INTERIM REPORT

Q2/2023

August 28, 2023

AGENDA

Safety and Sustainability

Operational and Financial Performance in Q2/2023

Strategic Focus Areas

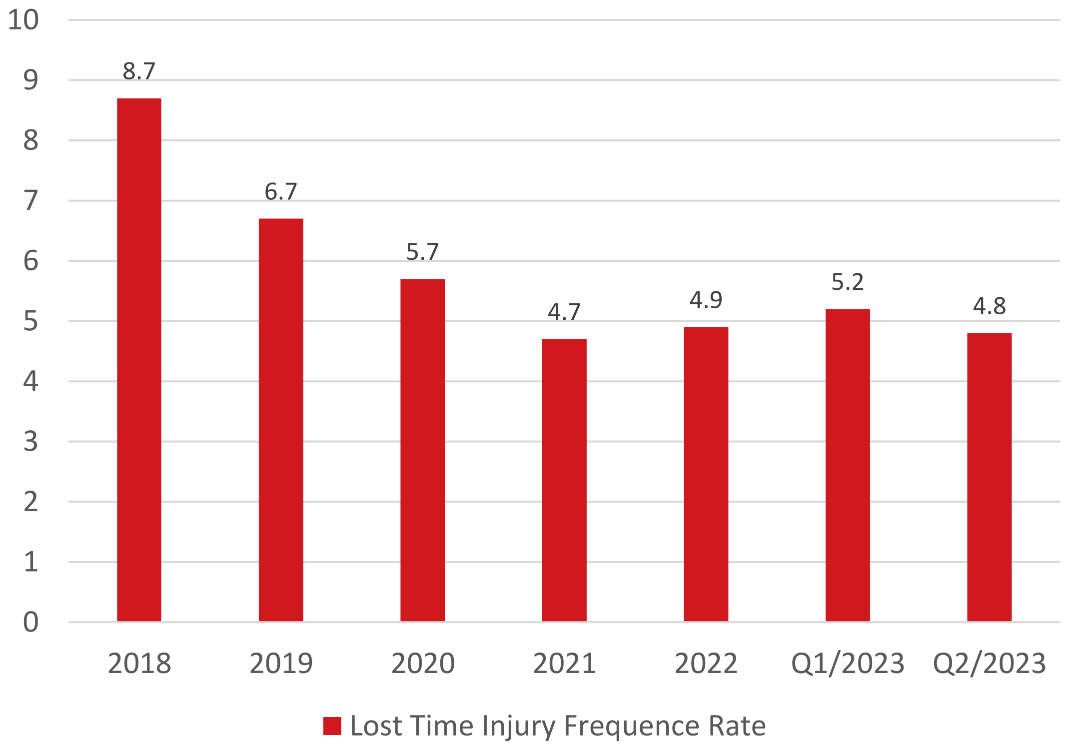
SECURING A SAFE AND SUSTAINABLE FUTURE

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

In Q2 2023, work continued with building Normet's safety culture into our recently acquired companies.

Normet has continued actions to improve safety performance and concluded the reporting period with a Lost Time Injury Frequency Rate of 4.8 (Q2/2022: 4.5). We saw less injuries in Q2 when compared to Q1 this year and we saw a significant improvement in our rate of observations and management of major risks. Key safety themes in the quarter included working with cranes and loads, high voltage electricity, forklift and motor vehicle safety.

Lost Time Injury Frequency Rate



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

SUSTAINABILITY AT NORMET

SUSTAINABILITY AT NORMET

We at Normet are committed to exceeding industry standards.

SUSTAINABLE MINING & TUNNELLING

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

PEOPLE

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

COMMUNITY INVOLVEMENT

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

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

Read more: Normet Group Oy Annual Report 2022

OPERATIONAL AND FINANCIAL PERFORMANCE IN Q2/2023

MAIN HIGHLIGHTS IN Q2/2023

SMARTDRIVE® PRODUCT LAUNCH

New Spraymec MF 050 VC SD is the latest addition to the SmartDrive® family.

XL1100 FIRST DELIVERY

The first of the new XL1100 ElectroDynamic® units commenced operating on a new project in Australia.

OPERATIONS

New facility in Coventry UK.

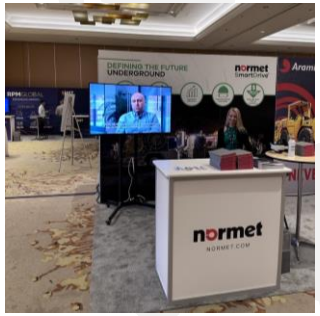
Breakthrough in development of Self drilling Dynamic Bolting (SDDB) and Resin Rock Bolt Grouting (RBG) technology in underground mining.

New Sales success with new TBM products in several markets.

Normet eCommerce store up and running.

INNOVATION AND TECHNOLOGY

The Electric Mine conference 2023 was run over 3 days in Arizona, USA; Normet was one of the keynote speakers at the event.



Launched remote monitoring service for customers with connected machines.

Equity investment into Motics, Switzerland.

PRESIDENT AND CEO COMMENT

In Q2 2023 Normet concluded an equity investment becoming a shareholder in Motics AG. Switzerland-based Motics is a cutting-edge and forward-thinking company in electric drive solutions for off-highway applications, with a particular focus on underground mining and the tunneling industries. Motics supports Normet's electrification strategy and provides opportunities to expand our technology development path and electrification portfolio.

The general business environment remained relatively stable through Q2. Some signs of longer decision making on capital expenditure remain. However, the underlying demand especially in services, consumables, new products and technologies remained robust.

NORMET INNOVATION

Normet introduced the new MF Spraymec SD product, our newest addition to the SmartDrive® family, specifically designed for concrete spraying in underground mining applications. We also saw the first site introduction of our new ElectroDynamic® hybrid powersystem XL1100 units in Australia.

PERFORMANCE

Our operating margins improved from Q1 2023. However, remain negatively impacted by currencies when comparing to Q2 last year. We also invested early in several strategic projects including acquired companies, India Centre of Excellence and several new technology developments. Work continued with integrating and delivering on our business plans for our group of acquired companies.

The impact from material shortages and logistics delays continued to impact Normet in Q2 however the situation has improved somewhat when compared to the preceding quarters.

OUTLOOK

Demand for Normet's products and expertise, especially for new SmartDrive® platforms, customer process improvements and in services and consumables remains strong.

ED SANTAMARIA
President and CEO

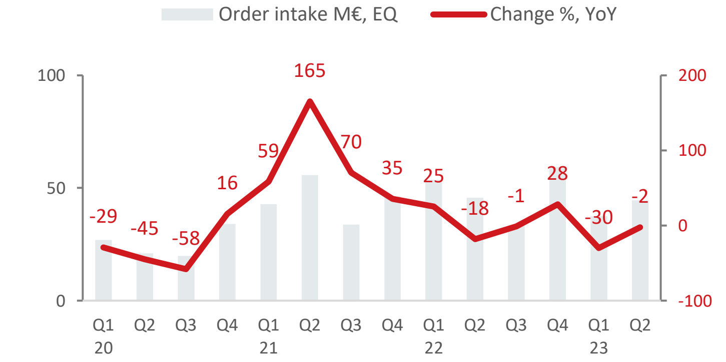
KEY FIGURES

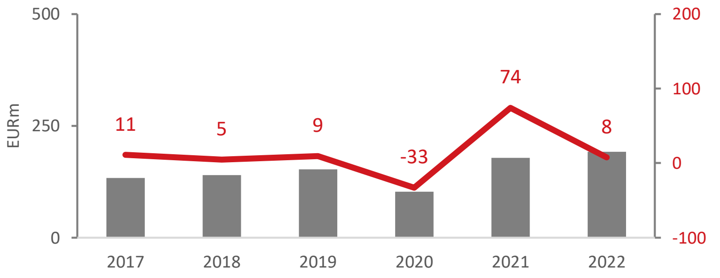
	YTD H1 23	YTD H1 22	2022
Order intake, Equipment, MEUR	82	99	192
Revenue, MEUR	237	199	439
EBITDA	31	29	71
EBITDA %	13.2%	14.3%	16.1%
EBITA	24	23	50
EBITA %	10.1%	11.5%	11.4%
Operating profit, MEUR	20	19	51
Operating profit %	8.6%	9.5%	11.6%
Net profit, MEUR	11.2	14.8	37
Net profit %	4.7%	7.4%	8.4%
Total assets, MEUR	495	365	404
Interest bearing liabilities, net	122	45	66
Number of personnel (12-month rolling average)	1,753	1,647	1,699
Return on equity %	22%	23%	26%
Gearing %	76%	31%	43%
Equity to asset ratio %	33%	42%	40%

- **Equipment order intake -17%** to MEUR 82 driven by slower customer decision making in some areas. Rolling 6-month order intake indicates stable demand.
- Achieved **MEUR 237 in revenue**, a 19% increase from y-on-y driven by organic growth of existing and new products and business acquisitions.
- **Operating profit 8.6%** (9.5%) and MEUR 20 (19). The growth in absolute margin due to strong revenue and the decrease in relative margin stemming from unfavorable currency revaluation and early investments in strategic projects including operational capability build up.
- **Net Profit 4.7%** (7.4%) and MEUR 11 (15). The decrease driven by negative impact of currency revaluation and increased financing cost.
- **Gearing 76%** (31%) increase driven by debt raised for the acquisitions.

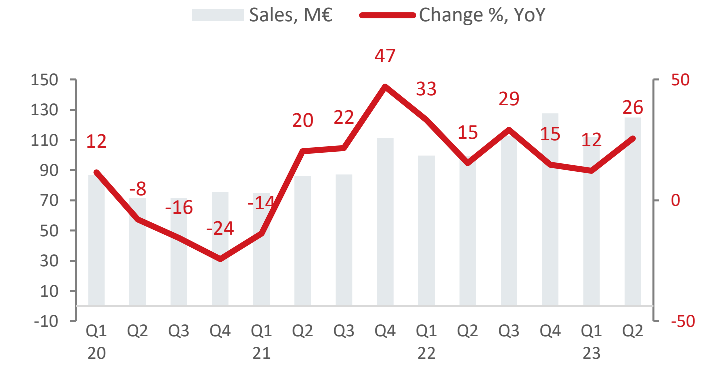
KEY FIGURES

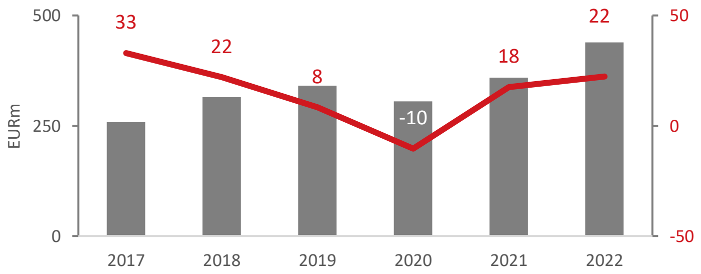
ORDER INTAKE, EQUIPMENT



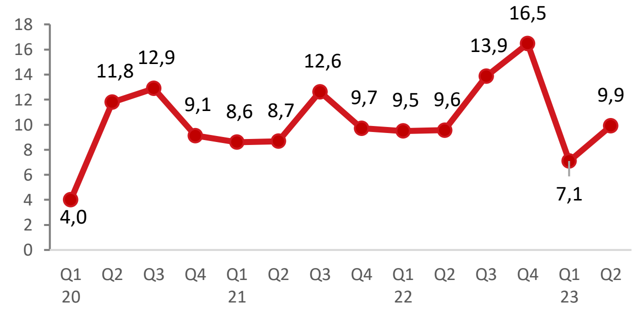


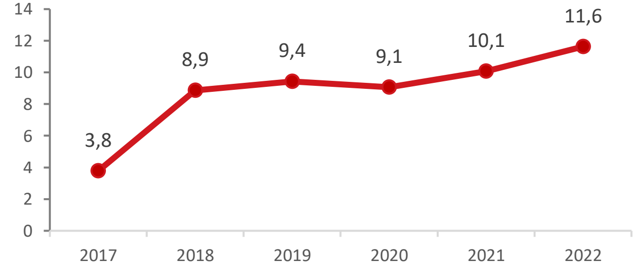
REVENUE





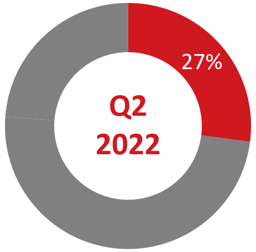
OPERATING PROFIT (EBIT %)

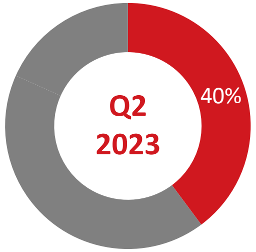




BUSINESS LINE PERFORMANCE Q2/2023

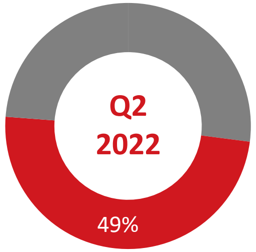
EQUIPMENT, net sales

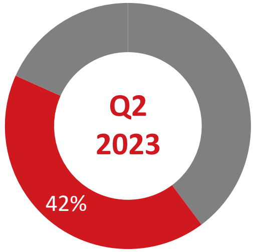




- 89% sales growth in Q2 y-o-y
- Stable order intake in Q2 2023 compared to Q2 2022 regardless of slower customer decision making in some areas.

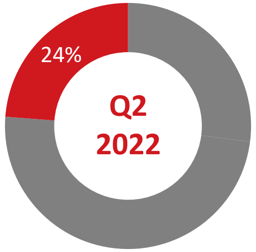
SERVICE, net sales

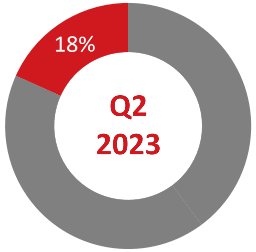




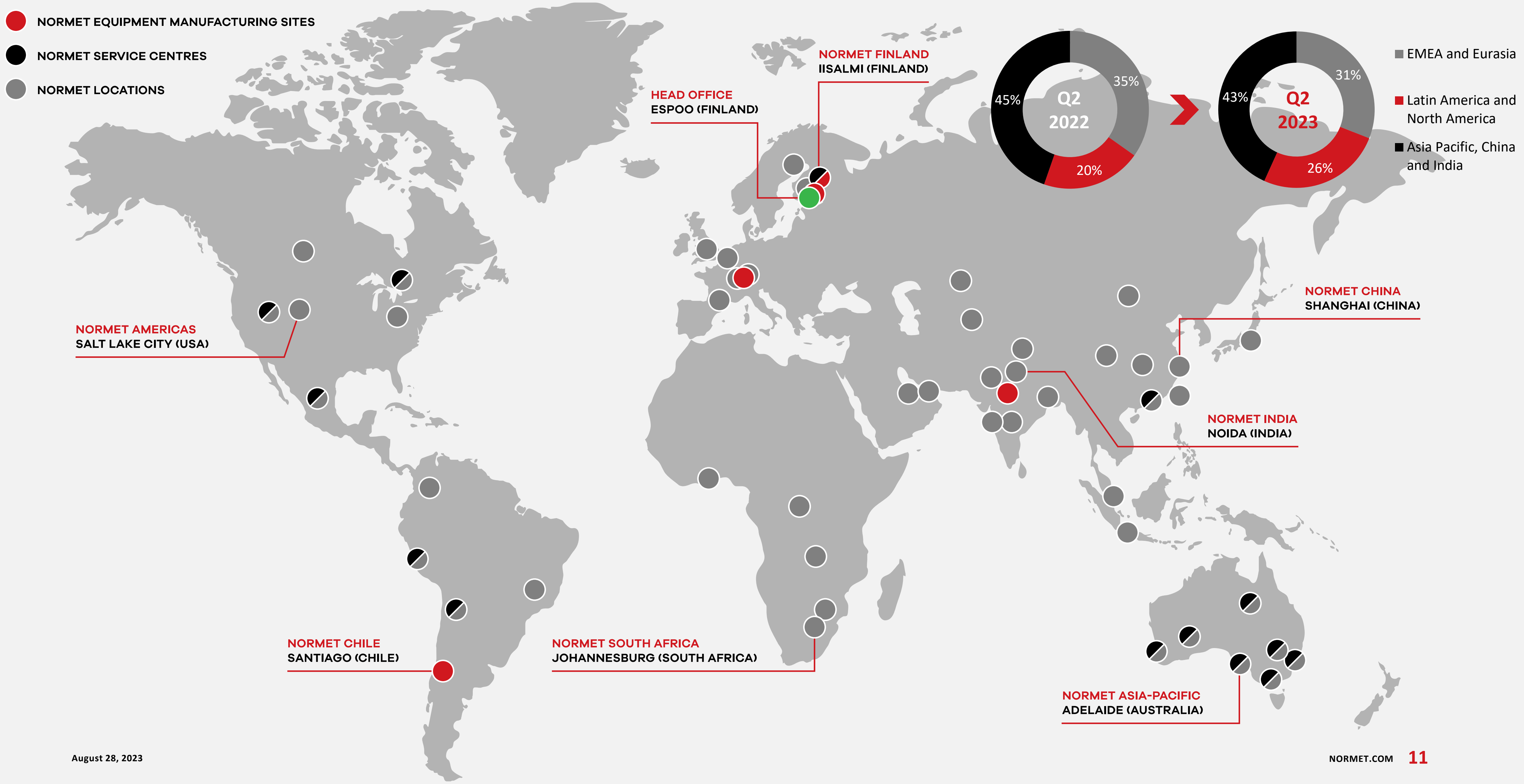
- 9.7% sales growth in Q2 y-o-y
- Good momentum with connected machines continues.
- Demand for rental machines increased.

GCCT, net sales





- 1% decline in Q2 sales y-o-y but GCCT sales growth remained on track in H1 2023 (+7.8% y-o-y).
- Good development in tunneling and construction chemical projects.
- Mining sales continue to show improvement through combined rock reinforcement and resin sales.


NORMET EQUIPMENT MANUFACTURING SITES
NORMET SERVICE CENTRES
NORMET LOCATIONS
HEAD OFFICE
ESPOO (FINLAND)
NORMET FINLAND
IISALMI (FINLAND)
NORMET AMERICAS
SALT LAKE CITY (USA)
NORMET CHINA
SHANGHAI (CHINA)
NORMET INDIA
NOIDA (INDIA)
NORMET CHILE
SANTIAGO (CHILE)
NORMET SOUTH AFRICA
JOHANNESBURG (SOUTH AFRICA)
NORMET ASIA-PACIFIC
ADELAIDE (AUSTRALIA)
Q2 2022
45%
35%
20%
Q2 2023
43%
31%
26%
EMEA and Eurasia
Latin America and North America
Asia Pacific, China and India

STRATEGIC FOCUS AREAS

STRATEGIC FOCUS AREAS

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

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

RECENT M&A – AIMING TO GROW TROUGH ACQUISITIONS

GAROCK

Ram Booms

Marakon

2022

2023

aliva

REMION

Net sales H1/2023

reported

MEUR 237

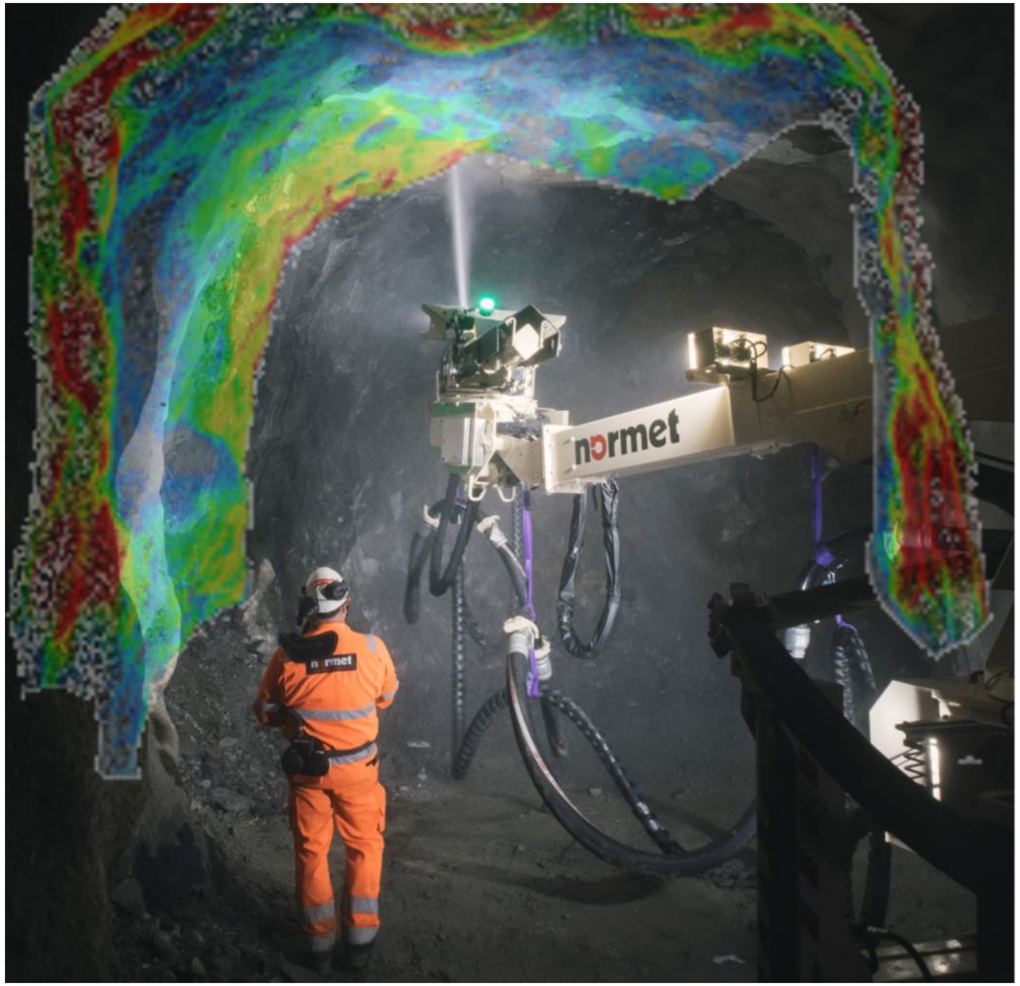
excluding acquisitions

MEUR 221

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

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

INDUSTRY FUNDAMENTALS CONTINUE TO DRIVE GROWTH



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

CORPORATE GOVERNANCE – AS OF 30 JUNE 2023

NORMET GROUP OY BOARD OF DIRECTORS

Aaro Cantell Chairman of the Board

Lars Engström Member of Board

Tom Melbye Member of Board

Mikko Keto Member of Board

Mikko Puolakka Member of Board

Normet Group Oy is owned 100% by Cantell Oy

NORMET LEADERSHIP TEAM

Edoardo Santamaria CEO

Ville Pasanen CFO

Ville Haatainen (acting) SVP, Equipment Business Line

Riku Helander SVP Service Business Line

Alan Pengelly SVP, GCCT Business Line

Kari Hämäläinen EVP, Strategic Business Development

Marc Sinclair, VP, APAC Sales Area (since 1st July)

Subhasis Mohanty VP, India Sales Area

Jukka Kurhinen SVP, Eurasia Sales Area

Jaakko Koppinen VP, EMEA Sales Area

Jean-Guy Coulombe VP, North America Sales Area

Marcelo Anabalon SVP, Latin America Sales Area

Daniel Yang VP, China Sales Area

Kimmo Karihtala General Counsel

Niina Pesonen VP, Human Resources

KEY FINANCIALS INTERIM REPORT Q2/2023

(IFRS, UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q2 2023	Q2 2022	Change %	1.1.-30.6.2023	1.1.-30.6.2022	Change %	1.1.-31.12.2022
REVENUE	**124 859**	**99 436**	**26 %**	**236 762**	**199 176**	**19 %**	**439 236**
Materials, supplies and subcontracting	-60 052	-48 632	23 %	-115 997	-100 515	15 %	-217 178
Personnel cost	-29 759	-24 453	22 %	-57 462	-46 921	22 %	-98 282
Depreciation and amortisation	-6 116	-4 217	45 %	-10 941	-9 604	14 %	-19 783
Other operating expenses and income, net	-16 571	-12 680	31 %	-32 107	-23 179	39 %	-52 934
OPERATING PROFIT	**12 361**	**9 453**	**31 %**	**20 256**	**18 957**	**7 %**	**51 059**
Financing income	881	9 597	-91 %	1 490	12 670	-88 %	14 699
Financing expenses	-3 388	-10 565	-68 %	-6 425	-12 740	-50 %	-17 086
Share of profit/loss accounted for using the equity method	-26	-248	-89 %	-211	-562	-62 %	-557
PROFIT/LOSS BEFORE TAX	**9 829**	**8 237**	**19 %**	**15 109**	**18 324**	**-18 %**	**48 114**
Tax on income from operations	-2 525	-2 507	1 %	-3 929	-3 516	12 %	-11 424
PROFIT/LOSS FOR THE PERIOD	**7 304**	**5 731**	**27 %**	**11 180**	**14 808**	**-24 %**	**36 690**

EUR thousand	Q2 2023	Q2 2022	Change %	1.1.-30.6.2023	1.1.-30.6.2022	Change %	1.1.-31.12.2022
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plan	-1	0	551 %	-65	-11	475 %	203
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translating foreign operations	-395	6 392	-106 %	-1 208	5 816	-121 %	-385
Other comprehensive income for the period, net of tax	**-397**	**6 392**	**-106 %**	**-1 273**	**5 805**	**-122 %**	**-182**
Total comprehensive income	**6 907**	**12 123**	**-43 %**	**9 907**	**20 613**	**-52 %**	**36 509**
Profit attributable to:							
Owners of the parent company	**7 081**	**5 530**	**28 %**	**10 780**	**13 899**	**-22 %**	**35 696**
Non-controlling interests in net income	223	1 618	-86 %	401	909	-56 %	994
Total	**7 304**	**7 148**	**2 %**	**11 180**	**14 808**	**-24 %**	**36 690**
Total comprehensive income attributable to:							
Owners of the parent company	6 693	11 730	-43 %	9 532	19 512	-51 %	35 518
Non-controlling interests	214	393	-45 %	375	1 101	-66 %	990
Total	**6 907**	**12 123**	**-43 %**	**9 907**	**20 613**	**-52 %**	**36 509**

CONSOLIDATED BALANCE SHEET

EUR thousand	30.6.2023	30.6.2022	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	38 847	16 574	17 528
Goodwill	28 094	11 040	12 409
Right of use assets	19 090	8 106	14 548
Property, plant, equipment	47 193	34 225	38 133
Investments accounted for using the equity metl	4 028	3 729	3 959
Other non-current financial assets	721	80	723
Non-current trade and other receivables	3 890	4 245	3 651
Deferred tax asset	16 985	16 786	15 524
NON-CURRENT ASSETS	**158 848**	**94 785**	**106 475**
CURRENT ASSETS			
Inventories	175 534	137 393	154 873
Trade receivables and other receivables	113 156	84 447	103 487
Tax Receivable, income tax	5 902	4 225	2 730
Cash and cash equivalents	41 341	44 259	36 896
CURRENT ASSETS	**335 934**	**270 325**	**297 985**
ASSETS	**494 782**	**365 110**	**404 460**
EQUITY AND LIABILITIES			
Owners of the parent company			
Share capital	3 423	3 423	3 423
Share premium	3 350	3 350	3 350
Unrestricted equity reserve	2 953	3 238	2 860
Hybrid bond	36 520	34 666	34 666
Reserves	293	267	304
Translation differences	-4 283	-3 730	-4 007
Retained earnings	116 412	99 831	110 838
Owners of the parent company	**158 667**	**141 046**	**151 435**
Non-controlling interests	**2 855**	**3 161**	**2 465**
EQUITY	**161 522**	**144 207**	**153 900**

EUR thousand	30.6.2023	30.6.2022	31.12.2022
NON-CURRENT LIABILITIES			
Non-current liabilities, interest-bearing	155,835	80,537	93,892
Non-current interest-free liabilities	17,122	17,220	16,041
Non-current provisions	354	290	351
Liabilities from defined benefit plan	1,301	916	1,399
Deferred tax liability	7,795	2,389	2,957
NON-CURRENT LIABILITIES	**182,405**	**101,352**	**114,640**
CURRENT LIABILITIES			
Current interest-bearing liabilities	7,600	8,485	10,628
Trade Payables and Other Liabilities	125,871	101,527	110,418
Tax liability, income tax	13,186	8,514	9,076
Current provisions	4,197	1,025	5,797
CURRENT LIABILITIES	**150,854**	**119,551**	**135,920**
Liabilities	**333,259**	**220,904**	**250,560**
EQUITY AND LIABILITIES	**494,782**	**365,110**	**404,460**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR Thousand	1.1-30.6.2023	1.1-30.6.2022	1.1.-31.12.2022
Cash flow from operating activities			
Profit for the period	11 180	14 808	36 690
Depreciation, amortisation and impairment	10 941	9 604	19 783
Share of profit/loss accounted for using equity m	211	562	557
Other items without cash flow impact	5 624	506	525
Financial income and expenses	4 936	70	2 387
Taxes	3 929	3 516	11 424
Change in provisions	1 175	1 047	5 501
Other adjustments	-271	103	39
working capital	**37 724**	**30 216**	**76 907**
Change in inventories	-13 891	-26 564	-35 316
Change in interest-free current receivables	-7 868	-2 706	-17 783
Change in interest-free current liabilities	11 682	5 008	12 026
Change in net working capital	**-10 076**	**-24 262**	**-41 074**
Financial expense	-3 679	-1 032	-2 665
Financial income	-813	1 055	807
Income taxes paid	-4 245	-5 165	-9 553
Net cash from operating activities	**18 910**	**811**	**24 423**

EUR Thousand	1.1-30.6.2023	1.1-30.6.2022	1.1.-31.12.2022
Cash flow from investing activities			
Purchase of tangible and intangible assets	-13 516	-4 795	-15 831
Proceeds from sale of tangible and intangible as	95	47	91
Other investments	0	0	-670
Acquisition of a subsidiary and business acquistions, net of cash acquired	-47 368	0	-12 511
Net cash used in investing activities	**-60 789**	**-4 748**	**-28 921**
Cash flow from financing activities			
Acquisition of own shares	0	-177	0
Proceeds from loans	54 792	7 182	12 307
Repayment of lease liabilities	-3 335	-2 268	-5 537
Hybrid bond repayments	-27 840	0	0
Proceeds from hybrid bond	30 000	0	0
Hybrid bond interest and expenses	-1 773	0	-2 625
Dividends paid	-4 002	-4 877	-6 154
Net cash from financing activities	**47 842**	**-141**	**-2 009**
Change in cash and cash equivalents, increase (+) / decrease (-)	**5 963**	**-4 077**	**-6 508**
Cash and cash equivalents, at beginning	**36 896**	**42 255**	**42 255**
Change in cash and cash equivalents, increase (+) / decrease (-)	5 963	-4 077	-6 508
Effects of exchange rate fluctuations on cash he	-1 518	6 082	1 149
Cash and cash equivalents, at end	**41 341**	**44 259**	**36 896**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling	Total equity
Balance at January 1, 2023	**3 423**	**3 350**	**2 860**	**34 666**	**304**	**-4 007**	**110 838**	**151 434**	**2 465**	**153 899**
Dividends paid to equity holders							-4 003	**-4 003**		**-4 003**
Other changes			93		-11	-276	1 536	**1 342**	15	**1 357**
Proceeds from hybrid bond				29 693				**29 693**		**29 693**
Hybrid bond repayments				-27 506				**-27 506**		**-27 506**
Hybrid bond interest and expenses							-1 466	**-1 466**		**-1 466**
Profit for the period							10 780	**10 780**	401	**11 180**
Other comprehensive income							-1 273	**-1 273**	-25	**-1 298**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**9 507**	**9 507**	**376**	**9 882**
Balance at June 30, 2023	**3 423**	**3 350**	**2 953**	**36 520**	**293**	**-4 283**	**116 412**	**158 667**	**2 855**	**161 523**

EUR thousand	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling	Total equity
Balance at January 1, 2022	**3 423**	**3 350**	**3 206**	**34 666**	**263**	**-3 622**	**85 525**	**126 812**	**2 059**	**128 871**
Dividends paid to equity holders							-4 951	**-4 951**		**-4 951**
Other changes			32		4	-107	-446	**-517**	-3	**-520**
Profit for the period							13 899	**13 899**	909	**14 808**
Other comprehensive income							5 805	**5 805**	195	**6 000**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**19 703**	**19 703**	**1 104**	**20 808**
Balance at June 30, 2023	**3 423**	**3 350**	**3 238**	**34 666**	**267**	**-3 729**	**99 831**	**141 046**	**3 161**	**144 207**

NOTES TO INTERIM REPORT

BASIS OF PREPARATION

This unaudited and condensed consolidated financial statement information of Normet Group has been prepared in accordance with IAS 34 “Interim Financial Reporting” and it should be read in conjunction with the consolidated financial statements for 2022 prepared in accordance with IFRS as published by the IASB and adopted by the EU. The same accounting policies, methods of computation and applications of judgment are followed in this financial statement information as was followed in the consolidated financial statements for 2022. This financial report was authorized for issue by management on Aug 28, 2023. Percentages and figures presented herein may include rounding differences and therefore may not add up precisely to the totals presented and may vary from previously published financial information.

ACCOUNTING ESTIMATES AND JUDGEMENTS

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

NEW ACCOUNTING STANDARDS

Normet Group has applied the revised IFRS Standards that have been effective since January 1, 2023. These amendments have not had a material impact on the reported figures.

NOTES TO INTERIM REPORT

MATERIAL DEBT INSTRUMENTS

In May 2023, Normet Group Ltd issued new capital securities in the amount of MEUR 30.0. The New Capital Securities bear interest at a fixed interest rate of 9.25 per cent until the reset date of 19 June 2025 and thereafter, at a floating interest rate as described in the terms and conditions of the New Capital Securities. The New Capital Securities do not have a specified maturity date, but the Company is entitled to redeem them for the first time on 19 June 2025, and thereafter, on each interest payment date. The net proceeds of the issuance will be used for financing the tender offer of the Company's outstanding EUR 35 million 7.50 per cent capital securities issued on 29 September 2020, to proactively manage upcoming maturities and strengthen the Company's balance sheet.

In May 2023, Normet Group Ltd repurchased, by a public tender offer, MEUR 27.8 of the 2020 hybrid bond. Redemption price equal to the nominal amount of the note together with any accrued interest to but excluding the redemption date. In July 2023 Normet Group Ltd redeemed the outstanding share of MEUR 7.2 of the EUR 35 million hybrid bond.

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

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

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

NOTES TO INTERIM REPORT

ACQUISITIONS

On 31 January 2023, Normet acquired 100% of the voting shares of Rambooms Oy, a manufacturer and supplier of rock breaker boom systems, and Marakon Oy, a supplier of hydraulic hammers and excavator attachments for the construction, crusher and mining industries. The Rambooms and Marakon businesses have a manufacturing facility in Lahti, Finland. The group has a wide customer base, and its products are found in most mining and construction markets. Rambooms and Marakon have 35 employees combined and net sales of EUR 26 million in 2022. Rambooms and Marakon are known for their high performing quality products. With the acquisition Normet strengthens its position in scaling and breaking as well as supports advancing towards higher levels of automation and electrification for the mining and construction industries.

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

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

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

Acquired unit	Business unit	Technical area	Acquisition type	Acquisition period	Number of employees
Marakon Oy	Equipment		Share	January	12
Rambooms Oy	Equipment		Share	January	23
Koy Lahden Yrittäjänkatu 10	Equipment		Share	January	0
Remion Oy	Services		Share	February	28

NOTES TO INTERIM REPORT

ACQUISITIONS

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the unfavorable terms of the lease relative to market terms.

The goodwill recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of acquired companies with those of the Group. The goodwill is not deductible for income tax purposes.

ACQUIRED NET ASSETS AND GOODWILL RELATED TO MARAKON, RAMBOOMS AND REMION ACQUISITIONS [1)]

EUR	
Intangible assets	23 662
Tangible assets	7 431
Inventories	7 453
Trade and other receivables	3 879
Cash and cash equivalents	1 019
Total assets	**43 445**
Trade payables	2 352
Loan payables	2 174
Deferred tax liabilities	4 756
Other liabilities	548
Total liabilities	**9 830**
Net assets	**33 615**
Acquisition cost paid in cash during the fiscal period	**48 387**
Contingent consideration, to be paid during future fiscal periods	**514**
Goodwill arising from the acquisition	**15 286**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiaries	**1 019**
Cash paid	**48 387**
Net cash flow on acquistion	**47 368**

1) Based on preliminary purchase price allocation

NOTES TO INTERIM REPORT

NET WORKING CAPITAL

EUR thousand	30.6.2023	30.6.2022	31.12.2022
Inventories	175,534	137,393	154,873
Trade receivables	78,560	61,957	74,090
Other non-interest bearing receivables	38,177	26,512	31,456
Trade payables	-60,443	-54,389	-63,921
Other non-interest bearing payables	-33,118	-29,252	-29,194
Advances received	-32,238	-17,840	-17,372
Total	**166,473**	**124,380**	**149,931**

PERSONNEL

	30.6.2023	30.6.2022	31.12.2022
Personnel, 12 months rolling average	**1,753**	**1,647**	**1,699**

NOTES TO INTERIM REPORT

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

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