178	-1	0	73
Cost 31.12.2024	**21,344**	**10,935**	**47,510**	**3,884**	**14,108**	**61,206**	**158,986**
Cumulative amortisation and impairment 1.1.2024	-25,519	-8,833	-20,487	0	-8,139	-22,273	-85,250
Translation differences	0	6	0	0	-73	24	-44
Amortisation	-2,886	-1,129	-3,461	0	0	0	-7,476
Cumulative amortisation on disposals and reclassifications	8,448	4,968	386	0	1	0	13,803
Impairment losses	0	0	-442	0	0	0	-442
Cumulative amortisation and impairment 31.12.2024	**-19,957**	**-4,987**	**-24,004**	**0**	**-8,211**	**-22,250**	**-79,410**
Carrying amount 1.1.2024	2,992	6,976	17,262	2,011	5,769	29,887	64,897
Carrying amount 31.12.2024	**1,386**	**5,947**	**23,506**	**3,884**	**5,897**	**38,956**	**79,576**

EUR thousand	Development costs	Immaterial rights	Other intangible assets	Advance payments for intangible assets	Goodwill	Consolidated goodwill	Total
Cost 1.1. 2023	28,339	10,973	20,330	5,701	13,353	30,155	108,849
Translation differences	-5	-84	4	0	-523	-700	-1,307
Business combinations	234	5,176	8,792	0	1	22,705	36,909
Additions	67	826	10,411	-3,690	-448	0	7,166
Disposals	-125	-1,082	-261	0	0	0	-1,468
Reclassifications	0	0	-1,525	0	1,525	0	0
Cost 31.12.2023	**28,511**	**15,810**	**37,751**	**2,011**	**13,908**	**52,160**	**150,150**
Cumulative amortisation and impairment 1.1.2023	-21,560	-8,003	-18,249	0	-8,518	-22,581	-78,913
Translation differences	0	49	-5	0	380	308	733
Cumulative amortisation on disposals and reclassifications	0	171	261	0	0	0	431
Amortisation	-3,959	-1,050	-2,494	0	-1	0	-7,504
Cumulative amortisation and impairment 31.12.2023	**-25,519**	**-8,833**	**-20,487**	**0**	**-8,139**	**-22,273**	**-85,252**
Carrying amount 1.1.2023	6,780	2,969	2,078	5,701	4,835	7,574	29,937
Carrying amount 31.12.2023	**2,992**	**6,976**	**17,262**	**2,011**	**5,769**	**29,887**	**64,897**

5.3 TANGIBLE ASSETS

Accounting policy

Land, buildings, machinery and equipment form significant part of the tangible fixed assets. They are measured at historical cost less accumulated depreciation and any impairment losses. The acquisition cost of self-constructed assets includes materials, direct labour and a proportionate share of variable overheads of production when their amount is substantial. Depreciation is recognised on a straight-line basis estimated over the estimated economic useful life as follows:

- machinery and equipment 3–10 years
- buildings 10–40 years
- land and water areas are not depreciated

Ordinary maintenance and repair costs are expensed in the period they are incurred. The cost of major renovations and improvement projects are recognised in the balance sheet if it is probable that the increased economic benefits will flow to the Group in the future. Renovation and improvement projects are depreciated using a straight-line method over the expected useful life. Capital gains and losses are included in the statement of comprehensive income under the operating profit.

Accounting estimates and considerations

Estimating whether the expected corresponding financial benefit is likely or what is the economic useful life of the tangible asset requires management judgement. The estimated economic useful lives and net book values are reviewed at the end of each reporting period, at minimum, and if they significantly differ from the previous estimates, the write-off period is changed correspondingly. Assessing whether there are signs of impairment also requires management judgement.

TANGIBLE ASSETS

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Cost 1.1.2024	2,257	27,243	73,607	8	235	103,351
Translation differences	18	-121	-399	0	-8	-510
Additions	0	297	12,699	0	366	13,361
Business combinations	0	0	176	0	2	179
Disposals	0	-33	-21,764	0	0	-21,797
Reclassifications	-166	165	22	0	2	23
Cost 31.12.2024	**2,109**	**27,552**	**64,341**	**8**	**597**	**94,607**
Cumulative amortisation and impairment 1.1.2024	0	-10,496	-43,638	0	0	-54,134
Translation differences	0	66	200	0	0	265
Depreciation	0	-991	-9,171	0	0	-10,162
Cumulative amortisation on disposals and reclassifications	0	-23	16,712	0	0	16,688
Impairment losses	0	-244	5	0	0	-239
Cumulative amortisation and impairment 31.12.2024	**0**	**-11,689**	**-35,892**	**0**	**0**	**-47,582**
Carrying amount 1.1.2024	2,257	16,747	29,969	8	235	49,217
Carrying amount 31.12.2024	**2,109**	**15,863**	**28,448**	**8**	**597**	**47,026**

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Cost 1.1.2023	642	21,394	64,652	83	3,370	90,140
Translation differences	-56	-67	-1,396	0	-19	-1,537
Business combinations	87	3,730	727	0	0	4,544
Additions	1,584	2,338	21,595	3	-2,983	22,537
Disposals	0	-152	-11,798	-78	-132	-12,160
Reclassifications	0	0	-173	0	0	-173
Cost 31.12.2023	**2,257**	**27,243**	**73,607**	**8**	**235**	**103,351**
Cumulative amortisation and impairment 1.1.2023	0	-9,826	-42,182	0	0	-52,008
Translation differences	0	46	803	0	0	849
Cumulative amortisation on disposals and reclassifications	0	130	6,454	0	0	6,584
Amortisation	0	-846	-8,713	0	0	-9,559
Cumulative amortisation and impairment 31.12.2023	**0**	**-10,496**	**-43,638**	**0**	**0**	**-54,134**
Carrying amount 1.1.2023	642	11,568	22,470	83	3,370	38,133
Carrying amount 31.12.2023	**2,257**	**16,747**	**29,969**	**8**	**235**	**49,217**

5.4 DEPRECIATION, AMORTISATION AND IMPAIRMENT

Accounting policy

The balance sheet values of both the intangible and tangible assets being depreciated and the investments into associates and joint ventures are reviewed for impairment every time events and changes in circumstances show that income equal to the asset's balance sheet value can no longer be recovered. If there are such signs of impairment, the recoverable profit of the asset is estimated. Recoverable profit is the higher of either the fair value minus the asset's trade costs or the present value of the predicted cash flows generated by the use and selling of the asset. The impairment loss is recognised in the income statement if the recoverable profit falls below the balance sheet value of the asset. Impairment losses are cancelled if the recoverable profits increase later.

Accounting estimates and considerations

Assets not measured at fair value are tested for impairment every time there is indication of a possible decrease in value. External sources include a significant decline in market value that is not the result of the passage of time, normal use of the assets or increase in interest rate. Internal sources of information include evidence of obsolescence of, or physical damage to, assets. If the balance sheet value of the asset exceeds the amount recoverable from its use or sale, the impairment loss is recognised immediately so that the accounting amount is equal to the amount recoverable.

DEPRECIATION AND AMORTISATION

EUR thousand	31.12.2024	31.12.2023
Tangible assets		
Machinery and equipment	9,198	8,835
Buildings and structures	1,003	846
Intangible assets		
Development costs	2,886	3,959
Immaterial rights	1,072	1,050
Other intangible assets	3,518	2,494
Right-of-use assets		
Machinery and equipment	1,062	1,088
Buildings and structures	6,181	5,579
Total	**24,919**	**23,851**

IMPAIRMENT

EUR thousand	31.12.2024	31.12.2023
Impairment, tangible assets	244	0
Impairment, intangible assets	442	0
Total	**686**	**0**

5.5 LEASES

Accounting policy
At the start of the agreement, the Group assesses whether the agreement is a lease agreement or if it contains a lease agreement. In other words, does the agreement grant the right to control the use of an identified asset against compensation for a certain period.

Leases, Group as lessee
The Group has leased machinery, equipment, and real estate. Those lease agreements in which the risks and rewards of ownership do not essentially transfer to the Group are regarded as right-of-use agreements whose lease liabilities are recognised in the balance sheet. The related costs are processed as amortisation of the right-of-use assets and interest expenses. The Group applies one recognition and measuring method for all leases, except for leases of assets that are short-term and of low value. The Group recognises the lease liability to perform lease payments, and the right of use asset that represents the right to use the asset leased. The Group recognises right-of-use assets on the first day of the lease (meaning that the asset is then available). Right-of-use assets are measured to the acquisition expense minus the depreciations and impairment losses that is adjusted with the results of the reassessment of the lease liabilities. The acquisition expense of the right-of-use assets contains the amount of recognised lease liabilities, possible starting costs and lease payments paid before the starting date, and the lease incentives received are deducted from it. Right-of-use assets that consist primarily of the leasing of premises and vehicles, are typically depreciate using a straight-line method during either the lease term or the estimated useful life, whichever of them is shorter. Right-of-use assets are subject to possible impairment.

Changing lease payments that do not depend on an index or multiplier are recognised as costs for the period in which the payment is paid. When calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term and insubstantial lease agreements
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption to equipment that are considered of low value. Lease payments on short term leases and lease of low value assets are recognised as an expense over the lease term.

Judgment in determining the lease term
The Group has various lease agreements for office equipment, vehicles and premises with varying terms and renewal rights. The Group determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend or early terminate the lease if it is reasonably certain to be exercised. The Group uses judgment especially for the use of extension options as well as when defining the lease term for open end lease agreements so that they are based on the business requirements, factors that create an economic incentive and real estimated useful life time of the underlying asset.

Leases, Group as lessor
The Group leases machinery and equipment to its customers under right-of-use agreements with varying terms. In these agreements, the risks and rewards incidental to ownership of an asset remain with the lessor. The leased asset is recognised on the balance sheet according to the nature of the asset.

Accounting estimates and considerations
Those lease agreements in which the risks and rewards of ownership do not essentially transfer to the Group are regarded as right-of-use agreements whose lease liabilities are recognised in the balance sheet. The consideration based on the management's realistic expectations is used when defining the lease term. This applies especially to the cases in which a building's lease includes the ending and continuing option or if the lease term is indefinite.

The activated leases of the Group primarily concern office spaces, vehicles and production equipment and devices.

RIGHT-OF-USE ASSETS

EUR thousand	Buildings, right-of-use assets	Machinery and equipment, right -of-use assets	Total
Cost 1.1.2024	33,916	5,134	39,050
Translation differences	162	21	184
Business combinations	495	0	495
Additions	5,916	833	6,749
Disposals	-4,793	-2,967	-7,761
Reclassifications	-242	48	-194
Cost 31.12.2024	**35,455**	**3,068**	**38,523**
Cumulative amortisation and impairment 1.1.2024	-15,721	-3,467	-19,189
Translation differences	84	-4	79
Amortisation	-6,181	-1,062	-7,243
Cumulative amortisation on disposals and reclassifications	5,142	3,130	8,273
Cumulative amortisation and impairment 31.12.2024	**-16,676**	**-1,402**	**-18,078**
Carrying amount 1.1.2024	18,195	1,666	19,861
Carrying amount 31.12.2024	**18,779**	**1,665**	**20,444**

Cost 1.1.2023	26,024	4,033	30,056
Translation differences	-1,057	-97	-1,154
Business combinations	130	18	148
Additions	11,216	1,265	12,481
Disposals	-2,397	-85	-2,482
Cost 31.12.2023	**33,916**	**5,134**	**39,049**
Cumulative amortisation and impairment 1.1.2023	-12,894	-2,615	-15,508
Translation differences	668	62	729
Cumulative amortisation on disposals and reclassifications	2,085	154	2,239
Amortisation	-5,579	-1,068	-6,648
Cumulative amortisation and impairment 31.12.2023	**-15,721**	**-3,467**	**-19,189**
Carrying amount 1.1.2023	13,129	1,418	14,548
Carrying amount 31.12.2023	**18,195**	**1,666**	**19,861**

MATURITY OF LEASE LIABILITIES

EUR thousand	31.12.2024	31.12.2023
within 1 year	6,721	5,561
1–5 years	11,048	10,369
over 5 years	3,985	4,767
Total	**21,754**	**20,697**

The cash flow of leases in which the Normet Group is the lessee amounted to EUR -6.8 million (EUR -6.4 million).

EUR thousand	31.12.2024	31.12.2023
Lease liabilities 1.1.	20,697	14,977
Translation differences	341	0
Additions	7,467	12,082
Lease payments	-6,751	-6,362
Lease liabilities 31.12.	**21,754**	**20,697**

ITEMS RECOGNISED IN THE INCOME STATEMENT

EUR thousand	31.12.2024	31.12.2023
Depreciation expense on right-of-use assets	7,243	6,668
Rental expense relating to leases of short-term assets	201	83
Rental expense relating to leases of low-value assets	53	133
Interest expense on lease liabilities	1,155	926
Total	**8,651**	**7,809**

NORMET AS A LESSOR

EUR thousand	31.12.2024	31.12.2023
within 1 year	938	660
1–5 years	304	0
over 5 years	0	102
Total	**1,242**	**762**

Revenue for the financial year includes EUR 9.5 million (EUR 10.1 million) lease income from right-of-use asset agreements.

6 CONSOLIDATION

6.1 ACQUISITIONS AND BUSINESS DISPOSALS

Accounting policy

The consolidation of the acquired business in accordance with IFRS 3 is still provisional as of 31 December 2024. Therefore, the fair value measurement of the acquired assets and liabilities is preliminary and subject to adjustments during the 12-month period during which the acquisition calculations will be finalized.

On 28 August 2024, Normet acquired the remaining voting shares of Lekatech Oy reaching 100% ownership of the company. Lekatech Oy, established in 2018, is a pioneer in electric hammering technologies used in the mining, quarrying and construction industries. The company is based in Iitti, Finland.

In 2023, Normet acquired 100% of voting shares in Rambooms Oy, Marakon Oy, Kiinteistö Oy Lahden Yrittäjänkatu 10, and Remion Oy in Finland. Acquisition analyses have been completed and have not led to any appreciable changes.

Acquired unit	CGU	Acquisition type	Acquisition period	Number of employees
Lekatech Oy	Equipment	Share	August	13

ASSETS AND LIABILITIES OF THE ACQUIRED BUSINESSES

EUR thousand	2024	2023
Intangible assets	3,950	14,310
Tangible assets	576	7,431
Inventories	58	7,461
Trade and other receivables	392	3,878
Cash and cash equivalents	303	1,019
Total assets	**5,279**	**34,100**
Trade payables	33	2,352
Loans	855	2,174
Deferred tax liabilities	550	2,887
Other liabilities	339	548
Total liabilities	**1,776**	**7,961**
Net assets	**3,503**	**26,139**
Acquisition cost paid in cash during the fiscal period	**7,702**	**48,387**
Contingent consideration, to be paid during future fiscal periods	**0**	**514**
Holdback, to be paid during future fiscal years	**2,542**	**0**
Fair value of previously held equity interest *	2,491	0
Goodwill	**9,232**	**22,762**

*Fair value adjustment of previous ownership amounts to EUR 1,3 million

6.2 ASSOCIATED COMPANIES

Accounting policy

Investments in associates over which Normet exercises significant influence but not control are accounted using the equity method. An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The financial statements information of the Group's associate is included in the consolidated financial statements using the equity method. In this method, the consolidated financial statements present the Group's share of the associate's net identifiable assets in investments. Any premium over net assets paid to acquire an interest in an associate or joint venture is recognised as goodwill within the same line as the underlying investment. The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognised its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as share of profit of an associate and in the statement of profit or loss.

The Group has investments in the following associates and joint ventures:

» Kingnor Mining Equipment Co Ltd, China, 49.0%

Normet owns 49 (31 December 2023: 49) per cent of Kingnor Mining Equipment Co. Ltd. The ownership is classified as an associate as Normet has considerable influence on the company due to the share of ownership and seats on the Board of Directors. Hubei JCHX Mining Services Co. Ltd, a subsidiary of JCHX Mining Management Co. Ltd listed on the Shanghai Stock Exchange in China owns 51% of Kingnor Mining Equipment Co. Ltd.

The key figures in Kingnor Mining Equipment Co Ltd.'s financial statements 2024 were as follows:

» revenue EUR 13.3 million
» profit for the financial year EUR 1.0 million
» total assets EUR 19.1 million
» shareholders' equity EUR 8.3 million

In August 2024 Normet's ownership of Lekatech Oy increased to 100 per cent as a result of private offering.

SHARES IN ASSOCIATES

EUR thousand	31.12.2024	31.12.2023
Cost 1.1.	5,350	3,959
Translation differences	-118	248
Additions	0	500
Transfer between items	-1,168	668
Share of result	416	-25
Cost 31.12.	**4,479**	**5,350**
Carrying amount 1.1.	5,350	3,959
Carrying amount 31.12.	**4,479**	**5,350**

6.3 SUBSIDIARIES

Accounting policy

Acquisitions of subsidiaries are accounted for using the acquisition method according to which the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The excess of the consideration transferred for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Acquisition-related costs are recognised as expenses.

The subsidiaries acquired during the financial period are included in the consolidated financial statements from the date the Group gained control until the date the Group ceases to control the subsidiary. The distribution of profit for the financial year to the owners of the parent company and non-controlling interests is presented in the income statement and the equity attributable to non-controlling interest is presented as a separate item on the balance sheet.

Intra-Group transactions, receivables, liabilities and unrealised margins as well as internal profit distributions are eliminated in the preparation of consolidated financial statements. The accounting principles of the subsidiaries have been changed, where necessary, to ensure consistency with the principles adopted by the Group.

Subsidiaries owned by the parent company	Location	Parent company's share
Normet Oy	Finland	96.08

Subsidiaries owned by the group	Location	Group's share, %
Normet Asia Pacific Pty Ltd	Australia	100.00
Garock Pty Ltd	Australia	100.00
Dynamic Rock Support Pty Ltd	Australia	100.00
Normet Austria GmbH	Austria	100.00
Normet do Brasil Ltd	Brazil	100.00
Normet Canada Ltd	Canada	100.00
Normet Chile Ltda	Chile	100.00
Normet Shanghai Trading Ltd	China	100.00
Normet Hong Kong Ltd	China	100.00
Normet Colombia S.A.S	Colombia	100.00
Normet DRC S.A.S	DRC	49.00
Kiinteistö Oy Lahden Yrittäjänkatu 10	Finland	100.00
Normet MRB Oy	Finland	100.00
Normet Global Oy	Finland	100.00
Remion Oy	Finland	100.00
Lekatech Oy	Finland	100.00
Normet Germany GmbH	Germany	100.00
Normet India Private Limited	India	100.00
PT Normet Indonesia	Indonesia	100.00
Normet Japan G.K.	Japan	100.00
LLP Norservice	Kazakhstan	100.00

Subsidiaries owned by the group	Location	Group's share, %
Normet Underground Technologies Sdn Bhd	Malaysia	100.00
Normet Mexico Ltd SA de C.V	Mexico	100.00
Normet Mongolia LLC	Mongolia	100.00
Normet Norway AS	Norway	100.00
Normet Peru S.R.L.	Peru	100.00
Normet Doha LLC	Qatar	49.00
Normet LLC	Russia	100.00
Normet Singapore PTE Ltd	Singapore	100.00
Normet Africa Holding Pty Ltd	South Africa	100.00
Normet Africa Ltd	South Africa	75.10
Normet Scandinavia Ab	Sweden	100.00
Normet International Ltd	Switzerland	100.00
Normet Taiwan Co. Ltd	Taiwan	100.00
Normet UK Ltd	UK	100.00
Normet Americas Inc	USA	100.00
Normet Zambia Ltd	Zambia	100.00

The ownership percentages above are based on current share ownership and existing options.

During the fiscal year, Normet established a new subsidiary Normet Mining and Construction Solutions Botswana (Pty) Ltd in Botswana. The liquidation process of Normet Middle East General Trading LLC has been finalized. Normet Colombia S.A.S has been set to liquidation process and the process is expected to be finalised during the first half of 2025.

Investments accounted for using the equity method	Location	Group's share, %
Kingnor Mining Equipment Co Ltd	China	49.00

Transactions with associate companies happen at arm length basis using fair market prices.

Foreign branches

The Group has branch in India and Ghana.

7 CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS

7.1 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Group's parent company approves the general principles of risk management. The management of the Group together with business units are responsible for their realisation. Financial risk management has been centralised in the financial management.

The Group is exposed to several financial risks in its normal course of business. The main financial risks relate to currency risks, credit risks and liquidity risks. The objectives of the treasury function are to secure sufficient funding for business operations, to provide business units with financial services, to minimise the costs of financing, to manage financial risks (currency, interest rate, liquidity and funding, credit, counterparty and operational risks) and to regularly provide management with information on the financial position and risk exposures of the Group.

Currency risk
Due to its international operations, the Group is exposed to risks arising from foreign exchange rate fluctuations. The most significant currencies for the Group are the Australian dollar (AUD), Indian rupee (INR), Canadian dollar (CAD), and the United States dollar (USD). Currency risks arise from commercial transactions, monetary items in the balance sheet and net investments in foreign subsidiaries.

The Group's fixed-price equipment sales contracts are usually hedged by using foreign exchange forward contracts. Hedge accounting is not applied by Normet. The change in the fair value of foreign exchange forward contracts is recognised in revenue to compensate for the change in the value of the corresponding receivable.

The currency risk sensitivity analysis is based on an aggregate Group level currency exposure, which is composed of all assets and liabilities denominated in foreign currencies. The sensitivity analysis does not include the translation difference due to the shareholders' equities of foreign subsidiaries whose functional currency is not euro.

The table below presents the appreciation and depreciation of Normet's most important currencies in relation to all other currencies as other factors remain unchanged. A change rate of +/- 10 % is used. The change rate used is +/- 10% to the debt capital. The sensitivity analysis is based on assets and liabilities of the parent company and each subsidiary denominated in foreign currencies at the end of the reporting period. The effects of currency derivatives, which offset the effects of changes in exchange rates, are also considered in the sensitivity analysis.

EUR Change in FX Rate	2024 Change +/-10 %	2023 Change +/-10 %
AUD	2,446	2,962
CAD	1,330	1,284
CDF	335	1
CLP	176	1,197
CNY	788	578
GBP	297	298
INR	1,053	213
MXN	344	153
PEN	916	791
USD	1,618	722
ZAR	689	489

Credit risk
The Group is exposed to credit risk from its commercial receivables. The business units are responsible for the management of commercial credit risk in accordance with policies approved by the Group's management. The Group generally has no significant concentrations of credit risk, since it has a broad clientele distributed geographically across the globe. The commercial credit risk is considered low as the trade receivable portfolio is diversified and the Group's historical credit loss frequency is low. The age distribution of the trade receivables is presented in note 4.2 Trade receivables and other receivables.

Interest rate risk
The Group is exposed to interest rate risk relating to its long-term loan portfolio. Normet does not hedge the interest rate risk of variable rate loans.

SENSITIVITY ANALYSIS

	2024		2023	
Increase in percent	1%	-1%	1%	-1%
Effect on proft after tax	-1,200	1,200	-1,200	1,200
Effect on interest expense of variable rate loans	-1,500	1,500	-1,500	1,500
Share of fixed rate loans of total, %	0%		0%	

The interests related to the Group's main financial agreement are included in the sensitivity analysis. The analysis only considers the impact of the interest increasing, since the reference interest rate pursuant to the credit agreement has in the reviewed financial years been 0. The interests of other loans have no significant impact on the sensitivity. The hybrid bond is not included in the sensitivity analysis.

Loan covenants
The company's borrowing arrangements include security instruments and covenants. The company's borrowing arrangements also involve pledge restrictions. At the end of the reporting period, the Group has interest-bearing liabilities amounting to EUR 140 million whose conditions included covenants which are based on the Group's net interest-bearing liabilities/EBITDA (to retain below 350 percent) and the Group's equity ratio (to retain above 28 percent). The covenants are tested on a quarterly basis. The Group expects to comply with covenants with at least 12 months after the reporting date.

Liquidity and funding risk
The Group management constantly evaluates and

monitors the financing required by the operations to ensure adequate reserves of liquid funding for financing the operations and repaying loans when due. The Group utilises short-term credit limits to control the liquidity risk.

The objective of funding risk management is to avoid an untenably large proportion of loans or credit facilities maturing at a time when refunding is not economically or contractually feasible. The risk is minimised by balancing the repayment schedules of loans and credit facilities as well as by retaining flexible credit facility agreements. The repayments of interest-bearing liabilities during the next 12 months do not include liabilities arising from foreign subsidiaries' overdraft facilities.

EUR thousand	31.12.2024	31.12.2023
Cash and cash equivalents	42,031	37,085
Binding long-term undrawn credit facility	60,000	30,000
Interest-bearing liabilities payable within the next twelve months	0	-10,000
Liquidity position	**102,031**	**57,085**

In December 2021, the Group signed a new four-year EUR 130 million financing agreement. In December 2022, a new credit facility of a maximum of EUR 50 million was added to the financing agreement. The loan has a variable interest rate. The financing agreement includes EUR 40 million revolving credit facility. On 31.12.2024, the group had approximately EUR 60 million of undrawn credit facilities at its disposal. The final maturity date for financing agreement is January 2026.

7.2 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

Accounting principle

Financial assets

The Group's financial assets are classified according to the following categories: financial assets measured at amortised cost, financial assets measured at fair value through profit or loss, and financial assets recognised at fair value through other comprehensive income. Financial assets are classified according to their cash flow characteristics and the business model they are managed in and accounted for at settlement date. Financial assets are presented as non-current when their maturity exceeds one year.

Financial assets measured at amortised cost

Non-derivative assets with fixed or determinable payments that are not quoted in an active market are classified as financial assets at amortized cost. Trade receivables and other receivables are included in this category. Trade and other receivables are initially measured at fair value and later at amortised cost less impairment. A simplified model is applied to trade receivables, in which the loss allowance is measured at the estimate of the lifetime expected credit losses of the receivables. Impairments and allowances are recognised in the statement of income under other operating costs. Bad debts are written off when an official announcement of liquidation or bankruptcy confirming that the receivable will not be collected is received or when it can otherwise be reasonably assessed that the value of the receivable has been lost.

Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss include derivatives that are not eligible to hedge accounting. Realised and unrealised gains and losses from changes in fair values of derivatives are recognised in the statement of income in the period in which they have arisen, and the change in value is presented consistently with the hedged item, with regard to trade receivables, in net sales.

Financial assets measured at fair value through profit or loss also include investments in other companies. The shares are initially measured at cost and then at fair value. Profits or losses arising from changes in the fair value and from gains arising from sales as well as impairments of shares are included in financial income and expenses. In practice, the acquisition cost of shares is regarded as their fair value.

Financial assets at fair value through other comprehensive income

Normet has no financial assets at fair value through other comprehensive income.

Financial liabilities

The Group's financial liabilities are classified either into financial liabilities recognised at amortised cost or financial liabilities recognised at fair value through profit or loss. Financial liabilities are classified as current unless the Group has the unconditional right to defer the payment of the debt to at least 12 months from the end of the financial period. Financial liabilities (or parts thereof) are only de-recognised once the debt has extinguished, i.e. once the contractually specified obligation is discharged, cancelled, or expired.

Financial liabilities recognised at amortised cost

The loans raised by the Group are included in financial liabilities recognised at amortised cost. They are measured at their initial recognition at fair value using the effective interest rate method. After the initial recognition, loans are measured at amortised cost. Interests on loans are expensed through profit or loss over the maturity of the debt using the effective interest rate method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives that are not eligible for hedge accounting. Realised and unrealised gains and losses from changes in fair values of derivatives are recognised in the statement of income in the period in which they have arisen, and the change in value is presented consistently with the hedged item, with regard to trade receivables, in net sales.

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

EUR thousand	Measured at amortised cost	Fair value through profit and loss	Fair value through OCI	Balance sheet values	Fair value
Non-current financial assets					
31.12.2024					
Investments	0	0	53	53	53
Non-current Loan Receivables	10	0	0	10	10
Other non-current receivables	2,519	0	0	2,519	2,519
Non-current trade receivables	218	0	0	218	218
Total	**2,747**	**0**	**53**	**2,800**	**2,800**
Current financial assets					
31.12.2024					
Trade receivables	72,880	0	0	72,880	72,880
Other receivables	37,159	0	0	37,159	37,159
Cash and cash equivalents	42,031	0	0	42,031	42,031
Total	**152,070**	**0**	**0**	**152,070**	**152,070**
Non-current financial liabilities					
31.12.2024					
Loans from financial institutions	140,094	0	0	140,094	140,094
Lease liabilities	15,034	0	0	15,034	15,034
Total	**155,128**	**0**	**0**	**155,128**	**155,128**
Current financial liabilities					
31.12.2024					
Loans from financial institutions	2,594	0	0	2,594	2,594
Lease liabilities	6,721	0	0	6,721	6,721
Accounts payable	43,668	0	0	43,668	43,668
Other current liabilities	0	67	0	67	67
Total	**52,983**	**67**	**0**	**53,050**	**53,050**

EUR thousand	Measured at amortised cost	Fair value through profit and loss	Fair value through OCI	Balance sheet values	Fair value
Non-current financial assets					
31.12.2023					
Investments	0	0	365	365	365
Non-current loan receivables	11	0	0	11	11
Other non-current receivables	2,574	0	0	2,574	2,574
Total	**2,584**	**0**	**365**	**2,949**	**2,949**
Current financial assets					
31.12.2023					
Trade receivables	79,100	0	0	79,100	79,100
Other receivables	28,293	0	0	28,293	28,293
Cash and cash equivalents	37,085	0	0	37,085	37,085
Total	**144,477**	**0**	**0**	**144,477**	**144,477**
Non-current financial liabilities					
31.12.2023					
Loans from financial institutions	140,101	0	0	140,101	140,101
Lease liabilities	15,136	0	0	15,136	15,136
Total	**155,237**	**0**	**0**	**155,237**	**155,237**
Current financial liabilities					
31.12.2023					
Loans from financial institutions	12,509	0	0	12,509	12,509
Lease liabilities	5,561	0	0	5,561	5,561
Accounts payable	58,514	0	0	58,514	58,514
Other current liabilities	0	220	0	220	220
Total	**76,584**	**220**	**0**	**76,804**	**76,804**

7.3 FAIR VALUE HIERARCHY

Accounting principles

Financial instruments measured at fair value are classified according to the following fair value hierarchy: instruments measured using quoted prices in active markets (level 1), instruments measured using inputs other than quoted prices included in level 1 observable either directly or indirectly (level 2), and instruments measured using inputs that are not based on observable market data (level 3). Financial instruments measured at fair value include financial assets and liabilities at fair value through profit or loss.

FAIR VALUE HIERARCHY

EUR thousand	31.12.2024	
Financial assets	**Level 2**	**Level 3**
Other investments		53
Interest-bearing investments, non-current	10	
Other receivables, non-current	2,519	
Financial liabilities		
Interest-bearing debt, non-current	155,128	
Derivatives	67	

EUR thousand	31.12.2023	
Financial assets	**Level 2**	**Level 3**
Other investments		365
Interest-bearing investments, non-current	11	
Other receivables, non-current	2,574	
Financial liabilities		
Interest-bearing debt, non-current	155,237	
Derivatives	220	

7.4 CASH AND CASH EQUIVALENTS

Accounting principles

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, and other cash investments. The other cash investments include short-term, highly liquid investments, whose value fluctuates only slightly. Cash equivalents have a maturity of up to three months on the date of acquisition. Credit accounts related to bank accounts are included in current financial liabilities.

EUR thousand	31.12.2024	31.12.2023
Cash and cash equivalents	42,031	37,085
Total	**42,031**	**37,085**

Russia's attack on Ukraine has significantly changed the business environment in Russia. Russia has responded to the sanctions imposed on it by imposing legal and repatriation restrictions on foreign-owned companies operating in Russia. The cash assets recorded in the balance sheet of Normet's Russian subsidiary are not available to the parent company and other subsidiaries. The cash assets total to RUB 428.9 million (EUR 4.0 million) on 31.12.2024 and they are in the cash and cash equivalents in the consolidated balance sheet. The funds of the Russian subsidiary can be repatriated to the parent company through the dividend payments or capital returns within the framework of the legislation in force in Russia. The assets of the Russian subsidiary are freely available for use by the local Russian subsidiary, subject to the aforementioned restrictions.

7.5 INTEREST-BEARING LIABILITIES

INTEREST-BEARING NET DEBT RECONCILIATION

EUR thousand	31.12.2024	31.12.2023
Loans from financial institutions	140,094	140,101
Lease liabilities	21,754	20,697
Current interest bearing liabilities	2,594	12,509
Cash and cash equivalents	-42,031	-37,085
Total	**122,412**	**136,222**

MATURITY ANALYSIS ON FINANCIAL LIABILITIES

	31.12.2024			
EUR thousand	Balance Sheet total	Less than 1 year	1–5 years	More than 5 years
Loans from financial institutions	142,688	2,594	140,094	0
Other liabilities	1,270	837	433	0
Lease liabilities	21,754	6,721	11,048	3,985
Trade Payables and Other Liabilities	74,806	74,806	0	0
Derivatives liabilities	67	67	0	0
Total	**240,586**	**85,025**	**151,576**	**3,985**

	31.12.2023			
EUR thousand	Balance Sheet total	Less than 1 year	1–5 years	More than 5 years
Loans from financial institutions	152,610	12,509	140,101	0
Other liabilities	638	638	0	0
Lease liabilities	20,697	5,561	10,369	4,767
Trade Payables and Other Liabilities	81,547	81,547	0	0
Total	**255,491**	**100,255**	**150,470**	**4,767**

CHANGES IN LIABILITIES DUE TO FINANCING

EUR thousand	Loans from financial institutions	Lease liabilities	Total
1.1.2024	152,610	20,697	173,307
Loan payments	-31,000	-6,751	-37,751
New contracts	21,142	8,256	29,398
Foreign exchange rate impact	-64	-448	-512
31.12.2024	**142,688**	**21,754**	**164,442**

EUR thousand	Loans from financial institutions	Lease liabilities	Total
1.1.2023	84,929	14,978	99,908
Loan payments	0	-6,362	-6,362
New contracts	68,302	11,389	79,692
Foreign exchange rate impact	-621	691	70
31.12.2023	**152,610**	**20,697**	**173,307**

7.6 DERIVATIVES

	31.12.2024			
EUR thousand	Nominal value	Positive market value	Negative market value	Net market value
Forward exchange contracts	32,224	338	-404	-67
Total	**32,224**	**338**	**-404**	**-67**

	31.12.2023			
EUR thousand	Nominal value	Positive market value	Negative market value	Net market value
Forward exchange contracts	31,434	225	-445	-220
Total	**31,434**	**225**	**-445**	**-220**

7.7 EQUITY

Accounting principles
Expenses related to the issue or acquisition of instruments treated as equity are presented as shareholders' equity deductions. The acquisition and transfer of own shares are presented as adjustments to shareholders' equity.

EUR thousand	31.12.2024	31.12.2023
Share capital	3,423	3,423
Share premium	3,350	3,350
Unrestricted equity reserve	6,758	3,013
Hybrdi bond	29,693	29,693
Reserves	618	316
Translation differences	-10,236	-7,928
Accumlated earnings	160,785	130,618
EQUITY	**194,392**	**162,486**
Non-controlling interests	**5,884**	**2,795**

Normet Group Oy's fully paid share capital registered in the trade register was at the end of 2024 and 2023 EUR 3,423,000.00. The shares have no par value. The company did not hold any own shares. Each share entitles the holder to one vote at the General Meeting.

The share premium account includes those subscriptions over the nominal value that were decided on during the validity of the old Finnish Companies Act.

The unrestricted equity reserve includes other equity investments and share subscriptions to the extent that there has been no express decision to record them in share capital. After the Finnish Limited Liabilities Act 624/2006 entered into force on 1 September 2006, the subscription price of a new share is to be credited in full to the reserve for invested unrestricted equity as provided in the share issue decision.

The dividend proposed to the Annual General Meeting by the Board will not be deducted from the distributable funds before the Annual General Meeting's decision.

The foreign currency translation differences include mainly translation differences arising from the translation of financial statements of the foreign subsidiaries.

In 2024, as a result of ending of the long-term share-based incentive plan, group has redeemed all options and shares from the key personnel. B-shares of Normet Oy held by Board of Directors and CEO are presented in equity. In accordance with articles of association, dividends are paid to Normet Oy B-shares according to dividend payments to external shareholders of Normet Group.

Hybrid bond
Hybrid bond that is unsecured and ranked below other debt obligations is recognised in the equity. The holder of the bond does not have the rights belonging to shareholders and it does not dilute the company shareholders' ownership. Normet is not obligated to redeem the new hybrid bonds at a particular time and the holders of the hybrid bond cannot demand that Normet redeem the new hybrid bond. Interest expenses, adjusted with tax effect, are recognized in equity on payment basis.

In May 2023, Normet issued EUR 30 million capital securities. The net proceeds of the issuance were used for financing the tender offer of the Company's outstanding EUR 35 million 7.5% capital securities issued in September 2020. The repurchases were conducted in May and July 2023.

Hybrid bond that is unsecured and ranked below other debt obligations is recognised in the equity. In Normet Group Oy and on the Group consolidated balance sheet, the loans mentioned above are recognised in equity. The hybrid bond has no finite maturity date, but the company has the right, not an obligation, to redeem the loan after four years. Hybrid bond interests are paid annually and are treated on the 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. The hybrid bonds have a lower priority position than the other debt obligations of the Group.

Management of capital
The Group's capital management seeks to ensure, with the help of an optimal capital structure, the viability of the company's normal business operations and increase shareholder value to obtain the best possible returns. An optimal capital structure also ensures smaller capital costs.

Equity ratio is key indicator when evaluating capital structure of the group. Equity ratio is calculated by dividing total equity by the balance sheet total less received advances. The Hybrid bond is included in total equity. The key figure values are presented in the table below.

MANAGEMENT OF CAPITAL

EUR thousand	31.12.2024	31.12.2023
Equity excl. Hybrid bond	170,582	135,324
Hybrid bond in equity	29,693	29,693
Assets	502,922	492,718
Advances received	14,456	16,757
Equity to asset ratio	**41.0%**	**34.7%**

Dividends
The parent company's distributable funds total EUR 23,103,952.18 which includes EUR 20,645,002.07 in net profit for the year. The Board of Directors proposes to the Annual General Meeting that of the distributable profit, a dividend of EUR 9.15 for each share to be paid, totalling EUR 6,003,315. The remaining distributable equity, EUR 17,100,637.18 will be retained and carried forward.

In 2024 Normet Oy paid group contribution amounting to EUR 2.0 million to Cantell Oy. In addition, Normet Group paid dividend to shareholders based on 2023 result EUR 4.0 million in total.

8 OTHER NOTES

8.1 CONTINGENT LIABILITIES

Accounting principles

Due to the nature of the business, there are legal claims and disputes based on various grounds pending against Normet around the world. The management believes that the outcome of these disputes will not have a material effect on the Group's financial position.

EUR thousand	31.12.2024	31.12.2023
Loans from financial institutions secured by real estate mortgages, business mortgages and pledges	140,000	150,000
Promises of credit and credit limit secured by real estate mortgages, business mortgages and pledges	60,000	29,078
Finance guarantee limit secured by real estate mortgages, business mortgages and pledges	4,275	4,275
Bank guarantee limit secured by real estate mortgages, business mortgages and pledges	20,000	20,000
Total	**224,275**	**203,353**
Credit limit in use	0	922
Bank guarantee limit in use	2,925	12,255
Total	**2,925**	**13,177**
Securities provided		
Real estate mortgages	20,000	20,000
Other mortgage	276,500	169,000
Pledged securities	19,926	19,926
Other	10,851	13,310
Total	**327,277**	**222,236**
Repurchase obligations maturing in 1-5 years	1,882	893
Total	**1,882**	**893**

8.2 AUDIT FEES

The following remuneration was paid to auditors and accounting firms for audits based on applicable legislation and for other services.

In 2024, the AGM appointed the audit firm Ernst & Young Oy as Normet Group's auditor.

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Audit	479	446
Tax services	95	135
Other non-audit services	41	4
Total	**615**	**585**

8.3 RELATED PARTY TRANSACTIONS

Accounting principles
The Group's related party is a person or an entity that is related to the entity that prepares the financial statements. The parties are related if one party has control, joint control, or significant influence on the decision making of the other party. The Group's related parties are the Group's parent company (Normet Group Oy) and its subsidiaries, members of the Board of Directors and Leadership Team including the parent company's CEO and close family members, and all the entities under the control of those belonging to the related parties.

RELATED PARTY TRANSACTIONS WITH COMPANIES

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Sale of goods and services to associated companies	55	322
Purchases of goods and services from associated companies	39	85
Purchases of goods and services from other related parties	348	447
Contributions given to the related party companies	2,000	3,000

RELATED PARTY RECEIVABLES AND LIABILITIES

EUR thousand	1.1.–31.12.2024	1.1.–31.12.2023
Accounts receivable from associated companies	0	189
Loan receivable from associated companies	1,938	2,122
Accounts payable to associated companies	112	108
Loan receivables from related parties	129	0
Loan receivable from executive management members	666	708

Sales and purchases between related parties are made in accordance with the normal terms of sale.

Management remuneration is disclosed in note 2.3 Employment benefits for the executive management. The Group offers Leadership Team a facility to borrow related to share subscription of Normet Oy. Facility is repayable within four years from the date of disbursement. Such loans are unsecured, and the interest rate is separately defined market rate. Normet Group have loan receivables from the executive management amounting to EUR 0.8 million (EUR 0.7 million).

8.4 EVENTS AFTER THE BALANCE SHEET DATE

In January 2025, to refinance existing loans, Normet Group Oy signed a new three-year financing agreement totalling EUR 200 million, with an option to extend its maturity by 1-2 years depending on the facility. This arrangement replaced the former EUR 200 million facility agreement which was paid back at the same time. The covenant and the covenant levels remained unchanged from the previous agreement.

PARENT COMPANY FINANCIAL STATEMENTS (FAS)

NORMET GROUP OY INCOME STATEMENT

EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023
NET SALES	1	**7,897,326.84**	**6,551,059.17**
Other operating income		2,692.45	330,914.58
Material and services	2	0.00	0.00
Personnel expenses	3	-7,553,337.15	-6,158,358.23
Depreciation, amortisation and impairment	4	-3,459,355.56	-1,789,913.32
Other operating expenses	5	-14,167,683.07	-12,811,838.32
OPERATING PROFIT (LOSS)		**-17,280,356.49**	**-13,878,136.12**
Financing income and expenses	7	-570,204.76	15,331,135.17
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		**-17,850,561.25**	**1,452,999.05**
Appropriations	8	38,629,315.76	3,969,701.40
Income taxes	9	-133,752.44	-177,246.00
PROFIT/LOSS FOR THE PERIOD		**20,645,002.07**	**5,245,454.45**

NORMET GROUP OY BALANCE SHEET

EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	11	18,859,569.58	13,516,741.81
Tangible assets	11	34,155.40	63,981.20
Holdings	11	19,926,173.42	19,926,173.42
NON-CURRENT ASSETS		**38,819,898.40**	**33,506,896.43**
CURRENT ASSETS			
Other non-current assets	12	345,595.23	345,595.23
Current receivables	12	51,937,329.88	24,885,520.90
Cash and cash equivalents		10,660.94	15,519.05
CURRENT ASSETS		**52,293,586.05**	**25,246,635.18**
ASSETS		**91,113,484.45**	**58,753,531.61**

EUR	Note	1.1.–31.12.2024	1.1.–31.12.2023
EQUITY AND LIABILITIES			
EQUITY			
Share capital		3,423,000.00	3,423,000.00
Share Premium		3,350,000.00	3,350,000.00
Unrestricted equity reserve		885,625.09	885,625.03
Hybrid bond		29,693,390.00	29,693,390.00
Retained earnings		1,573,324.08	3,105,079.69
Profit/loss for the period		20,645,002.07	5,245,454.45
EQUITY		**59,570,341.24**	**45,702,549.17**
APPROPRIATIONS		**3,853,850.40**	**2,483,166.16**
LIABILITIES			
Current liabilities	12	27,689,292.81	10,567,816.28
LIABILITIES		**27,689,292.81**	**10,567,816.28**
EQUITY AND LIABILITIES		**91,113,484.45**	**58,753,531.61**

NORMET GROUP OY STATEMENT OF CASH FLOWS

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Cash flows from operating activities		
PROFIT (LOSS) BEFORE TAXES	-17,850,561.25	1,452,999.05
Depreciation, amortisation and impairment	3,459,355.56	1,789,913.32
Unrealised foreign exchange gains and losses	-26,352.13	36,278.65
Other items without cash flow impact	12,048.31	-24,659.78
Financial income and expenses	570,204.76	-15,331,135.17
Operating cash flow before working capital changes	**-13,835,304.75**	**-12,076,603.93**
Working capital changes		
Increase / decrease in trade and other receivables	-3,181,786.69	-2,341,382.41
Increase / decrease in trade payables	17,136,096.67	-6,073,761.14
Cash flows from operations before financing items and taxes	**119,005.23**	**-20,491,747.48**
Interest paid	-3,372,866.79	-1,989,651.97
Interest received	41,965.97	45,883.28
Income taxes paid	-182,394.87	-223,100.55
Cash flow from business activities	**-3,394,290.46**	**-22,658,616.72**

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Net cash from operating activities		
Capital expenditure	-8,772,357.53	-5,933,810.89
Net cash used in investing activities	**-8,772,357.53**	**-5,933,810.89**
Cash flows from financing activities		
Proceeds from hybrid bond	0.00	29,693,390.00
Repayment of hybrid bond	0.00	-35,000,000.00
Dividends paid	-4,002,210.00	-4,002,210.00
Dividends received	10,800,000.00	35,000,000.00
Group contribution received and paid	5,364,000.00	2,800,000.00
Net cash used in financing activities	**12,161,790.00**	**28,491,180.00**
Net change in cash and cash equivalents	**-4,858.11**	**-101,247.61**
Cash and cash equivalents, opening amount	15,519.05	116,766.66
Net change in cash and cash equivalents	-4,858.11	-101,247.61
Cash and cash equivalents, closing balance	10,660.94	15,519.05

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

Contents of the parent company notes:

ACCOUNTING PRINCIPLES FOR THE PARENT COMPANY'S FINANCIAL STATEMENTS

Basis of preparation
The parent company financial statements have been prepared in accordance with the accounting legislation (FAS) in force in Finland. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), applying the approved IAS and IFRS standards as well as SIC and IFRIC interpretations in effect on 31 December 2024. The parent company financial statements, balance sheet, cash flow statement and Notes are in euros.

Measurement of non-current assets
Intangible and tangible assets are included in the balance sheet at acquisition cost less depreciation and amortisation according to plan. According to the general classification rule, the acquisition cost includes variable costs associated with procure-ment and production.

Depreciation and amortisation according to plan are calculated using a straight-line method based on the useful life of intangible and tangible assets. Depreciation of an asset is carried out as of the month when it became available for use. Deprecia-tion and amortisation periods are as follows:

» Intangible rights 5–10 years
» Other intangible assets 5–10 years
» Machinery and equipment 3–8 years

Items denominated in foreign currency and the measurement of financial instruments
Items denominated in foreign currencies are trans-lated into euros at the exchange rate on the closing date. The difference between the exchange rate at the end of the reporting period and the historical exchange rate is recorded in net sales.

Recognition of pensions
Pension costs are presented in compliance with the local legislation of each country. Pension liabilities have been covered in full. The pension coverage of the parent company's personnel is provided by an external pension insurance company.

Accumulated appropriations
Change in depreciation difference is an appropriation. The change of the difference of planned accounting depreciations is presented as an appropriation in the income statement, and the accrued difference of the planned accounting depreciations is presented in the balance sheet as an accumulated appropriation adjustment.

Hybrid bond
As from 2023, hybrid bonds are recognised in equity. Hybrid bond interests are paid annually and are treated on the statement of financial position according to their nature in the same manner as divi-dends. They are also recognised in the shareholders' equity and as a liability when the decision on the payment has been made.

1 NET SALES BY REGION

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Europe and Eurasia	5,254,727.44	3,145,401.17
Latin America and North America	810,410.47	1,166,926.73
Asia Pacific, China and India	1,832,188.93	2,238,731.27
Total	**7,897,326.84**	**6,551,059.17**

2 MATERIAL AND SERVICES

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Purchases during the period	0.00	0.00
Total	**0.00**	**0.00**

3 PERSONNEL

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Salaries and fees	6,515,787.00	5,133,605.95
Pension expenses	892,579.08	827,552.92
Other employee benefit	144,971.07	197,199.36
Total	**7,553,337.15**	**6,158,358.23**
The number of personnel on average	**52**	**54**

4 DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Depreciation, intangible assets	2,987,820.91	1,765,235.40
Depreciation, tangible assets	29,825.80	24,677.92
Impairment, immaterial rights	441,708.85	0.00
Total	**3,459,355.56**	**1,789,913.32**

5 OTHER OPERATING EXPENSES

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Non-statutory employee benefits	147,930.69	157,073.59
Rents/leases	251,453.04	247,855.82
Others	13,768,299.34	12,406,908.91
Total	**14,167,683.07**	**12,811,838.32**

6 AUDIT FEES

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Audit	239,957.58	228,160.00
Tax services	79,627.50	0.00
Other non-audit services	22,653.00	-2,415.00
Total	**342,238.08**	**225,745.00**

7 FINANCING INCOME AND EXPENSES

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Other interests and financing income, external	42,355.21	46,095.42
Interest on borrowings from Group entities	-589,790.25	-489,293.81
Internal dividend income	0.00	15,800,000.00
Interests and other financial expenses, external	-21,814.05	-25,666.44
Total	**-569,249.09**	**15,331,135.17**
Exchange rate gains	4.33	212.14
Exchange rate losses	-960.00	-1,342.06
Total	**-955.67**	**-1,129.92**

8 APPROPRIATIONS

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Group contributions received	40,000,000.00	5,364,000.00
Change in cumulative accelerated depreciation	-1,370,684.24	-1,394,298.60
Total	**38,629,315.76**	**3,969,701.40**

9 INCOME TAXES

EUR	1.1.–31.12.2024	1.1.–31.12.2023
Tax for previous accounting periods	-1,630.84	0.00
Other direct tax	-132,121.60	-177,246.00
Total	**-133,752.44**	**-177,246.00**

10 CHANGES IN EQUITY

EUR	Share capital	Share premium	Hybrid bond	Unrestricted equity reserve	Treasury shares	Accumulated earnings	Total
Equity 1.1 2024	**3,423,000.00**	**3,350,000.00**	**29,693,390.00**	**885,626.03**	**-2,580,508.80**	**10,931,042.94**	**45,702,550.17**
Dividend Distribution						-4,002,210.00	-4,002,210.00
Other direct recognitions in retained earnings						-0.06	-0.06
Hybrid bond interest and expenses						-2,775,000.00	-2,775,000.00
Profit/loss for the period						20,645,002.07	20,645,002.07
Equity 31.12 2024	**3,423,000.00**	**3,350,000.00**	**29,693,390.00**	**885,626.03**	**-2,580,508.80**	**24,798,834.95**	**59,570,342.18**

EUR	Share capital	Share premium	Hybrid bond	Unrestricted equity reserve	Treasury shares	Accumulated earnings	Total
Equity 1.1 2023	**3,423,000.00**	**3,350,000.00**	**0.00**	**885,625.03**	**-2,580,508.80**	**11,151,083.48**	**16,229,199.71**
Dividend Distribution						-4,002,210.00	-4,002,210.00
Other direct recognitions in retained earnings						11,406.73	11,406.73
Proceeds from hybrid bond			30,000,000.00				30,000,000.00
Hybrid bond interest and expenses			-306,610.00			-1,474,691.72	-1,781,301.72
Profit/loss for the period						5,245,454.45	5,245,454.45
Equity 31.12 2023	**3,423,000.00**	**3,350,000.00**	**29,693,390.00**	**885,626.03**	**-2,580,508.80**	**10,931,042.94**	**45,702,549.17**

The Board of Directors proposes to the Annual General Meeting of Normet Group Oy that a dividend of EUR 9.15 for each share to be paid, totalling EUR 6.0 million.

In 2024 Normet Group Oy paid dividend to shareholders EUR 4.0 million in total.

DISTRIBUTABLE FUNDS

EUR	31.12.2024	31.12.2023
Unrestricted equity reserve	885,626.03	885,625.03
Retained earnings	1,573,324.08	3,105,079.69
Profit/loss for the period	20,645,002.07	5,245,454.45
Total	**23,103,952.18**	**9,236,159.17**

11 CLASSIFICATION OF NON-CURRENT ASSETS

EUR	1.1.–31.12.2024	1.1.–31.12.2023
NON-CURRENT ASSETS		
INTANGIBLE ASSETS		
Immaterial rights		
Cost 1.1	2,243,142.68	2,243,142.68
Cost 31.12.	**2,243,142.68**	**2,243,142.68**
Cumulative amortisation and impairment 1.1.	-1,385,265.43	-1,050,178.51
Depreciation	-313,461.01	-335,086.92
Cumulative amortisation and impairment 31.12.	**-1,698,726.44**	**-1,385,265.43**
Carrying amount 31.12.	**544,416.24**	**857,877.25**
Other intangible assets		
Cost 1.1.	29,707,788.53	19,815,326.98
Additions	851,280.40	9,892,461.55
Transfers from advanced payments	6,112,000.00	0.00
Disposals	-647,543.68	0.00
Cost 31.12.	**36,023,525.25**	**29,707,788.53**
Cumulative amortisation and impairment 1.1.	-18,776,641.33	-17,346,492.85
Depreciation	-2,674,359.90	-1,430,148.48
Disposals	647,544.83	0.00
Impairments	-441,710.00	0.00
Cumulative amortisation and impairment 31.12.	**-21,245,166.40**	**-18,776,641.33**
Carrying amount 31.12.	**14,778,358.85**	**10,931,147.20**
Advance payments for intangible assets		
Cost 1.1	1,727,717.36	5,701,004.10
Additions	7,921,077.13	6,743,047.68
Transfer between items	-6,112,000.00	-10,716,334.42
Cost 31.12.	**3,536,794.49**	**1,727,717.36**
Carrying amount 31.12.	**3,536,794.49**	**1,727,717.36**
Intangible assets	**18,859,569.58**	**13,516,741.81**

EUR	1.1.–31.12.2024	1.1.–31.12.2023
TANGIBLE ASSETS		
Machinery and equipment		
Cost 1.1	231,152.81	214,516.73
Additions	0.00	16,636.08
Cost 31.12.	**231,152.81**	**231,152.81**
Cumulative amortisation and impairment 1.1.	-167,171.61	-142,493.69
Depreciation	-29,825.80	-24,677.92
Cumulative amortisation and impairment 31.12.	**-196,997.41**	**-167,171.61**
Carrying amount 31.12.	**34,155.40**	**63,981.20**
Tangible assets	**34,155.40**	**63,981.20**
INVESTMENTS		
Investments in Group companies		
Cost 1.1	19,926,173.42	19,926,173.42
Cost 31.12.	**19,926,173.42**	**19,926,173.42**
Carrying amount 31.12.	**19,926,173.42**	**19,926,173.42**
Investments	**19,926,173.42**	**19,926,173.42**
NON-CURRENT ASSETS	**38,819,898.40**	**33,506,896.43**

12 OTHER NOTES TO THE BALANCE SHEET

NON-CURRENT RECEIVABLES

EUR	31.12.2024	31.12.2023
Non-current group contribution receivables	285,000.00	285,000.00
Other receivables	60,595.23	60,595.23
Total	**345,595.23**	**345,595.23**

CURRENT RECEIVABLES

EUR	31.12.2024	31.12.2023
Trade receivables from group companies	6,796,787.42	6,129,815.46
Other receivables from group companies	2,027,040.00	10,800,000.00
Current group contribution receivables	40,000,000.00	5,364,000.00
Trade receivables	188,779.20	190,676.40
Other receivables	1,414,664.82	1,036,597.66
Accruals	1,510,058.44	1,364,431.38
Total	**51,937,329.88**	**24,885,520.90**

SPECIFICATION ITEMS IN ACCRUED CREDITS AND DEFERRED CHARGES

EUR	31.12.2024	31.12.2023
Tax receivables (income taxes)	388,628.07	354,605.78
Other prepayments and accrued income on expenses (from others)	1,121,430.37	1,009,825.60
Total	**1,510,058.44**	**1,364,431.38**

In May 2023, Normet Group Oy issued a bond treated as equity (i.e. hybrid bond) in the amount of EUR 30 million whose interest rate pursuant to the agreement is 9.25%. The net proceeds of the issuance were used for financing the tender offer of the Company's outstanding EUR 35 million 7.5% capital securities issued in September 2020.

CURRENT LIABILITIES

EUR	31.12.2024	31.12.2023
Current internal trade payables, interest-free	308,310.39	71,133.27
Accruals and deferred income, internal	22,716,186.34	6,508,094.38
Trade payables, external	2,843,378.03	2,678,721.44
Other liabilities, external	110,549.18	208,215.09
Accruals and deferred income, external	1,710,868.87	1,101,652.10
Total	**27,689,292.81**	**10,567,816.28**

SUBSTANTIAL ITEMS IN ACCRUED EXPENSES

EUR	31.12.2024	31.12.2023
Current interest liabilities, interest-free	177,345.00	0.00
Accrued employee expenses, interest-free	1,387,054.24	943,868.34
Other current accrued liabilities on expenses, interest-free	146,469.63	157,783.76
Total	**1,710,868.87**	**1,101,652.10**

COMMITMENTS AND CONTINGENT LIABILITIES

EUR	31.12.2024	31.12.2023
Securities and contingent liabilities		
Debt secured by mortgages/shares		
Bank guarantee limit secured by real estate mortgages, business mortgages and pledges	20,000,000.00	20,000,000.00
Total	**20,000,000.00**	**20,000,000.00**
Limits in use total		
Bank guarantee limit in use	2,925,180.00	12,254,976.15
Total	**2,925,181.00**	**12,254,976.15**
Business mortgages		
Business mortgages provided for loans from financial institutions	260,000,000.00	169,000,000.00
Total	**260,000,000.00**	**169,000,000.00**
Pledged securities		
Pledged securities provided for loans from financial institutions	19,926,170.00	19,926,173.42
Total	**19,926,170.00**	**19,926,173.42**
Rent liabilities		
Current lease liabilities	199,447.50	210,917.00
Lease liabilities maturing in 1–5 years	299.11	199,747.00
Total	**199,746.61**	**410,664.00**
Lease liabilities		
Current lease liabilities	531,671.14	404,517.18
Lease liabilities maturing in 1–5 years	439,952.53	342,804.14
Total	**971,623.67**	**747,321.32**

SIGNATURE TO THE FINANCIAL STATEMENTS AND THE BOARD OF DIRECTORS' REPORT

In Espoo, on 25 March 2025

Aaro Cantell
Chair of the Board of Directors

Lars Engström
Member of the Board of Directors

Mikko Puolakka
Member of the Board of Directors

Tom Melbye
Member of the Board of Directors

Mikko Keto
Member of the Board of Directors

Sanna Hokkanen
Member of the Board of Directors

Edoardo Santamaria
CEO

AUDITOR'S REPORT

(Translation of the Finnish original)

To the Annual General Meeting of Normet Group Oy

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Normet Group Oy (business identity code 1954515-8) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

» The consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
» The financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

» Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
» Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
» Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
» Conclude on the appropriateness of the Board of Directors' and the Managing Director's use

of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER REPORTING REQUIREMENTS

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 26 March 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Antti Suominen
Authorized Public Accountant

CALCULATION OF KEY FIGURES

RETURN ON EQUITY %	=	Net profit / Avarage Total Equity
EQUITY TO ASSET RATIO %	=	Total Equity / Total Assets
INTEREST BEARING NET LIABILITIES	=	Non-current interest bearing loans + Current interest bearing loans ./. Cash and cash equivalents
GEARING	=	Inerest-bearing net liabilities / Total Equity
EBITA	=	Operating result ./. Amortisation of intangible assets
EBITDA	=	Operating result ./. Amortisation of intangible assets and depreciations
COMPARABLE EBITA	=	Operating result before interest, tax and amortization ./. Items affecting comparability
COMPARABLE OPERATING RESULT	=	Operating result ./. Items affecting comparability
CASH CONVERSION %	=	Net cash from operating activities / EBITDA

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