INTERIM REPORT

Q3/2023

October 31, 2023

NORMET GROUP OY

NORMET.COM

AGENDA

- Safety and Sustainability
- Operational and Financial Performance in Q3/2023
- Strategic Focus Areas

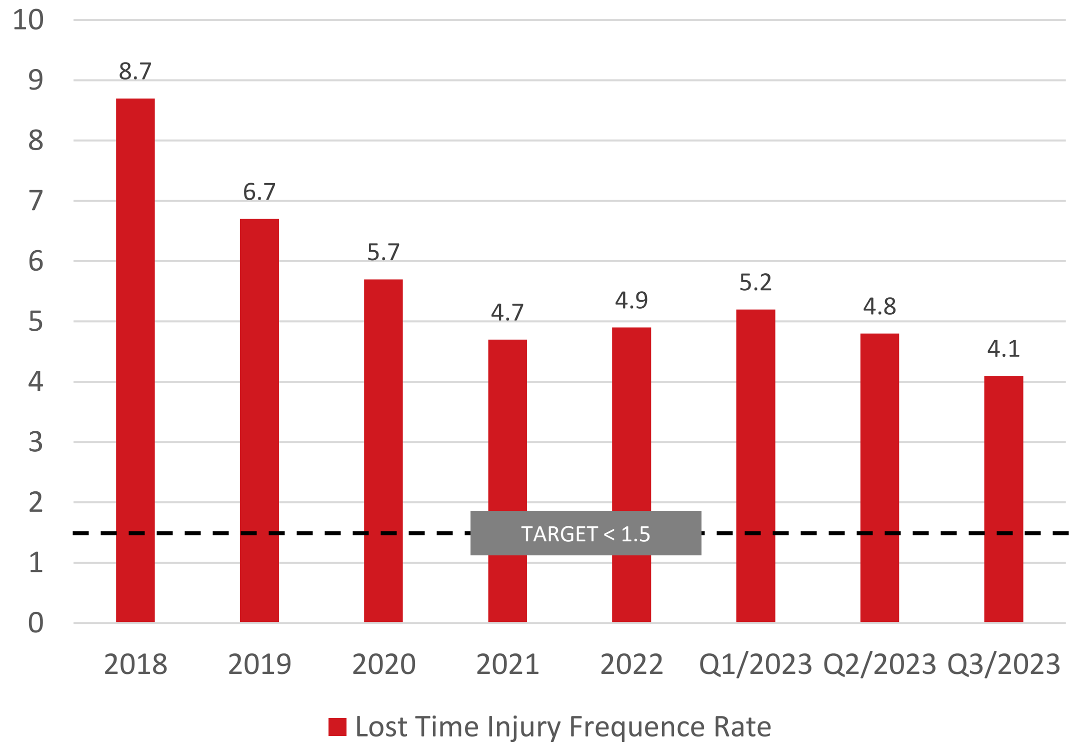
SECURING A SAFE AND SUSTAINABLE FUTURE

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 Q3 2023, work continued with building Normet's safety culture throughout the company. We are particularly proud of the work Normet achieved in making a positive safety difference throughout the industry where we operate.

Normet has continued actions to improve safety performance and concluded the reporting period with a Lost Time Injury Frequency Rate of 4.1 (Q3/2022: 5.6). We saw a significant improvement in our rate of observations, quality of investigations and management of major risks. Key safety themes in the quarter included fire safety and safe work practices with battery-electric vehicles underground.

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 Q3/2023

MAIN HIGHLIGHTS IN Q3/2023

MAJOR ORDERS

Normet received a large mining equipment order from Kamoa Copper Mine in the Democratic Republic of the Congo. The order is for a fleet of 55 machines valued at MEUR 30 under the Framework Agreement signed in 2020. The Normet fleet is supported by a service contract and onsite vendor-managed inventory.

Received several breakthrough orders for the new XS Variomec units in Australia, US and Europe.

Also received breakthrough order for the underground Limestone sector in US, which is a new customer segment to Normet.

OPERATIONS

The new Remote Monitoring Centre became operational in India. This enables Normet to monitor the state of all connected fleet globally. There were more than 200 intervention cases identified and actioned in Q3.

PRODUCT LAUNCHES

The new range of Normet stationary breakers and booms assemblies was released. This is part of the acquired Rambooms company strategy.

INNOVATION AND TECHNOLOGY

In Q3 Normet launched the new Scaling simulator, which provides a sustainable way for training and skills improvement for scaling machine operators. The simulator was developed in conjunction with the new Normet Scamec Thor.

Completed the first diesel to battery-electric vehicle conversion for a Normet 8100 Spraymec. The work was undertaken together with Motics Switzerland.

PRESIDENT AND CEO COMMENT

NORMET INNOVATION

There is high level of interest in all the new models that Normet has released recently to markets including Utimec XL 1100 Agitator ED, utilizing latest Normet ElectroDynamic® technology, Variomec XS and Scamec LC Thor.

PERFORMANCE

The general business environment remained relatively stable through Q3. Clearer signs of longer decision making on capital expenditure decisions emerged. However, the underlying demand especially in services, consumables, new products and technologies remained robust.

Our operating margins in Q3 2023 were negatively impacted from operational cost overruns and currencies compared to Q3 2022.
Actions have been taken to address the operational areas which will improve the outlook for the remaining part of the year.

The first revised portfolio from acquired companies, Normet Xrock® range of stationary breakers and booms assemblies was released in Q3.

The impact from material shortages and logistics delays continued to impact Normet in Q3 however the situation has improved somewhat when compared to the preceding quarters.

OUTLOOK

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

ED SANTAMARIA
President and CEO

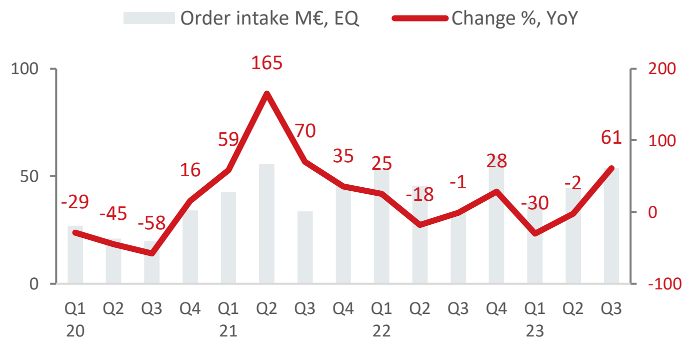
KEY FIGURES

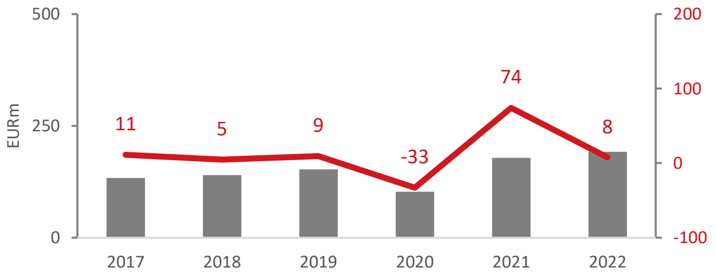
	YTD Jan-Sep 23	YTD Jan-Sep 22	2022
Order intake, Equipment, MEUR	136	133	192
Revenue, MEUR	340	312	439
EBITDA	47	49	71
EBITDA %	13.8%	15.6%	16.1%
EBITA	35	40	50
EBITA %	10.4%	12.8%	11.4%
Operating profit, MEUR	30	35	51
Operating profit %	8.7%	11.1%	11.6%
Net profit, MEUR	16.9	26.6	37
Net profit %	5.0%	8.5%	8.4%
Total assets, MEUR	501	408	404
Interest bearing liabilities, net	133	66	66
Number of personnel (12-month rolling average)	1,785	1,684	1,699
Return on equity %	17%	23%	26%
Gearing %	84%	43%	43%
Equity to asset ratio %	32%	40%	40%

- **Equipment order intake +2%** to MEUR 136 driven by slower customer decision making in some areas. Significant orders received in Q3 from Africa.
- Achieved **MEUR 340 in revenue**, a 9% increase from y-on-y driven by organic growth of existing and new products and business acquisitions in Equipment and Service.
- **Operating profit 8.7%** (11.1%) and MEUR 30 (35). Decrease in margin stemming from number of operational, inflationary and integration cost overruns and unfavorable currency revaluation.
- **Net Profit 5.0%** (8.5%) and MEUR 17 (27). The decrease driven by negative impact of currency revaluation and increased financing cost.
- **Gearing 84%** (43%) increase driven by debt raised for the acquisitions. Also, high inventories due to delivery schedule changes required increased capital in Q3.

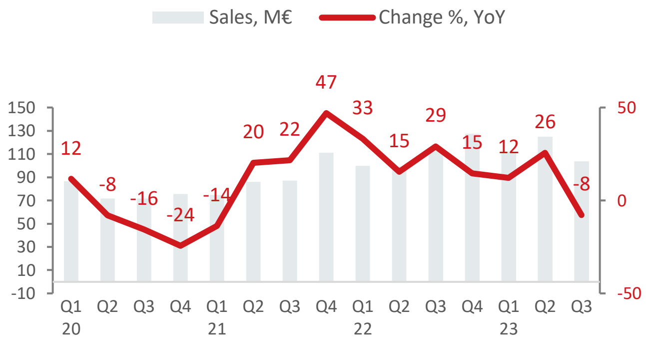
KEY FIGURES

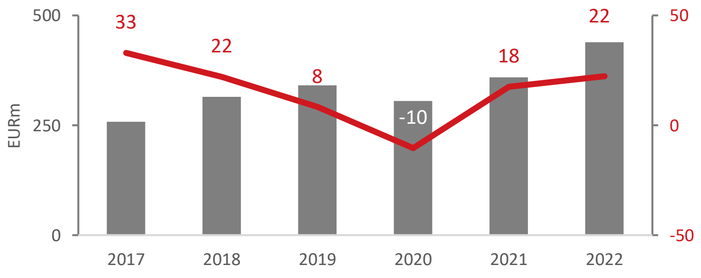
ORDER INTAKE, EQUIPMENT



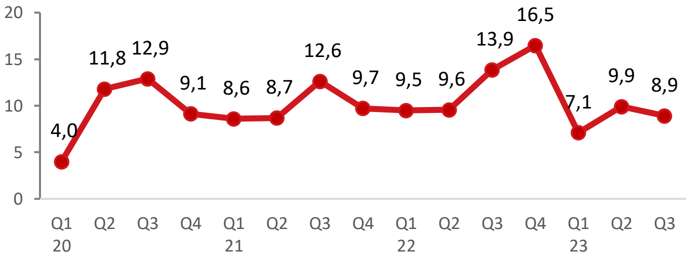


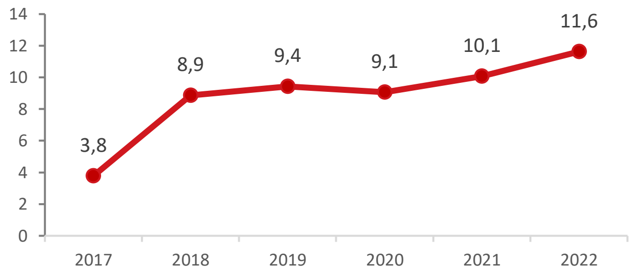
REVENUE





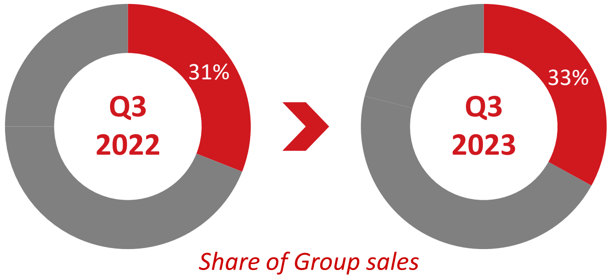
OPERATING PROFIT (EBIT %)





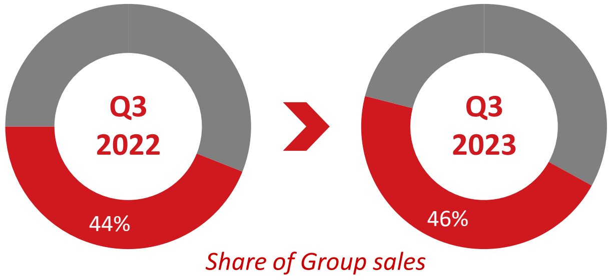
BUSINESS LINE PERFORMANCE Q3/2023

EQUIPMENT, net sales



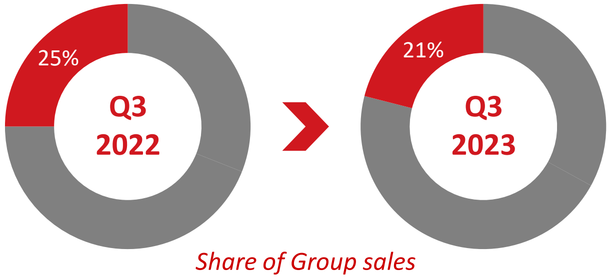
- Net sales y-o-y same level as Q3 2022
- Very strong order intake in Q3 2023 compared to Q3 2022 regardless of slower customer decision making in some areas. Significant order received from Africa.

SERVICE, net sales

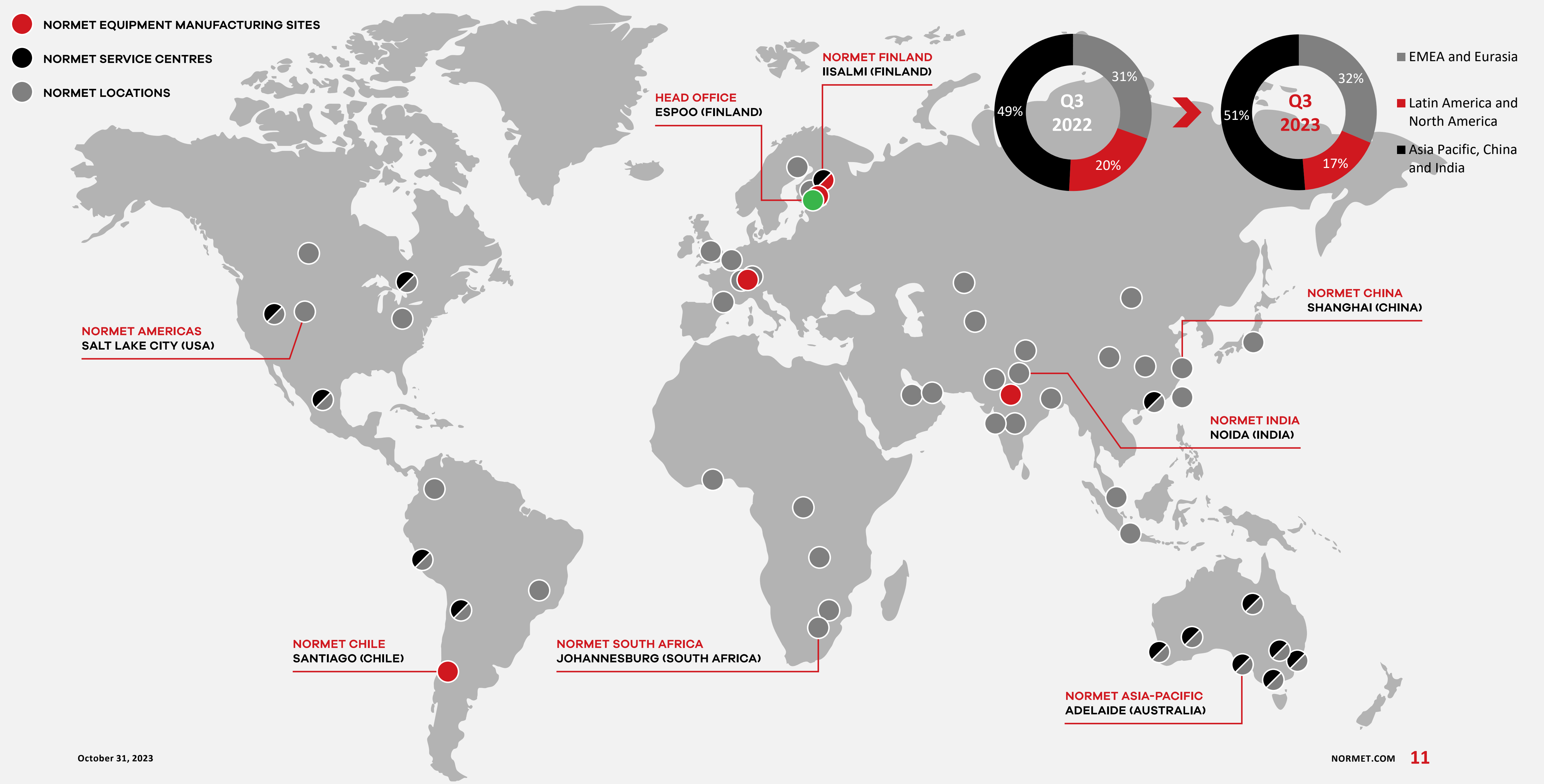


- Net sales y-o-y same level as Q2 2022
- Remote monitoring and connected machines on solid growth path
- Rental EQ demand increasing especially with mining customers

GCCT, net sales



- Net sales y-o-y decreased 18% compared to Q3 2022
- Completed APAC infrastructure projects slowed growth before return of up cycle in 2024.


NORMET EQUIPMENT MANUFACTURING SITES
NORMET SERVICE CENTRES
NORMET LOCATIONS
NORMET FINLAND
IISALMI (FINLAND)
HEAD OFFICE
ESPOO (FINLAND)
Q3 2022
49%
31%
20%
Q3 2023
51%
32%
17%
EMEA and Eurasia
Latin America and North America
Asia Pacific, China and India
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)

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
- Delivering customer value
- Profitable growth
- Technology and innovation
- The best people delivering leading business performance

RECENT M&A – AIMING TO GROW TROUGH ACQUISITIONS

GAROCK

aliva®

2022

Ram Booms

Marakon

REMION

2023

Net sales Jan-Sep 2023

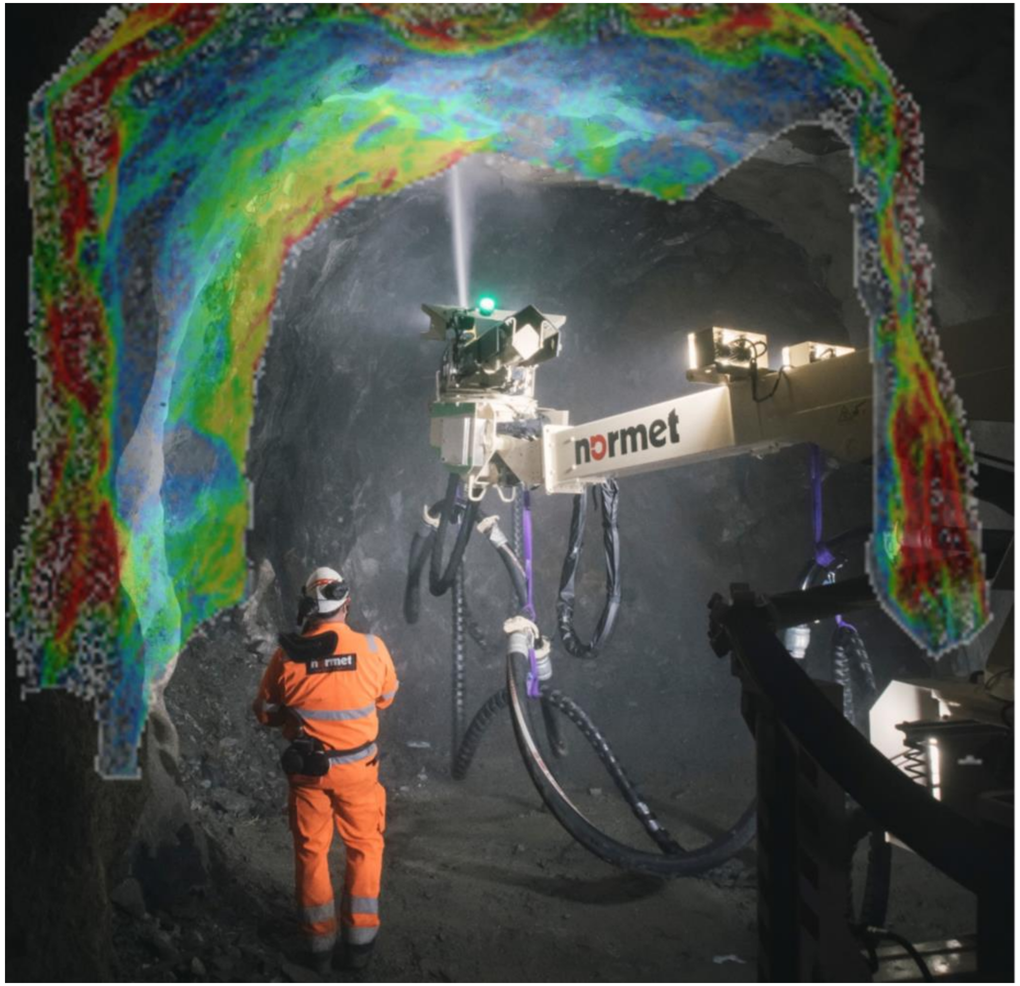
reported
MEUR 340

excluding acquisitions
MEUR 317

- 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 SEPTEMBER 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

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

Juha Tuominen CIO

KEY FINANCIALS INTERIM REPORT Q3/2023

(IFRS, UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q3 2023	Q3 2022	Change %	1.1.-30.9.2023	1.1.-30.9.2022	Change %	1.1.-31.12.2022
REVENUE	**103 689**	**112 542**	**-8 %**	**340 451**	**311 718**	**9 %**	**439 236**
Materials, supplies and subcontracting	-47 961	-55 395	-13 %	-163 957	-155 910	5 %	-217 178
Personnel cost	-26 292	-24 463	7 %	-83 754	-71 384	17 %	-98 282
Depreciation and amortisation	-6 498	-4 398	48 %	-17 439	-14 002	25 %	-19 783
Other operating expenses and income, net	-13 694	-12 659	8 %	-45 800	-35 838	28 %	-52 934
OPERATING PROFIT	**9 245**	**15 627**	**-41 %**	**29 500**	**34 584**	**-15 %**	**51 059**
Financing income	1 601	2 142	-25 %	3 091	14 812	-79 %	14 699
Financing expenses	-3 293	-1 868	76 %	-9 718	-14 608	-33 %	-17 086
Share of profit/loss accounted for using the equity method	-12	-37	-66 %	-224	-599	-63 %	-557
PROFIT/LOSS BEFORE TAX	**7 541**	**15 864**	**-52 %**	**22 650**	**34 189**	**-34 %**	**48 114**
Tax on income from operations	-1 814	-4 126	-56 %	-5 743	-7 642	-25 %	-11 424
PROFIT/LOSS FOR THE PERIOD	**5 726**	**11 739**	**-51 %**	**16 907**	**26 547**	**-36 %**	**36 690**

EUR thousand	Q3 2023	Q3 2022	Change %	1.1.-30.9.2023	1.1.-30.9.2022	Change %	1.1.-31.12.2022
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified to profit or loss							
Remeasurement of defined benefit plan	75	0	-40777 %	10	-11	-188 %	203
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translating foreign operations	-488	569	-186 %	-1 696	6 385	-127 %	-385
Other comprehensive income for the period, net of tax	**-413**	**569**	**-173 %**	**-1 686**	**6 373**	**-126 %**	**-182**
Total comprehensive income	**5 314**	**12 307**	**-57 %**	**15 221**	**32 920**	**-54 %**	**36 509**
Profit attributable to:							
Owners of the parent company	**5 502**	**11 359**	**-52 %**	**16 282**	**25 587**	**-36 %**	**35 696**
Non-controlling interests in net income	224	380	-41 %	625	960	-35 %	994
Total	**5 726**	**11 739**	**-51 %**	**16 907**	**26 547**	**-36 %**	**36 690**
Total comprehensive income attributable to:							
Owners of the parent company	5 098	11 909	-57 %	14 630	31 421	-51 %	35 518
Non-controlling interests	215	398	-46 %	591	1 499	-66 %	990
Total	**5 314**	**12 307**	**-57 %**	**15 221**	**32 920**	**-52 %**	**36 509**

CONSOLIDATED BALANCE SHEET

EUR thousand	30.9.2023	30.9.2022	31.12.2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	37 837	16 512	17 528
Goodwill	28 343	11 086	12 409
Right of use assets	19 569	11 387	14 548
Property, plant, equipment	51 377	35 448	38 133
Investments accounted for using the equity method	3 931	3 681	3 959
Other non-current financial assets	1 033	70	723
Non-current trade and other receivables	3 859	7 478	3 651
Deferred tax asset	17 193	16 924	15 524
NON-CURRENT ASSETS	**163 142**	**102 586**	**106 475**
CURRENT ASSETS			
Inventories	185 925	158 306	154 873
Trade receivables and other receivables	108 803	102 083	103 487
Tax Receivable, income tax	5 866	4 100	2 730
Cash and cash equivalents	37 079	40 731	36 896
CURRENT ASSETS	**337 673**	**305 219**	**297 985**
ASSETS	**500 815**	**407 805**	**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	2 983	3 175	2 860
Hybrid bond	29 693	34 666	34 666
Reserves	305	311	304
Translation differences	-4 322	-3 132	-4 007
Retained earnings	119 522	108 229	110 838
Owners of the parent company	**154 955**	**150 023**	**151 435**
Non-controlling interests	**3 036**	**3 547**	**2 465**
EQUITY	**157 991**	**153 570**	**153 900**

EUR thousand	30.9.2023	30.9.2022	31.12.2022
NON-CURRENT LIABILITIES			
Non-current liabilities, interest-bearing	155 803	90 286	93 892
Non-current interest-free liabilities	16 862	17 277	16 041
Non-current provisions	613	363	351
Liabilities from defined benefit plan	1 322	1 113	1 399
Deferred tax liability	7 545	2 580	2 957
NON-CURRENT LIABILITIES	**182 146**	**111 619**	**114 640**
CURRENT LIABILITIES			
Current interest-bearing liabilities	14 301	16 374	10 628
Trade Payables and Other Liabilities	128 136	113 885	110 418
Tax liability, income tax	13 040	11 284	9 076
Current provisions	5 208	1 074	5 797
CURRENT LIABILITIES	**160 685**	**142 617**	**135 920**
Liabilities	**342 831**	**254 236**	**250 560**
EQUITY AND LIABILITIES	**500 815**	**407 805**	**404 460**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR Thousand	1.1-30.9.2023	1.1-30.9.2022	1.1.-31.12.2022
Cash flow from operating activities			
Profit for the period	16 907	26 547	36 690
Depreciation, amortisation and impairment	17 439	14 002	19 783
Share of profit/loss accounted for using equity method	224	559	557
Other items without cash flow impact	10 067	-87	525
Financial income and expenses	6 627	-204	2 387
Taxes	5 743	7 642	11 424
Change in provisions	1 938	1 564	5 501
Other adjustments	21	-132	39
Operating income before change in net working capital	**58 965**	**49 891**	**76 907**
Change in inventories	-25 301	-39 151	-35 316
Change in interest-free current receivables	-2 970	-17 518	-17 783
Change in interest-free current liabilities	10 113	16 942	12 026
Change in net working capital	**-18 157**	**-39 727**	**-41 074**
Financial expense	-6 414	-1 618	-2 665
Financial income	783	569	807
Income taxes paid	-7 015	-5 816	-9 553
Net cash from operating activities	**28 163**	**3 300**	**24 423**

EUR Thousand	1.1-30.9.2023	1.1-30.9.2022	1.1.-31.12.2022
Cash flow from investing activities			
Purchase of tangible and intangible assets	-22 578	-9 328	-15 831
Proceeds from sale of tangible and intangible assets	179	132	91
Other investments	-310	0	-670
Acquisition of a subsidiary and business acquistions, net of cash acquired	-47 368	-12 592	-12 511
Net cash used in investing activities	**-70 076**	**-21 788**	**-28 921**
Cash flow from financing activities			
Share issue	123	0	0
Acquisition of own shares	0	-177	0
Proceeds from loans	60 488	22 552	12 307
Repayment of lease liabilities	-5 012	-3 560	-5 537
Hybrid bond repayments	-35 000	0	0
Proceeds from hybrid bond	30 000	0	0
Hybrid bond interest and expenses	-2 242	-2 625	-2 625
Dividends paid	-4 263	-4 951	-6 154
Net cash from financing activities	**44 094**	**11 239**	**-2 009**
Change in cash and cash equivalents, increase (+) / decrease (-)	**2 181**	**-7 249**	**-6 508**
Cash and cash equivalents, at beginning	**36 896**	**42 255**	**42 255**
Change in cash and cash equivalents, increase (+) / decrease (-)	2 181	-7 249	-6 508
Effects of exchange rate fluctuations on cash held	-1 998	5 725	1 149
Cash and cash equivalents, at end	**37 079**	**40 731**	**36 896**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2023	**3 423**	**3 350**	**2 860**	**34 666**	**304**	**-4 007**	**110 838**	**151 435**	**2 465**	**153 900**
Dividends paid to equity holders							-4 263	**-4 263**	-5	**-4 268**
Other changes			123		1	-315	235	**45**	-19	**25**
Proceeds from hybrid bond				29 693				**29 693**		**29 693**
Hybrid bond repayments				-34 666				**-34 666**		**-34 666**
Hybrid bond interest and expenses							-1 884	**-1 884**		**-1 884**
Profit for the period							16 282	**16 282**	625	**16 907**
Other comprehensive income							-1 686	**-1 686**	-34	**-1 720**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**14 596**	**14 596**	**591**	**15 187**
Balance at September 30, 2023	**3 423**	**3 350**	**2 983**	**29 693**	**305**	**-4 322**	**119 522**	**154 955**	**3 036**	**157 991**

EUR thousand	Share capital	Share premium	Paid in capital	Hybrid bond	Reserves	Translation difference	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2022	**3 423**	**3 350**	**3 206**	**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			-31		48	488	-1 160	**-655**	-3	**-658**
Hybrid bond repayments							-2 625	**-2 625**		**-2 625**
Profit for the period							25 587	**25 587**	960	**26 547**
Other comprehensive income							5 854	**5 854**	531	**6 385**
Total comprehensive income	**0**	**0**	**0**	**0**	**0**	**0**	**31 442**	**31 442**	**1 491**	**32 933**
Balance at September 30, 2022	**3 423**	**3 350**	**3 175**	**34 666**	**311**	**-3 132**	**108 229**	**150 023**	**3 547**	**153 570**

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 31 Oct 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 was 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 September 2023, the agreed term loans and credit commitments MEUR 140 are fully raised for use and Group has approximately MEUR 25 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' digitalisation 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	30.9.2023	30.9.2022	31.12.2022
Inventories	185 925	158 306	154 873
Trade receivables	73 156	74 969	74 090
Other non-interest bearing receivables	40 016	30 952	31 456
Trade payables	-56 706	-60 628	-63 921
Other non-interest bearing payables	-39 932	-30 635	-29 194
Advances received	-29 856	-22 406	-17 372
Total	**172 602**	**150 557**	**149 931**

PERSONNEL

	30.9.2023	30.9.2022	31.12.2022
Personnel, 12 months rolling average	**1 785**	**1 684**	**1 699**

NOTES TO INTERIM REPORT

$$\textbf{Return on Equity \%} = \frac{\text{Net Income}}{\text{Average Shareholders' Equity}}$$

$$\textbf{Equity to Asset Ratio \%} = \frac{\text{Total Shareholder Equity}}{\text{Total Assets}}$$

$$\textbf{Gearing} = \frac{\text{Net interest bearing liabilities}}{\text{Equity}}$$

NORMET GROUP OY // KEILARANTA 19 D, 02150 ESPOO, FINLAND // TEL. +358 (0) 17 83 241

NORMET.COM