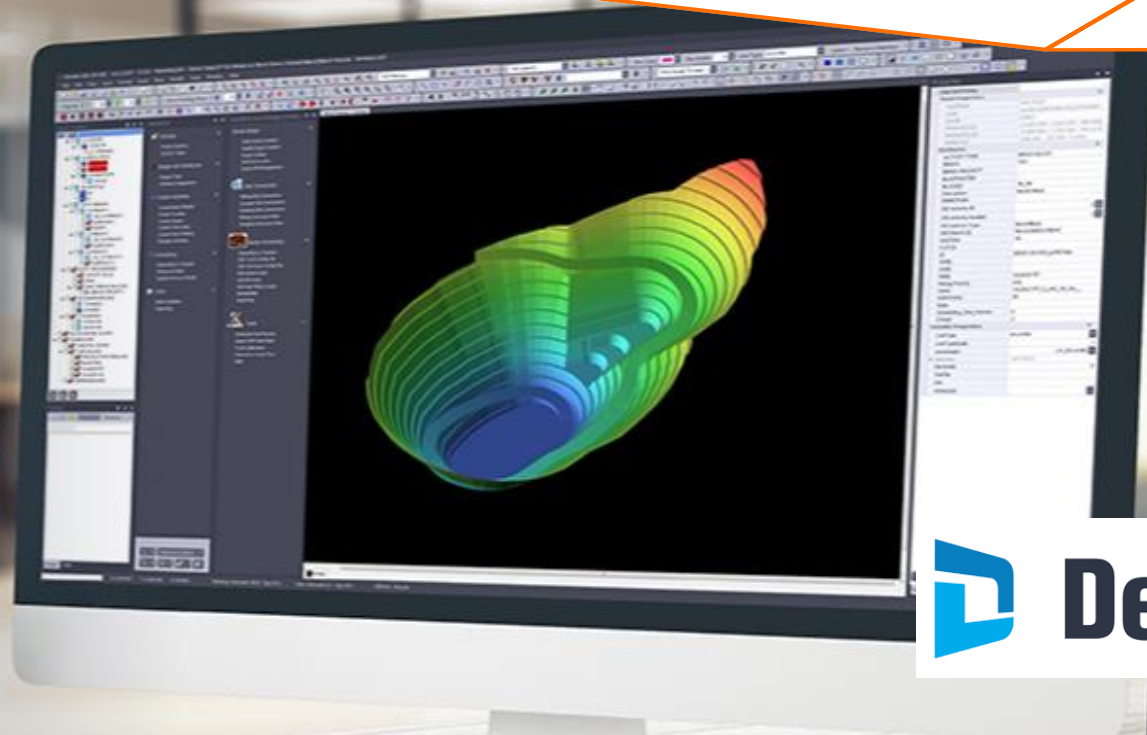


SANDVIK TO ACQUIRE THE LEADING MINE PLANNING SOFTWARE COMPANY



Deswik

SAFETY FIRST

Sandvik's objective is zero harm to our people, the environment we work in, our customers and our suppliers.



PROTECTIVE
EQUIPMENT



FIRST AID
KIT



ALARM



EMERGENCY
NUMBER



EMERGENCY
EXIT



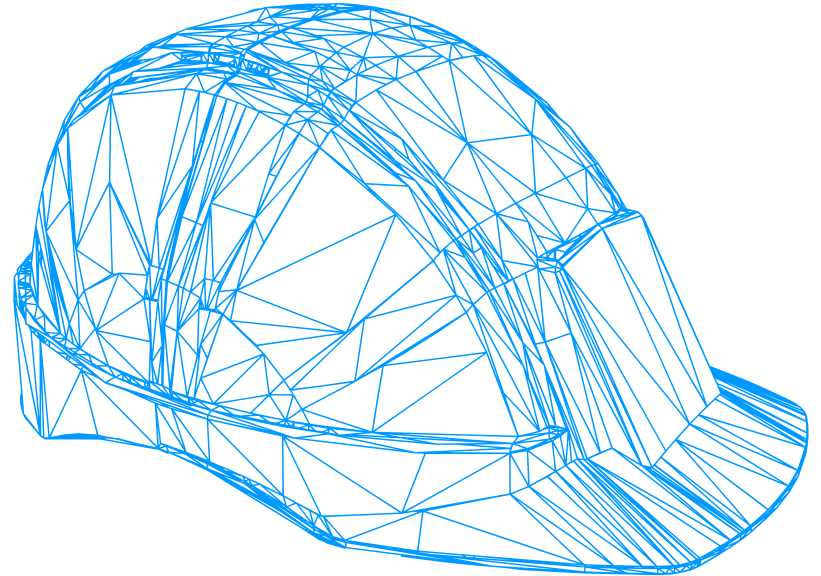
ASSEMBLY
POINT



PSYCHOLOGICAL
SAFETY

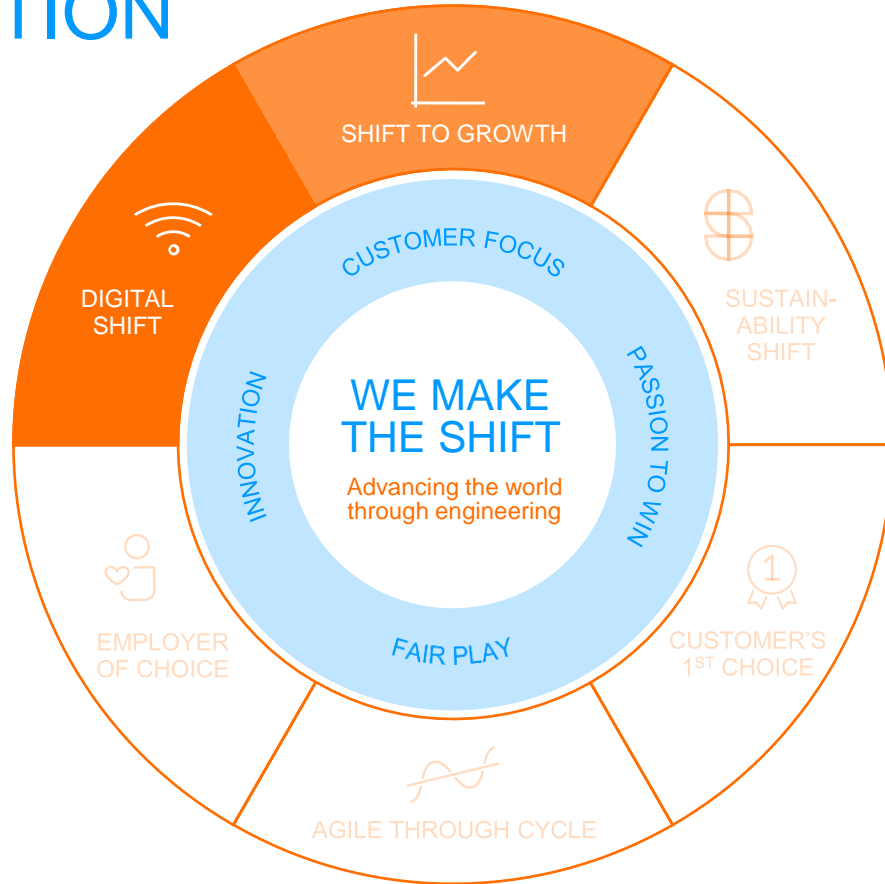


HEALTH &
WELL-BEING

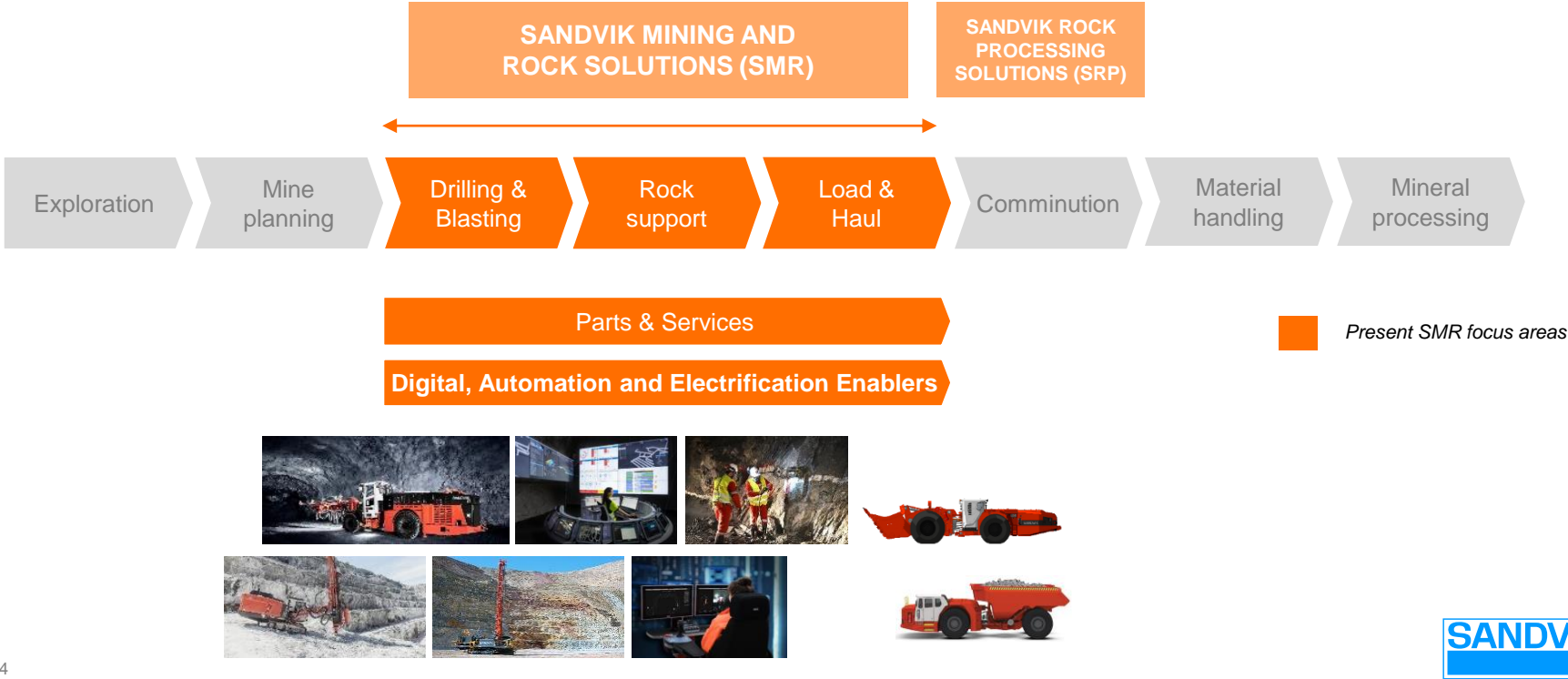


STRATEGY EXECUTION

- Target of 2x market growth, organic and through acquisitions.
- Expand the digital offering to SEK 7.5 billion by 2025
- Lead automation, digitalization and electrification
- Drive sustainability and productivity solutions in the customers value chain through digital solutions.



WORLD-LEADER IN UNDERGROUND MINING



DESWIK



#1 PROVIDER OF MINE PLANNING SOFTWARE

Overview

- Leading mine planning software company established in 2008
- Provider of integrated software platform supporting mine digitalisation across all mine planning
- Subscriptions represent significant part of revenue
- Top profitability in niche
- Top tier customer base with low customer churn
- Diverse customer base across 60 countries
- Large and growing mine planning software market
- Very strong position in underground hard rock mining

Geographic Presence



Matt Chilcott
CEO
Deswik

- Office location
- HQ

Key Facts

+10k

Software licenses

79m

LTM Oct FY21
revenue (A\$)

~45%

LTM Oct FY21
share of annual
recurring revenue

~30%

EBITA margin



LEADING SOFTWARE AND SERVICES PORTFOLIO

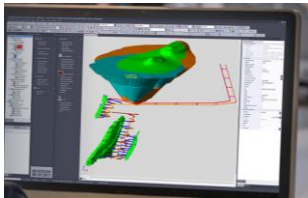
SOFTWARE PRODUCTS



Deswik.CAD

Design & Solids Modelling

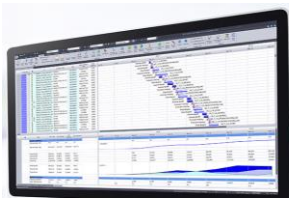
A fully featured CAD engine designed to handle large datasets, support for mining specific objects and file types and includes toolsets for all sectors



Deswik.Sched

Gantt Chart Scheduling

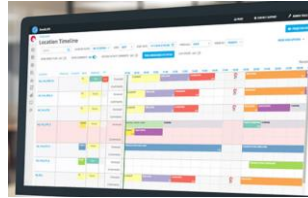
Encompassing both rate and duration-based scheduling (unrestricted by timescales), it easily handles the large datasets that modern detailed planning requires



Deswik.OPS

Operations Planning and Control

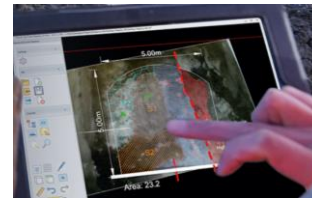
Deswik.OPS is a web-based, operations scheduling, production data management and collaboration tool



Deswik.GeoTools

Operational Geology

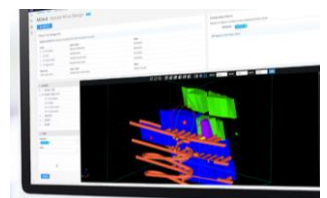
Deswik.GeoTools software includes Geological Mapping, Face Sampling, Ore Control and Drillhole Optimizer modules



Deswik.MDM

Mining Data Management

Integrated with Deswik.CAD, Deswik.MDM provides a spatial database, stand-alone viewer and process workflow management tool for the entire technical services department



CONSULTING SERVICES



Mine Planning, Design and Scheduling



Scoping, pre-feasibility and feasibility



Software Implementation



Ongoing Engineering and training support



STRATEGIC FIT

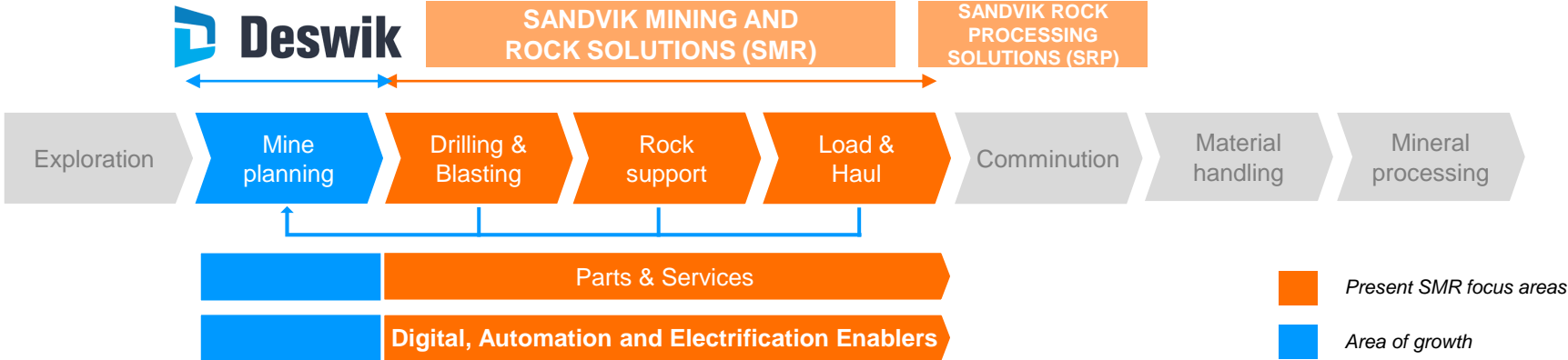
SMR M&A Criteria

Comments

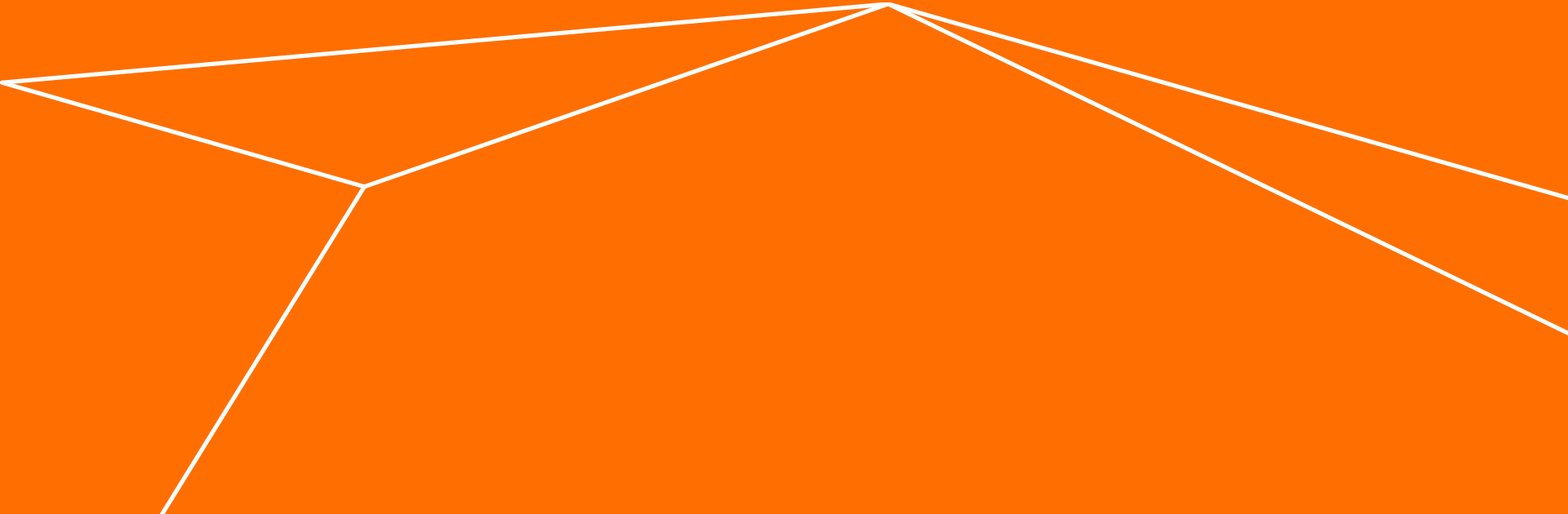
1	FILLS A GAP	Expand software offering. Accelerate convergence of software and “digital mining” to enable full end-to-end optimisation with opportunity to further drive automation for increased customer value and productivity
2	FINANCIALLY SOUND AND STICKY	Leading profitability vs. peers. Deswik has strong above market growth, industry-leading profitability and top-tier customers, all combined with a low customer churn
3	GROW RECURRING REVENUES	Subscription based. 10,000 active licenses and Deswik is increasing its share of recurring revenues by shifting to a subscription model
4	#1 POTENTIAL	Become undisputed leader. Deswik allow Sandvik to offer customers the undisputed leading software suite for mine planning and operations management
5	TECHNOLOGY LEADERSHIP	Leading innovator. Perceived as an innovative player with an attractive product offering, and with best customer feedback among peers



STRENGTHENING OUR POSITION AS WORLD-LEADER IN UNDERGROUND MINING



SMR STRATEGY AND NEW DIVISION



5 STRATEGIC SHIFTS FOR SMR



**FOCUS ON HIGH GROWTH
UPSTREAM HARD ROCK**



- Target growth in gold and electrification metals
- Secure leading market share in large greenfield and brownfield projects
- Pursue acquisitions to increase upstream mining coverage



**SHAPE THE SUSTAINABLE
UNDERGROUND MINE OF
THE FUTURE**



- Lead industry development of underground sustainability and productivity solutions in electrification, automation, digitalization and end-to-end optimization



**TAKE LEADING POSITION
IN SURFACE DRILLING**



- Take leading market share position by 2030 in surface mining and construction
- Leading offering for rotary, DTH and top hammer
- Drive sales growth through automation, rock tools, industry leading service



**BECOME CUSTOMER 1ST
PERFORMANCE PARTNER**



- Invest in dedicated on site service capability
- Grow advanced aftermarket offering through connected equipment, aftermarket AI and analytics, digitalized ground support and rock tools performance management
- Build Customer 1st partnerships through performance-based commercial offerings
- Acknowledge increased localization need and tailored solutions for customers



**BUILD HIGH PERFORMING,
AGILE ORGANIZATION**



- Safe and sustainable operations is our number one priority
- Unlock speed and efficiency with digital solutions
- Unlock agility through decentralization and exceptional people
- Become Employer of Choice with clear focus on diversity

SHAPE THE SUSTAINABLE UNDERGROUND MINE OF THE FUTURE

- Full range electric offering for underground loading & hauling and underground drilling
- Autonomous mining operations through autonomous and connected equipment
- Unlock speed and efficiency with digital solutions across the value chain
- Grow advanced aftermarket offering through connected equipment, aftermarket AI and analytics



ELECTRIFICATION



AUTOMATION

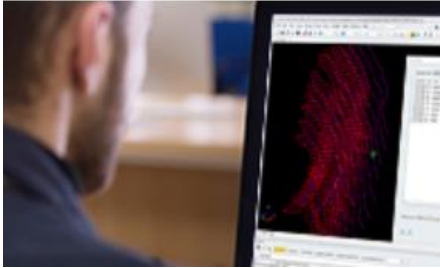


DATA & ANALYTICS



END-TO-END
OPTIMIZATION

NEW DIGITAL MINING TECHNOLOGIES DIVISION



Deswik

- Mine planning and management software and consultation



Automation

- AutoMine®
Mining equipment automation systems

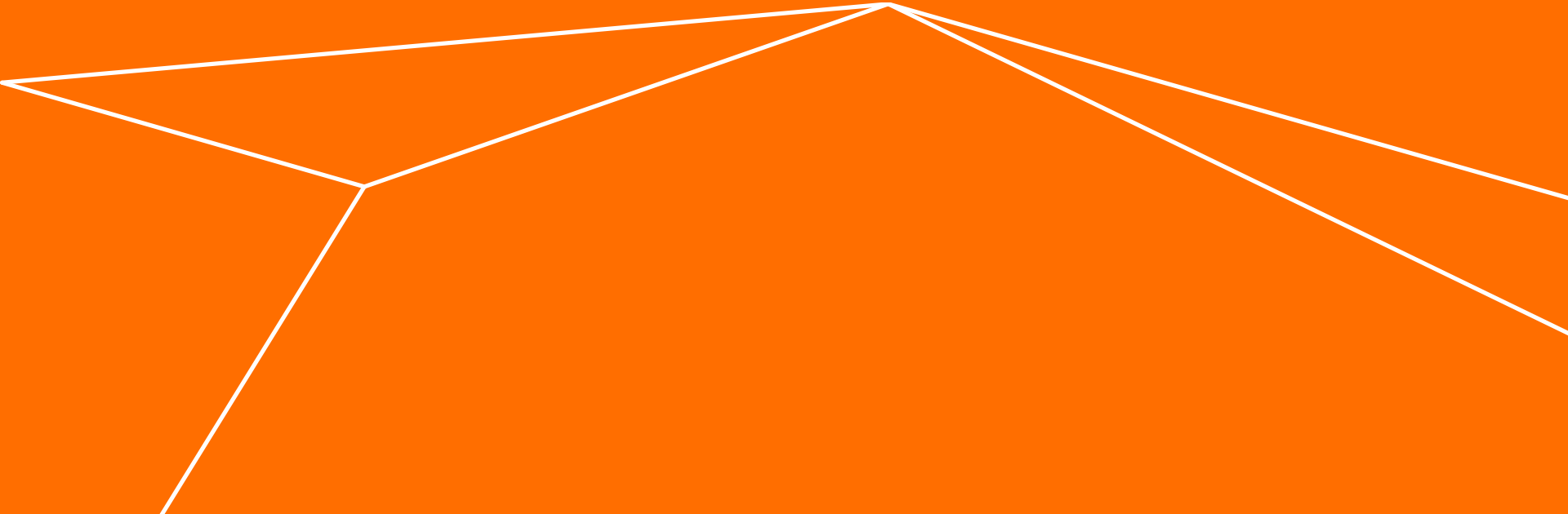


Newtrax

- Collision avoidance
- OptiMine®
Production control and optimization

R&D Services and Tampere Test mine

TRANSACTION OVERVIEW & FINANCIAL IMPACT



TRANSACTION OVERVIEW



TRANSACTION CONSIDERATIONS

- **EV/EBITDA:** 28-32x
- **Estimated closing:** Expected to close Q1 2022, subject to customary regulatory approvals

FINANCIAL IMPACT

- **Financial profile:** Underlying EBITA margin is slightly accretive to Sandvik Mining and Rock Solutions and neutral to Sandvik Group.
 - **EPS impact excluding PPA:** Accretive to Sandvik Group
 - **Impact on the Group balance sheet:** The gearing will remain well below the target of <0.5 after the closure of this transaction. The deal will have an impact on the debt KPI:s as it is a 100% cash deal.
-





Q&A