

# NORR HYDRO

ANNUAL REPORT  
2025





**4** ON THE PATH TO PROFITABLE GROWTH



**5** ONE NORRHYDRO - CLARIFYING THE STRATEGY



**8** NORRDIGI EMA ELECTROMECHANICAL ACTUATOR

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Norrhydro Group Plc is a Finnish pioneer in motion control and one of the leading providers of energy-efficient hydraulic cylinders in the Nordic countries, whose vision is to be the global leader in smart and environmentally friendly linear motion solutions.

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This document is a translation of Norrhydro's official Annual Report for 2025. In case of discrepancy, the original Finnish version is valid.

# Norrhydro in short

Norrhydro is a Finnish forerunner in motion control and one of the leading providers of energy-efficient hydraulic cylinders in the Nordic countries.

Norrhydro has over 40 years of experience in delivering hydraulic solutions for demanding environments, and its customers consist primarily of Nordic and globally operating mobile machinery manufacturers. Norrhydro serves as a long-term strategic partner to these customers, providing solutions that enhance their competitiveness and support their transition toward a more energy-efficient and cleaner future.

Norrhydro designs, manufactures, and supplies high-quality, customer-tailored hydraulic cylinders and advanced linear motion control systems for sectors such as forestry, mining and earthmoving, material handling, as well as marine/offshore and industrial applications. These sectors require high level of quality, performance, and durability—requirements that the Company's solutions meet exceptionally well.

The Company's business is built on strategic partnerships, cutting-edge technology, and an efficient sourcing and production model, which together form a solid foundation for stable and profitable operations.

The Company's product portfolio comprises two main categories: customer-tailored hydraulic cylinders and the NorrDigi@ technology family. The NorrDigi MCC (multi-chamber cylinder) provides digital hydraulic motion control and significant energy-efficiency benefits, while the NorrDigi EMA (electric cylinder) enables the electrification of machinery, offering a precise, low-maintenance, and energy-efficient alternative to traditional hydraulics.

## Values

Passion and Empathy  
Excellence  
Integrity  
Creativity  
Perseverance

## Mission

Norrhydro's mission is to provide environmentally friendly motion control solutions for mobile machinery and the competitive advantage created by energy efficiency for its customers.

## Vision

Norrhydro's vision is to be a global leader in smart and environmentally friendly linear motion.

### Turnover

28,7 M€

### EBITDA

2,7 M€

### Operating

1,4 M€

### Employees

135

The figures are based on the Group's audited financial statements for 2025.





## Review from the CEO

# On the path to profitable growth

Norrhydro returned to a path of profitable growth in 2025. Both revenue and profitability improved compared to the previous year, and revenue growth was supported by the recovery in demand within certain customer industries. Profitability strengthened as revenue and volumes increased, with fixed costs growing more slowly than the revenue.

The economic recovery in the Company's main markets in Finland and Europe has been slow. The normalization of customer demand has taken longer than expected; the development in global trade policy and Russia's ongoing war of aggression against Ukraine in Europe have contributed to uncertainty in the investment environment. Rising uncertainty continues to weaken end-customer investment willingness, and this uncertainty is expected to persist into the current year. However, we expect a gradual economic recovery to continue during 2026.

Inflation has stabilized and settled around the 2 % target level—slightly below that in Finland. A stable inflation environment supports end-customers' investment planning and execution in the coming years. Economic recovery and growth also create conditions for increasing end-customer investments.

Tight financial markets continue to influence overall investment willingness. Banking regulations and weak economic development have limited financial institutions' ability to offer financing on competitive terms. Despite expectations, lower interest rates have not pushed the economy onto a strong growth path. In Finland and Europe, relatively tight

monetary policy is expected to continue affecting investment levels in 2026 as well. Recent discussions and proposals concerning the easing of financial market regulation would be welcome measures to strengthen companies' investment capacity and willingness.

Significant increases in defense-industry spending and NATO's defense expenditure rising to 5 % of GDP will increase defense-related investments in the coming years, including the production of dual-use products. These investments will positively impact other industries as well. Norrhydro has customers supplying dual-use and defense-industry products to their own clients. As a result, the growing demand in the sector will have a positive impact on our Company's revenue going forward.

During 2025, we increased our investments in sales and will continue to expand our marketing and sales efforts in 2026. Both quotation activity and sales have turned to growth, and our actions have enabled us to reach potential and new customers. Sales cycles in our industry are relatively long, typically taking 1–3 years. We believe that increased investments and growing activity will support the Company's positive development in the current and coming years.

We will also continue our cost-reduction initiatives and the further development of operational performance. Through these activities, we will continue to improve our cost efficiency, customer service level, and cash-flow performance.

Regarding digital products, the NorrDigi EMA actuators have reached a sufficient maturity level, and broader marketing and sales have begun. Electric actuators are being marketed globally, and we have identified several promising customer segments and markets for these products. We expect NorrDigi EMA sales to grow during the current financial year and in the years ahead.

With regards to NorrDigi MCC system, field testing is still ongoing. The system has largely reached its maturity level, but additional testing is still required specifically relating to the excavator and its operational functions. We expect all required tests to be completed during 2026, after which broader marketing and sales activities can begin.

Norrhydro's strategy has been refined, and our core strategy of being "the world's best cylinder manufacturer," Partner in Success, remains unchanged. Our product portfolio includes hydraulic cylinders, digital energy-efficient linear-motion systems, and electric actuators. The strategy has been consolidated into the One Norrhydro message, aimed at strengthening strategy understanding across the entire organization and among key stakeholders.

We expect profitable growth to continue during 2026.

Yrjö Trög, CEO  
Norrhydro Group Plc

# The strategy drives goal-oriented growth

Norrhydro's strategy has shown its strength in a challenging and rapidly changing environment. Despite global geopolitical and economic uncertainties, clear strategic direction has supported the Company's progress and strengthened its basis for continued development.

## **PARTNER IN SUCCESS - STRATEGIC PARTNERSHIP**

Strong and long-term customer relationships are a central part of Norrhydro's strategy. The Company aims to grow together with its customers and strengthen its position within their value chains. The development of technological capabilities and the expansion of production capacity support this objective and enable Norrhydro to act as an increasingly strategic supplier.

Norrhydro builds partnerships based on trust and deep customer understanding. These factors position the Company as the primary and long-term partner for its customers.

## **GEOGRAPHICAL EXPANSION AS PART OF THE GLOBAL GROWTH STRATEGY**

Norrhydro's strategy includes growing revenue both organically and through potential acquisitions. Determined expansion into new geographical markets is a key driver of growth and supports the Company's global growth strategy.

Entering new markets and developing international customer relationships strengthen competitiveness in the medium term. System solutions of the NorrDigi product family offer significant international potential, as their market is global. Together, these factors create a solid foundation for the Company's growth and for strengthening its strategic position in international markets.

## **OPERATIONAL EXCELLENCE AND SUSTAINABLE PROFITABILITY**

Norrhydro's operational excellence is built on modern, state-of-the-art production, where both sawing lines and welding operations are highly automated. In addition, advanced CNC technology, friction welding, and modern painting and testing solutions ensure efficiency, consistency, and a competitive cost structure.

Production is organized into two production lines, and the material flow is optimized for smooth throughput across the entire process. Batch sizes in serial production are adjusted according to customer needs, which improves capacity utilization and delivery reliability. High hydraulic cleanliness is ensured throughout the production chain in accordance with ISO 4406 requirements.

Recent investments in advanced production technology have strengthened capacity, streamlined production processes, and will enable the efficient serial production of NorrDigi products.

Operational excellence is also driven by skilled and well-being employees and a safe working environment. Occupational safety is of utmost importance to Norrhydro, and in 2025 the Company continued the successful implementation of its "Zero Accidents" program, aimed at preventing all injuries and health risks.



Sustainable profitability is built on a balance between quality and efficiency — doing things right the first time. It is founded on competitive, value-adding solutions, long-term business development, and a highly skilled expert team. Planned and responsible decision-making supports the long-term strengthening of the Company's financial performance.

## **TECHNOLOGICAL EXPERTISE AND KNOW-HOW**

Norrhydro's vision is to be the global leader in intelligent and environmentally sustainable linear motion. The Company's technological expertise is built on strong market and technology insight, reflected in high-quality hydraulic and electro-mechanical linear-motion solutions and patented product development, with a particular focus on the NorrDigi MCC and NorrDigi EMA solutions.

Expertise is at the core of Norrhydro's operations and is built on careful, well-founded work and the ability to apply knowledge to identify the best solution for each customer. Continuous learning and knowledge sharing strengthen the Company's competence base and create sustainable competitive advantage.

Norrhydro works in close cooperation with global manufacturers of mobile machinery. In addition, collaboration with universities and other public institutions supports competence development and technological leadership.

Together, these strategic focus areas form a strong foundation for Norrhydro's long-term growth and competitiveness.

# Hydraulic cylinder business

## CUSTOMISED HIGH-QUALITY HYDRAULIC CYLINDERS AS A CORNER STONE OF THE BUSINESS

Norrhydro has decades of experience in developing and manufacturing high-quality hydraulic cylinders for a wide range of industries and highly demanding applications. The balanced distribution of the cylinder business across several different segments provides long-term stability and forms an integral part of the Company's risk management.

### CUSTOMER-ORIENTED PRODUCT DESIGN

Norrhydro's cylinder portfolio includes single-acting, double-acting, and multi-chamber cylinders in a wide range of sizes. The Company focuses specifically on the design and production of customer-tailored cylinders, and sales are conducted directly with machine manufacturers without unnecessary intermediaries.

Thanks to its long and diverse experience, Norrhydro is able to enhance cylinder durability through innovative design solutions, while also extending the product's lifecycle. In its product design, the Company applies deep application expertise, advanced calculation and dimensioning methods, and testing data to meet customers' individual requirements. Norrhydro has developed innovative solutions to various customer challenges, but in the simplest cases, cylinder functionality can be improved with additional features such as integrated valves and sensors.

### STANDARDIZED PROCESSES ENSURE THE QUALITY

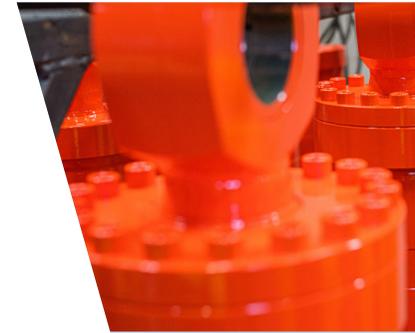
Norrhydro carries out continuous and systematic work in product quality management, production efficiency, supply-chain quality control, and the optimization of prototype manufacturing. Operations are guided by data-driven management and the principle of continuous improvement, ensuring high product quality, cost efficiency, and delivery reliability. Operational support processes are also monitored, measured, and continuously developed as part of daily activities.

ISO 9001 quality management system and ISO 14001 environmental management system form the foundation for Norrhydro's operations and their development. In addition, key manufacturing processes—such as friction welding and surface treatment—are certified and approved by third-party organizations.

### LONG-TERM PARTNERSHIPS

Norrhydro's customers include leading global manufacturers of mobile machinery. The Company's strategy is to build and develop long-term partnerships that benefit both parties, with collaboration based on trust, openness, and joint development efforts. Norrhydro grows together with its customers, supporting their competitiveness; this is reflected in the Company's motto, "Partner in Success."

Norrhydro's customer base is divided across multiple segments, ensuring that operations are not dependent on a single industry. This diversified industry expertise brings stability, supports risk management, and enables agile responses to market changes. Customers also benefit from the extensive know-how and deep application understanding Norrhydro has accumulated through its work across different segments and demanding operating environments.



**MINING MACHINES**



**CONSTRUCTION EQUIPMENT**



**FORESTRY MACHINES**



**MATERIAL HANDLING MACHINES**



**MARINE & OFFSHORE**



**LIFTING & RECYCLING**



Digital solutions

# NorrDigi<sup>®</sup> multi-chamber cylinder (MCC)

In 2025, the development of the NorrDigi multi-chamber cylinders (MCC) focused on completing the prototype phase of the excavator project in collaboration with the partner CEES Ab, which is part of the Volvo Group.

**SUPERIOR ENERGY EFFICIENCY**

The NorrDigi MCC system is based on intelligent motion control and energy recovery enabled by hydraulic accumulators. Commissioning tests carried out in 2025 on Volvo's 30-ton prototype machine demonstrated the system's superior energy efficiency compared to other solutions available on the market.

Intelligent control and efficient energy recovery enable up to 50 % lower fuel consumption, setting a new standard for earthmoving machinery. As diesel fuel represents a significant share of operating costs in earthmoving applications, the payback period for investing in a hybrid machine is estimated at 2-3 years, depending on machine utilization rates and work cycles.

**COMMERCIALIZATION IN PROGRESS**

During 2025, the entire motion-control logic of the excavator was transferred under Norrhydro's responsibility. As a result of this change, the Company will be able to offer a comprehensive hydraulic system more broadly to other machine manufacturers in the future.

Due to technical improvement proposals identified during field testing, the launch phase has been delayed from earlier estimates. The Company expects to be able to receive commercial orders for Volvo's MCC hybrid excavator at the end of 2026. The first production versions are planned to be completed in collaboration with CEES Ab in Sweden in late 2026.



**COMPETITIVE ADVANTAGE IN A CHANGING REGULATORY ENVIRONMENT**

Unified EU regulations on fuel emissions for construction machinery have so far been lacking, but the clear tightening of CO<sub>2</sub>-based taxation by 2027 at the latest is creating a favorable environment for the wider adoption of new energy-efficient hydraulic systems. This supports the commercialization of the NorrDigi MCC products, which will initially target the Nordic countries as well as Germany and the Netherlands.

The procurement criteria for public infrastructure projects are changing as municipalities and cities implement their carbon-neutrality targets.

NorrDigi MCC hybrid machines offer a low-emission solution that will increasingly be prioritized in public procurement. In particular, large road construction projects will in the future require the use of hybrid excavators for contractors to meet minimum carbon-neutrality requirements.

**HYBRID MACHINES INSTEAD OF FULLY ELECTRIC ONES**

Electrification of heavy earthmoving machinery has progressed slowly due to the high cost of mobile charging solutions and additional batteries. The NorrDigi MCC system can be utilized in both fully electric and hybrid machines, significantly reducing battery power requirements and extending operating time on a single charge by up to 50 %.



**45-60 %  
better fuel  
efficiency**



**50 %  
lower fuel  
consumption**



**50 %  
reduction in  
CO<sub>2</sub> emissions**



**6-12 %  
improved  
productivity**

Digital solutions

# NorrDigi<sup>®</sup> electromechanical actuator (EMA)

Electromechanical actuators (EMA) and their motion control systems offer the advantages of simple implementation and easy commissioning. The system's total cost of ownership (TCO) is competitive due to its low maintenance requirements and oil-free operation.

### INDUSTRIAL ELECTRIFICATION

The electrification of industrial processes is progressing rapidly as customers seek simpler and more easily installed solutions for linear motion. This trend is particularly strong in process industries, such as lifting and pressing applications, where traditional oil-based hydraulic systems are increasingly being phased out.

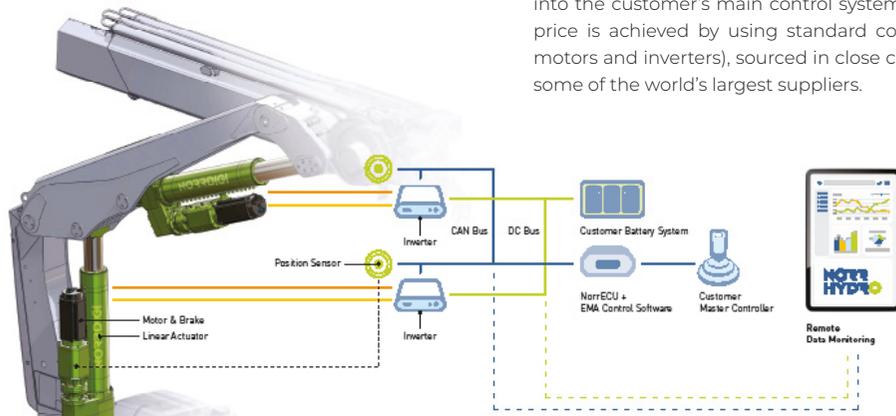
A similar development is seen in the marine and offshore segments, where several projects have already been delivered to customers. The number of customer inquiries is growing, and NorrDigi EMA is establishing its position in the market for large, customized, and demanding electromechanical actuators.

In 2025, the number of deliveries of electromechanical actuators (EMA) increased strongly, and small-scale series deliveries were made to customers. The growth pace is expected to continue in 2026 as well.

### NORRDIGI EMA SYSTEM DESIGN

The system includes a cylinder, electric motor, gearbox, inverter, control unit (ECU), sensors, and software logic. The control logic enables simultaneous control of multiple EMA units operating within the boom assembly. In addition, the actuator can be connected to a remote monitoring system that provides real-time information on system performance.

The NorrDigi EMA system can be delivered to the customer as a complete solution that is easily integrated into the customer's main control system. A competitive price is achieved by using standard components (e.g., motors and inverters), sourced in close cooperation with some of the world's largest suppliers.



### CUSTOMER CASE: PUSH & PULL UNIT MARINE / OFFSHORE APPLICATION

**OBJECTIVE:** To implement a fast retrofit solution capable of moving a heavy load on rails on the ship's deck. The customer was looking for a solution that would avoid the difficult and costly cleaning work required in the event of an oil leak. At the same time, the installation of new hydraulic power units and piping was to be avoided.

**SOLUTION:** The NorrDigi EMA solution was delivered in line with the customer's requirements, including the motor, controller, and control logic. Installation was straightforward, as no long hydraulic piping was needed. Norrhydro's extensive experience in demanding marine environments convinced the customer that the surface treatment and component selections met the requirements of the classification societies.



### CUSTOMER CASE: SCISSOR LIFT ELECTRIFICATION

**OBJECTIVE:** To replace the hydraulic lifting and steering cylinders with electric EMA actuators and to test the lift's functions, speed, and control accuracy. In addition, the aim was to measure energy consumption in a standardized work cycle and compare it with a traditional hydraulic system using different load weights.

**SOLUTION:** The NorrDigi EMA cylinder was successfully installed as a retrofit project. In testing, the electrified (EMA) scissor lift was clearly faster and more precise than the original version, improving work efficiency. Energy consumption decreased by up to 50 %, enabling as much as double the operating time on a single charge.

# Business environment and market trends

The year 2025 continued to be characterized by an uncertain and exceptionally challenging market environment across several of Norrhydro's customer industries. Although economic conditions gradually began to stabilize over the year, the overall market recovery remained modest and varied significantly between segments.

Global hydraulic markets remained subdued in 2025, with no significant recovery in overall demand during the year. Although interest rates declined and inflation stabilized, general economic uncertainty and geopolitical tensions continued to affect end-customers' investment decisions and project timing. Overall, market development remained more moderate than anticipated at the beginning of 2025.

Customers' order backlogs and order intake developed unevenly across segments during the year. While some customer segments experienced even notable recovery, in others the turnaround was further delayed and, as the new year begins, signs of improvement are still awaited.

Demand in the forest machinery industry remained weak throughout 2025 as end-customers continued to postpone investments. The challenging situation was driven by economic uncertainty and difficulties in the forestry, pulp, and paper industries. Market conditions for forest industry products remained unstable, affecting machine utilization rates and demand. Although some isolated signs of temporary stabilization were seen during 2025, the outlook for 2026 remains uncertain, with a cautious improvement potentially emerging in the second half of the year.

Demand for material-handling machines and equipment remained variable in 2025. Sales and deliveries within the segment fluctuated by customer; some customers experienced significant growth, while for others the situation remained largely unchanged compared to the previous year. The situation is expected to remain similar throughout 2026.

Demand for machinery and equipment in the construction and mining segments was also highly varied in 2025. Demand in the construction segment remained almost at the previous year's level, whereas demand in the mining industry grew significantly compared to the year before. We expect the mining industry to continue moderate growth this year, and recent signals provide cautious optimism also for the construction segment.

The continued geopolitical uncertainty supported demand in the marine and shipbuilding markets in 2025. This had a positive impact on the demand for hydraulic cylinders delivered by Norrhydro to the marine industry, which remained at a strong and stable level overall. For 2026, demand is expected to remain stable with a slightly positive trend, although normal levels of market uncertainty persist.

The Company's newest segment, lifting and recycling, performed generally well in 2025, although developments within the segment varied even between individual customers. The segment is expected to continue growing in 2026, driven particularly by growth in new customers, while the outlook for existing customers also appears cautiously positive for the year.

## INCREASED DEMAND FOR NEW TECHNOLOGIES

Changes in the business environment have been broadly similar across all of Norrhydro's customer segments, and demand for new technologies is increasingly focused on improving energy efficiency, supporting the green transition, and enabling electric solutions. The digital product and service offerings developed by the Company, which form an essential part of Norrhydro's strategy, provide strong alternatives for customers in addressing these challenges.

## MARKET TRENDS

The turnaround in the industrial sector has been slow, and growth is expected to remain modest in the coming years. This supports the forecast of a cautious recovery in 2026 in both the engineering and metal industries, particularly given the uncertain operating environment and still moderate investment activity.

In many industries, the early part of the year is expected to remain sluggish, but the second half is anticipated to improve. Any cautious growth will continue to depend on global developments in trade policy as well as geopolitical tensions.

The future of Norrhydro's customer base—manufacturers of mobile machinery—is characterized by a structural transformation emphasizing energy efficiency, low-carbon solutions, and digitalization. Electrification and environmentally friendly power sources are key elements of the ongoing green transition.

In addition, machinery autonomy, such as remote operation, is shaping the Company's customers' product development. Real-time data transfer and maintenance based on data and digitalization are increasing the demand for "intelligent" components and systems, which in turn are becoming central drivers of competitiveness and productivity.

With the intelligent and environmentally friendly MCC and EMA solutions of the NorrDigi product family, Norrhydro provides its customers with strong opportunities to advance their green transition.



# Sustainability and quality management

Norrhydro integrates sustainability and quality into its business management, risk management, and long-term value creation. In 2025, the Company advanced its sustainability and quality efforts in a goal-oriented manner as part of the systematic implementation of its strategy throughout the entire organization.

## SUSTAINABLE DEVELOPMENT GOALS

Norrhydro monitors the development of sustainability and quality through performance indicators. In 2025, the EcoVadis ESG rating system was a key tool for assessing and advancing the Company's sustainability work. In addition, the Company's management and governance systems — ISO 9001 and ISO 14001, as well as the ISO 3834-2 welding quality system — support sustainability efforts by providing the foundation for systematic and continuously improving operations.

Since 2021, Norrhydro has worked within the framework of the United Nations Global Compact initiative ([www.unglobalcompact.org](http://www.unglobalcompact.org)) in the areas of human rights, labor rights, environmental protection, and anti-corruption, and this work continued during the past financial year.



In 2025, Norrhydro updated its environmental policy and clarified its emission-reduction targets. The Company aims for a gradual reduction of CO<sub>2</sub> emissions from its processes, with the goal of achieving carbon neutrality by 2030, and has aligned its climate actions with the EU's climate objectives.

The energy-efficient and environmentally friendly linear-motion solutions offered by the Company also support its customers in transitioning toward more sustainable business practices.

## QUALITY AND RESPONSIBILITY THROUGHOUT THE VALUE CHAIN

Sustainability, environmental protection, and quality development form a central part of Norrhydro's operations.

In 2025, the Company's sustainability and quality performance indicators developed largely in line with the set targets. Norrhydro's sustainability efforts received external recognition through the EcoVadis ESG assessment, in which the Company achieved bronze status. With its innovative, environmentally friendly, and intelligent linear-motion solutions, Norrhydro is able to strengthen its position high in the customers' value chain.



Quality is a key element throughout the entire life-cycle of every Norrhydro product. High product quality is ensured through careful and innovative design, systematic testing, and continuous improvement. Ongoing development of quality and the systematic use of customer feedback ensure that the Company's products meet the highest standards of the industry.

## HEALTHY AND SAFE WORK ENVIRONMENT

Norrhydro is a significant local employer in Rovaniemi. The Company promotes a responsible and safe working environment for all its employees, subcontractors, and others working with the Company. Occupational safety is developed systematically through thorough onboarding, continuous improve-

ment of onboarding practices, appropriate protective equipment, and close cooperation with occupational health services and the occupational safety organization.

Norrhydro values equality and diversity, and the Company does not tolerate any form of discrimination or inappropriate behavior.

A high level of occupational safety is maintained and improved through the Company's "Zero Accidents" program and active risk management. The Company's risk management process oversees the safety of personnel, assets, business operations, and working conditions at both strategic and operational levels.

# Norrhydro's strengths



**40 years of experience in developing and manufacturing high quality hydraulic systems for demanding applications**



**Stable financial evidence of profitable growth in the cylinder business**



**Long-term strategic partnerships with leading equipment manufacturers**



**Technology leader with strong intellectual property rights and close development cooperation with OEMs and research institutes**



**Significant global growth potential of digital solutions**

Norrhydro enhances its customers' competitiveness with environmentally friendly hydraulic solutions tailored to their individual needs. The Company's products are based on decades of hydraulic expertise and are designed to withstand demanding operating conditions, such as arctic cold and heavy mechanical loads.

Extensive long-term industry knowledge reduces customers' technical risks and supports reliable performance throughout the entire product lifecycle. Unique technological expertise—covering both traditional hydraulics and digital applications—combined with broad and flexible production capacity enables the development of innovative and scalable solutions for the needs of global customers.

Norrhydro has achieved significant growth in recent years and developed its business with a long-term perspective. In 2025, we achieved another major growth leap, reflecting the stability of our cylinder business and the Company's ability to adapt to changing market conditions.

The Company's financial performance has been driven by a profitable cylinder business that generates steady cash flow, long-term strategic customer partnerships, successful acquisition of new customers, and solutions that create added value for its clients. Profitable growth has also been supported by its global sourcing network and the continuous, systematic development of its production operations.

Approximately half of the Company's revenue is generated from customer relationships with leading machinery and equipment manufacturers that have continued for decades. Norrhydro serves as a strategic and long-term partner to its customers, developing solutions in close cooperation with them and supporting their competitiveness throughout the entire product lifecycle.

Long-term partnership agreements enhance business predictability and stability and improve visibility into the future, even during economic cycles. At the same time, they are a testament to the Company's expertise and reliability and support the acquisition of new customers in demanding market segments.

Norrhydro's goal is to transform the operation of mobile machinery and equipment through innovations developed in collaboration with leading research institutions and our customers. The Company has engaged in research cooperation with Tampere University of Technology in the field of digital hydraulics for nearly 15 years.

The intelligent and energy-efficient NorrDigi MCC motion control system has been developed specifically in cooperation with Tampere University of Technology and with its long-term strategic partner, Volvo CE. The solution meets customers' increasing efficiency and performance requirements and supports the electrification of mobile machinery and the green transition.

The NorrDigi MCC, which is approaching commercialization, is a unique technology that supports the Company's strategy for growth and expansion into global markets. The solution addresses the increasing requirements of mobile machinery manufacturers in terms of energy efficiency, controllability, and system intelligence, and it enables the Company to extend its offering beyond the traditional cylinder business.

Complementing the digital solutions is the electromechanical linear actuator, NorrDigi EMA, which provides an energy-efficient and nearly oil-free alternative to traditional hydraulic cylinders. Together, these solutions support customers in their green transition and create new, scalable growth opportunities for the Company.

# Board of directors



**Juhani Kangas**  
FM  
CHAIR OF THE BOARD 2024–

Chair of the Board, 2007–2022  
Board member since 2007  
Lappset Group Ltd, CEO, 2002–2007  
Sampo Group, several managerial positions, 1975–2001

Juhani Kangas is dependent on the company and its significant shareholders. On 31 December 2025, Kangas owned 1,660,362 shares of the company through Helle-Kangas Consulting Oy, corresponding to 14.98 % of the company's shares.



**Pekka Helle**  
eMBA  
VICE CHAIR OF THE BOARD 2023–

ZeroCarbon, Inc. Founder and CEO 2023 -  
Dimecc Future Industrial Services, Program Director 2011 – 2016  
Stockholm School of Economics Executive Education AB, Management Advisor and coach 2004 -  
Aspectum Oy, Management consultant 2003 - 2004

Helle is independent of the company. Helle is dependent on Helle-Kangas Consulting Oy, which on 31.12.2025 owned 1,660,362 shares of the company, corresponding to 14.98% of the company's share capital. Helle owns 10 % of Helle-Kangas Consulting Oy.



**Yrjö Trög**  
MASTER OF ECONOMIC SCIENCES  
MEMBER OF THE BORD 2007–

Chair of the Board 2022-2024  
Norrhydro Group Plc, CEO, 2007–2022, 2023-  
Economica Yrityspalvelut Oy, CEO, 1995–  
Accountor Group Oy, Regional Director, 2007

On 31 December 2025, Trög owned 3,646,360 shares of the company through Economica Yrityspalvelut Oy, corresponding to 32.89 % of the company's shares.



**Tapio Lehti**  
MASTER OF SCIENCE IN ENGINEERING  
MEMBER OF THE BORD 2022–

Parker Hannifin Ab, Sales General Manager 2017–2021  
Parker Hannifin Oy, in charge of the Finnish sales organisation, 2011–2017  
Parker Hannifin Oy, Business Unit Manager, 2005-2011  
Denison Lokomec Ltd, CEO, 2001–2004

Lehti is independent of the company. Lehti owns 3,000 shares of the company. Lehti has made a 200,000 eur subscription to convertible bond issued on 28 December 2023 by Norrhydro Group Plc.



**Antto Trög**  
MASTER OF ECONOMIC SCIENCES  
MEMBER OF THE BORD 2024–

Norrhydro Plc:  
Secretary of the Board 2019-2024  
Business Controller 2017-2021  
Production worker 2014-2016  
Sievo Oy, Consultant 2023-2024

Antto Trög is independent of the company. Antto Trög owns 5 000 shares of the company.

# Management Team

**1** **Yrjö Trög**  
**CEO**



**MASTER OF ECONOMIC**

Key work experience

- Norrhydro Group Oyj, CEO, 2007–2022, 2023-
- Economica Yrityspalvelut Oy, CEO, 1995–
- Accountor Group Oy, Regional Director, 2007

On 31 December 2025, Trög owned 3 646 360 shares in the company through Economica Yrityspalvelut Ltd.

**3** **Carl Mattson**  
**DIGITAL BUSINESS DIRECTOR**



**MASTER OF SCIENCE IN ENGINEERING**

Key work experience

- Norrhydro Group Oyj, 2023-
- Betolar Oyj, Director of Business Development & Product management 2020-2023
- Kewatec Aluboot, Project Head Sales 2020 Aug-Dec
- Ultinous, CEO 2018-2020
- Roxtec International AB, Regional Director Aasia 2012-2018

On 31 December 2025 Mattson owned 176,412 shares in the company through Triton Seasafety Ltd.

**2** **Anniina Piira-Wendeler**  
**VICE PRESIDENT SALES & MARKETING**



**BACHELOR OF BUSINESS ADMINISTRATION, EAT**

Key work experience

- Norrhydro Oyj, 2020-
- Rheinmetall Automotive AG, Senior Sales Manager, 2012–2020
- Rheinmetall Automotive AG, other tasks, 2001–2012

On 31 December 2025 Piira-Wendeler owned 14, 857 shares in the company.

**4** **Heidi Sederholm**  
**DIRECTOR OF QUALITY, SUSTAINABILITY AND PRODUCT MANAGEMENT**



**MASTER OF SCIENCE IN ENGINEERING, MBA**

Key work experience

- Norrhydro Group Oyj, 2021-
- Kone Corporation Finland, Supply Line Quality and Environmental Manager 2015–2021
- Kone Corporation Global, Component Manager in mechanics category 2011–2015
- Kone Corporation, other tasks 2007-2011
- Suunto Oy, Development Engineer 2006-2007
- ABB Drives Oy, Design Engineer 2005-2006

**3** **Johanna Kaikkonen**  
**CFO AND HR DIRECTOR**



**SPECIALIST QUALIFICATION IN FINANCIAL AND HR MANAGEMENT**

Key work experience

- Norrhydro Group Oyj, 2008-
- Norrhydro Group Oyj, HR Manager 2021-2024
- Norrhydro Group Oyj, other tasks, 2008-2021
- K-Rauta Rovaniemi, Office Manager, 2007–2008

On 31 December 2025 Kaikkonen owned 5 075 shares in the company.

**6** **Mikko Väliä**  
**PRODUCTION DIRECTOR**



**MASTER OF SCIENCE IN ENGINEERING**

Key work experience

- Norrhydro Group Oyj, 2024-
- BRP Finland, Production Engineer, 2023–2024
- Metsäfibre, Operations Manager, 2019–2023
- Metsäfibre, Operations Engineer, 2015–2019
- Helen Oy, Maintenance Planner, 2012-2015



# NORRHYDRO GROUP PLC FINANCIAL REPORT

1 January - 31 December 2025

Business number: FI21446562  
Ratavartijankatu 2, 96100 Rovaniemi - Finland



## Financial report

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This document is a translation of Norrhydro's official financial statements for 2025. In case of discrepancy, the original Finnish version is valid.



# Board of Directors' report

Norrhydro Group Plc and its group companies (hereinafter referred to as “Norrhydro”) are a Finnish forerunner in motion control and one of the leading providers of energy-efficient linear motion solutions and hydraulic cylinders in the Nordic countries. The company specialises in designing and manufacturing high quality, customer-specific and energy-efficient linear motion solutions and hydraulic cylinders.

The year 2025 marked a return to profitable growth for Norrhydro. More active marketing efforts and the development of sales delivered results, and the acquisition of new customers and customer segments has strengthened the Company’s future growth base. In 2026, investments in sales will be further increased, and demand is expected to develop positively.

The Company will also continue measures aimed at improving cost-efficiency and operational performance, enhancing productivity, customer service, and cash flow.

On the digital solutions’ side, the NorrDigi EMA products have progressed to the commercial phase, while the finalization of the NorrDigi MCC system continues through field testing. The product family is expected to support growth in the coming years.

Geopolitical and economic uncertainty, as well as the cybersecurity risks associated with digitalization, influence the Company’s operating environment and require comprehensive risk management. Norrhydro has prepared for market fluctuations and strengthened its cybersecurity capabilities.



# Turnover, profit and financial position

During 2025, Norrhydro's revenue grew by 18.5 % compared to the previous financial year.

The Company's revenue for the financial year totaled EUR 28,702 thousand (EUR 24,228 thousand in the previous year), and the balance sheet total amounted to EUR 23,649 (23,955) thousand.

Norrhydro's EBITDA was EUR 2,651 (1,258) thousand and operating profit EUR 1,352 (-85) thousand. The EBITDA margin was 9.2 % (5.2 %) and the operating profit margin 4.7 % (-0.3 %). The Company's operating result was EUR 233 (-1,321) thousand. The return on invested capital for the period was 7.58 % (-0.45 %).

Norrhydro's liquidity, measured by the Current Ratio, was 1.07 (1.09), and measured by the Quick Ratio, 0.21 (0.21). The cash flow from operating activities improved from the comparison period and amounted to EUR 1,057 (878) thousand. Effective working capital management contributed positively to the operating cash flow.

During the financial year, the Company's cash flow strengthened, with operating cash flow improving due to cash generated from operations and changes in working capital. Although inventory growth tied up capital, the impact of other working capital items was positive. Financial expenses and loan repayments

reduced cash reserves, but investments were covered by operating cash flow, and the Company's debt level decreased during the year.

Solvency, measured by the equity ratio, was 34.6 % (33.2 %). The significant investments made in recent years in the new production facility as well as machinery and equipment have affected solvency. As investment loans are repaid, the Company aims to reach an equity ratio of 50 % in the coming years.

Interest-bearing debt at the end of the financial year amounted to EUR 9,376 (10,162) thousand. Some of the Group's financing loan covenant terms were breached at the balance sheet date, and after the end of the financial year the Company received waivers from its lenders confirming that the loans will not be called for early repayment and that financing terms will remain unchanged.

Norrhydro's investments in 2025 again focused on product development and totaled EUR 507 (1,313) thousand. Investments were primarily financed through operating cash flow. Investments in machinery and equipment amounted to EUR 137 (180) thousand, product development expenditures EUR 334 (700) thousand, and investments in patents and other intangible rights EUR 28 (35) thousand.



# Key financial figures

Thousand euros	2025	2024	2023
Turnover	28,702	24,228	30,365
Change in turnover	18.5 %	-20.2 %	2.2 %
EBITDA *	2,651	1,258	1,055
EBITDA, %	9.2 %	5.2 %	3.5 %
Adjusted EBITDA			2,327
Adjusted EBITDA, %			7.7 %
Operating profit *	1,352	-85	-258
Operating profit, %	4.7 %	-0.3 %	-0.8 %
Profit for the financial period *	233	-1,321	-1,443
Profit for the financial period, %	0.8 %	-5.5 %	-4.8 %
Adjusted profit for the financial period			-171
Adjusted profit for the financial period, %			-0.6 %
Cash flow from operating activities	1,057	878	306
Return on investment, %	7.58 %	-0.45 %	-1.26 %
Return on equity, %	2.90 %	-15.72 %	-14.7 %
Equity ratio, %	34.6 %	33.2 %	35 %
Current ratio	1.07	1.09	1.14
Quick ratio	0.21	0.21	0.29
Earnings per share, undiluted, €	0.021	-0.120	-0.133
Earnings per share, diluted, €	0.020	-0.112	-0.125
Adjusted earnings per share			-0.016
Net interest-bearing liabilities	9,093	9,594	9,638
Net gearing	111.3 %	120.9 %	108.6 %
Personnel at the end of the period	135	151	168



**CALCULATION OF KEY FIGURES**

$$\text{CHANGE IN TURNOVER, \%} = \frac{\text{turnover} - \text{previous year's turnover}}{\text{previous year's turnover}} \times 100$$

$$\text{OPERATING PROFIT} = \text{turnover} + \text{change in stocks of finished goods and work in progress (+/-)} + \text{other operating income} - \text{materials and services} - \text{personnel expenses} - \text{depreciation, amortisation and impairment} - \text{other operating expenses}$$

$$\text{OPERATING PROFIT, \%} = \frac{\text{Net operating profit}}{\text{turnover}} \times 100$$

$$\text{EBITDA} = \text{turnover} + \text{change in stocks of finished goods and work in progress (+/-)} + \text{other operating income} - \text{materials and services} - \text{personnel expenses} - \text{other operating expenses}$$

$$\text{EBITDA, \%} = \frac{\text{EBITDA}}{\text{turnover}} \times 100$$

$$\text{CASH FLOW FROM OPERATING ACTIVITIES} = \text{Profit (loss) before accounting transfers and taxes} + \text{depreciation according to plan} + \text{financial income and expenses +/- working capital changes} - \text{interest paid} + \text{interest received from operations} - \text{direct taxes paid}$$

$$\text{RETURN ON INVESTED CAPITAL} = \frac{\text{Net operating profit before tax} + \text{financial expenses}}{\text{equity (average over the year)} + \text{interestbearing financial liabilities (average over the year)}} \times 100$$

$$\text{NET INTEREST-BEARING LIABILITIES} = \text{interest-bearing liabilities} - \text{cash and cash equivalents}$$

$$\text{RETURN ON EQUITY} = \frac{\text{net result}}{\text{equity (average over the year)}} \times 100$$

$$\text{PROFIT FOR THE FINANCIAL PERIOD} = \text{Net operating profit +/- financial expenses} + \text{taxes}$$

$$\text{EQUITY RATIO, \%} = \frac{\text{equity}}{\text{total capital on the balance sheet} - \text{deferred income}} \times 100$$

$$\text{NET GEARING, \%} = \frac{\text{interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{equity}} \times 100$$

$$\text{EARNINGS PER SHARE} = \frac{\text{profit for the period}}{\text{weighted average number of shares outstanding during}}$$

$$\text{CURRENT RATIO} = \frac{\text{current assets} + \text{short-term receivables} + \text{liquid assets} + \text{cash and cash equivalents} + \text{unused limit}}{\text{short-term liabilities}}$$

$$\text{QUICK RATIO} = \frac{\text{short-term receivables} + \text{liquid assets} + \text{cash and cash equivalents} + \text{unused limit}}{\text{short-term liabilities}}$$

# Norrhydro's financial targets and strategy

## GROWTH IN TURNOVER ORGANICALLY AND THROUGH SELECTED ACQUISITIONS

Norrhydro aims at profitable growth, targeting revenue of over EUR 70 million and an EBITDA margin of 16 % in the medium term. Growth will be pursued both organically and through potential acquisitions. In addition to the international expansion of the cylinder business, the Company seeks growth by increasing the share of globally marketable digital solutions to over 30 % of revenue. In the hydraulic cylinder business, the Company targets an average annual revenue growth rate (CAGR) of approximately 11 % over the medium term.

## EXPANSION INTO NEW GEOGRAPHICAL MARKETS

Norrhydro's business is built on two pillars: a profitable hydraulic cylinder business that generates stable cash flow, and innovative digital products — NorrDigi® MCC and NorrDigi® EMA. Expansion into new geographical markets will follow the Company's strategy through the commercialization of energy-efficient digital solutions. New markets are also being pursued for traditional hydraulic cylinders, primarily in Scandinavia and Northern and Central Europe.

Norrhydro seeks to drive strong growth through its digital solutions, of which the NorrDigi MCC motion control system — combining artificial intelligence and digitalization — represents advanced global technology that significantly reduces operating costs and environmental impacts. The digital offering is complemented by the nearly oil-free, energy-efficient, and environmentally friendly NorrDigi EMA electric cylinder, which provides a sustainable alternative to traditional hydraulic cylinders.

The development of digital products focuses on energy efficiency in linear motion, precise system controllability, and seamless integration into customers' systems.

The NorrDigi EMA products have reached a sufficient maturity level for commercialization, and broader global marketing and sales efforts have begun. Several promising customer segments and markets have been identified, and sales are expected to grow during the current year and beyond. The development of NorrDigi MCC solutions is progressing, and the project is currently in the field testing phase. All tests are expected to be completed during 2026, after which broader marketing and sales activities can begin.

## EXPANDING TECHNOLOGICAL KNOW-HOW AND PRODUCTION CAPACITY

Norrhydro aims to transform the mobile machinery and equipment industry through its own innovations. The Company is a technology leader in its field, with patented solutions and in-house product development providing a decisive competitive advantage. Norrhydro continues close development cooperation with leading equipment manufacturers and research institutions. The Company invests in developing its technological expertise and expanding its production capacity to strengthen its position as an internationally competitive player.

The strategy includes potential acquisitions as well as the efficient utilization of the modern production solutions implemented in the production facility introduced in 2022. The objective is to optimize processes and enable cost-efficient and scalable manufacturing of high-quality

hydraulic cylinders and innovative NorrDigi solutions, thereby creating a strong foundation for the Company's global growth.

The Company has safeguarded its technological know-how through patents, among other measures, and allocates a significant share of its investments to the development of new technology. These products are environmentally friendly and responsible motion-control solutions that the Company's customers will increasingly need in the future.

## REACHING THE TOP OF THE VALUE CHAIN – PARTNER IN SUCCESS

A significant portion of Norrhydro's revenue is derived from long-term customer relationships spanning decades. At the core of Norrhydro's strategy is being the customer's Partner in Success by providing excellent performance, deep expertise, and delivering substantial added value. Excellent performance is reflected in delivery reliability, high quality, energy efficiency, and improved productivity for the customer. Expertise is built on a top-tier team and the best professionals in the industry. Added value arises from products, services, and solutions that help customers succeed in their own businesses.

The Company aims to remain more than just a component supplier: its goal is to be a long-term strategic partner that develops solutions together with its customers. The Company provides support throughout the entire product lifecycle—from design and manufacturing to service and maintenance.

In addition, solutions are sold directly to equipment manufacturers without intermediaries. Norrhydro's new

energy-efficient solutions, NorrDigi MCC and NorrDigi EMA, create competitive advantage for customers in industries with significant potential for emissions reduction. The Company's objective is the global commercialization of its digital products during the current strategy period (2020–2028).

## KEY FACTORS OF THE STRATEGY

A key element of Norrhydro's strategy is to maintain strong customer relationships, support customers' success, and grow together with them. In addition, expansion into new geographical areas is an important part of the Company's medium-term strategy.

Revenue growth is pursued both organically and through potential acquisitions. The global launch of the NorrDigi product family in particular will require significant resources, which the Company is also seeking externally.

Norrhydro's growth strategy is also based on continuous development of production and ensuring high quality. The Company maintains high quality and efficiency across all processes by focusing especially on cleanliness, consistency, and employee expertise. These measures ensure competitiveness, customer satisfaction, and sustainable growth.

High hydraulic cleanliness and recent investments—such as a friction welding machine, automated welding units, new lathes, component washing machines, and an automatic painting line—have strengthened production capacity, improved workflow efficiency, and enable the effective serial production of NorrDigi products.

# Research and development

The development of digital products has progressed significantly during the financial year through close cooperation with key customers

Norrhydro is developing the NorrDigi® multi-chamber cylinder system (MCC) for large mobile machinery and an electromechanical electric cylinder (EMA) for medium-sized machines and industrial applications. The development work of both product lines has progressed significantly through close cooperation with the Company's key customers.

In 2025, the development efforts of the NorrDigi MCC focused on completing the prototype phase of the excavator project together with a collaboration partner. The development of digital products emphasizes energy efficiency in linear motion, excellent controllability of the system, and seamless integration into customers' systems.

The electrification of mobile machinery has advanced rapidly among many equipment manufacturers, and new fully electric models are being launched at an accelerating pace. There is now sufficient evidence of the performance and cost-effectiveness of electric cylinders compared to traditional hydraulic systems. Superior efficiency and low maintenance needs are key advantages of electric actuators.

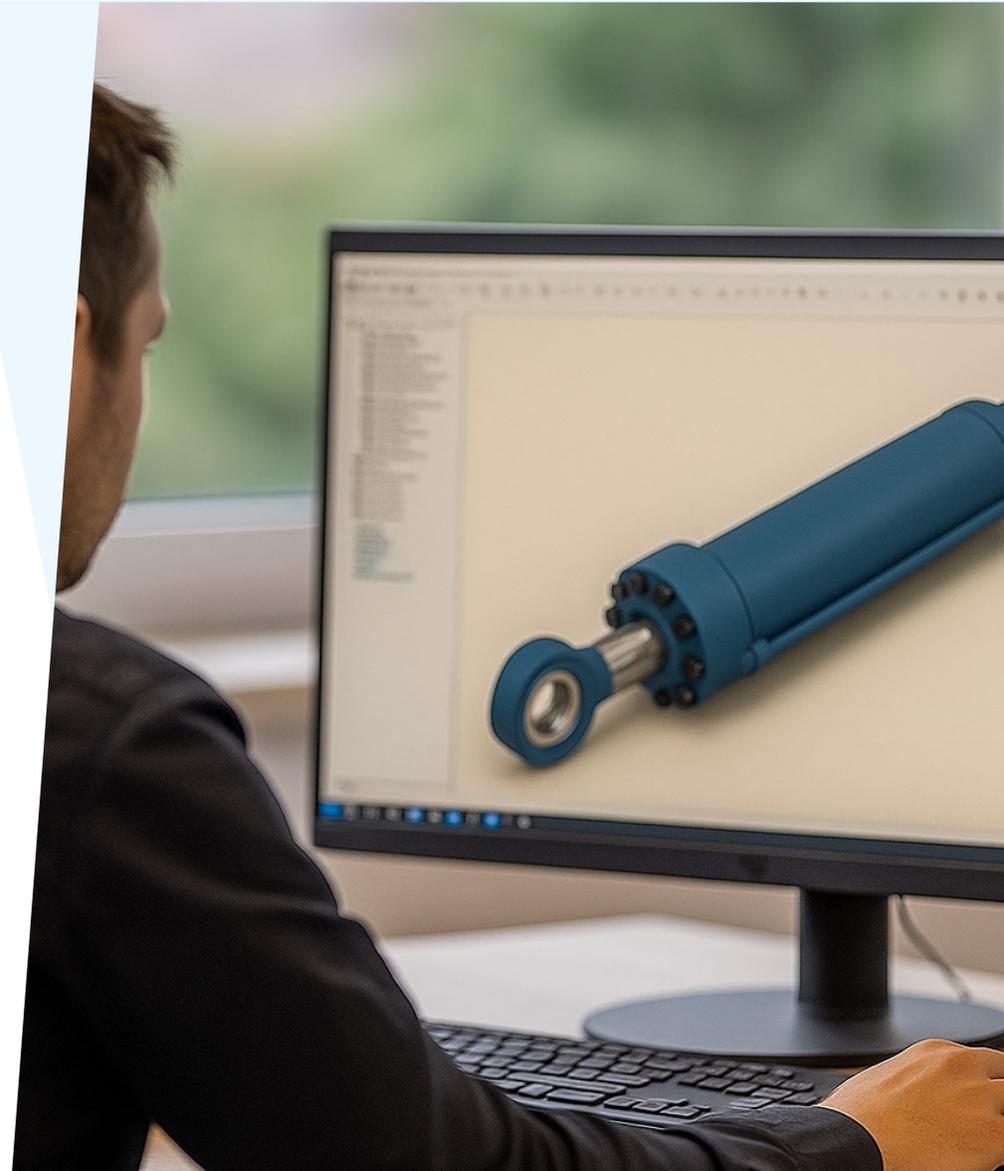
The NorrDigi solutions are designed to meet these needs, and in line with the Company's strategy, Norrhydro expects the NorrDigi business to form a significant share of its revenue in the coming years.

## THE PRODUCT DEVELOPMENT IS PROGRESSING

The development of digital products continued during the 2025 financial year in collaboration with customers. Commercialization is progressing, and by the end of 2026 the commercial sales of the hybrid excavator can begin. The continued development of NorrDigi MCC and EMA solutions remains central to the Company's growth strategy.

During the 2024 financial year, Business Finland granted Norrhydro an R&D loan for the continued development and productization of the NorrDigi project. The project has supported and will continue to support Norrhydro's growth and internationalization. The project's total cost estimate was EUR 2,390 thousand, of which Business Finland granted up to 50 % (EUR 1,195 thousand). Due to the project's market-oriented nature, with a strong focus on development work, the funding was granted as a 50 % R&D loan. During the financial year, the project received an extension, and its duration now continues until the end of June 2026.

In 2025, EUR 83 (873) thousand of the loan was withdrawn and recorded under long-term liabilities. Research and development expenses in the financial year amounted to approximately EUR 780 (1,276) thousand, representing 2.7 % (5.3 %) of net sales. Of this amount, EUR 334 thousand was capitalized as development costs in the balance sheet, with the remainder recognized as an expense in the income statement.



# Near-term risks and business uncertainties

Uncertainty in the geopolitical environment, the extremely difficult situation of European industry, and the slowly recovering financial markets pose a risk to the Company's customer relationships and business operations during the coming financial year.

During late 2025, the business cycle in the technology industry improved: orders, production, employment, and investment activity all strengthened. Expectations for early 2026 are also cautiously positive, and investment plans support moderate growth.

Geopolitical risks and economic uncertainty, as well as ongoing political instability, cast a shadow by causing volatility in energy and raw material prices, supply chains, investment behavior, and monetary policy. These factors also affect security and the economy, requiring comprehensive risk management and strategic responsiveness.

The global economy is experiencing steady growth, and corporate earnings development appears strong. Central banks continue to pursue accommodative monetary policy, and public stimulus measures support the economy. The euro area economy has proven more resilient than expected, and Finland's economy is shifting from slow growth toward moderate recovery.

According to the forecast, inflation is expected to remain below 2% in the coming years, and employment will gradually improve. However, rising wage costs and tightening trade policy measures create challenges.

Actions resulting from EU-level national regulation increase the Company's costs and investment needs and affect its competitiveness.

Norrhydro has implemented the necessary measures to ensure the Company's financial continuity. The Group sells the majority of its trade receivables and the related risks to financial institutions. The Company has detected no indications of any potential impairment of capitalized development expenditures.

The central objective of the Company's financial risk management is to ensure a stable financial position, safeguard liquidity in all market conditions, and minimize potential financial risks in the long term. However, the availability and terms of financing may limit the Company's operations and financial flexibility.

To ensure liquidity, the Company has a credit limit of EUR 1,750 thousand, of which EUR 1,188 thousand was in use at the balance sheet date.

The impact of adverse interest rate movements is minimized by using fixed interest rates in addition to loans tied to various reference rates. The Group's foreign exchange risk is small, as the main currency for sales and purchases is the euro.

The acceleration of digitalization and the expanding use of artificial intelligence increase dependence on information systems, and the risk of cyberattacks and data breaches is growing, which may affect production, supply chains, and the Company's reputation. Norrhydro has invested in cybersecurity and its development at several levels. A comprehensive approach ensures that the Company can respond effectively to current and future threats.



# Employees

At the end of the financial period, the Group had 151 employees and at the beginning of the financial period, 168 employees. On average, the Group employed 160 people during the financial period. In addition, the Group had an average of 2 (1) leased employee during the financial period.

The average age of the employees is approximately 42 years. Gross wages and salaries paid to personnel totalled EUR 6,225 (5,975) thousand.

## Number of personnel 31.12.2025

### Total

### Total

135

### Employment relations

Indefinite duration

133

Fixed-term

2

### Working time

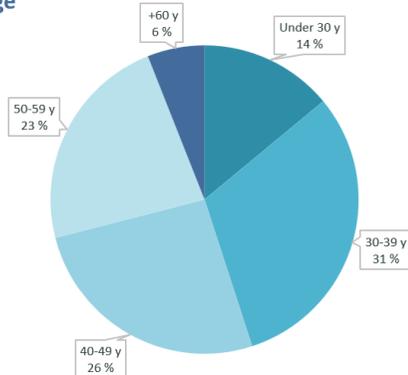
Full-time

131

Part-time

4

## Age range



# Annual General Meeting and current board authorisations

The Annual General Meeting held on 14 April 2025 resolved that, based on the balance sheet adopted for the financial year ended 31 December 2024, a return of capital shall be distributed from the invested unrestricted equity fund, and that the Board of Directors is authorized to decide on the distribution of such return of capital as follows:

The Board of Directors was authorized to decide on the payment of a return of capital so that a maximum of EUR 0.04 per share may be distributed under the authorization, amounting in total to no more than EUR 443,444.76, based on the number of shares on the date of the notice to the Annual General Meeting.

Under the authorization, the Board of Directors is entitled to decide, within the above limits, the amount of the return of capital, the record date, the payment date, and all other measures required for the distribution.

Any return of capital under the authorization will be paid to shareholders who, on the record date, are registered in the Company's shareholder register maintained by Euroclear Finland Ltd. The Company will publish the Board's resolution as well as the record and payment dates, if such a decision is made. The authorization will remain valid until the beginning of the next Annual General Meeting.

The Annual General Meeting authorized the Board of Directors to decide on a share issue and the issuance of option rights and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act, in one or several tranches, so that a maximum of 2,000,000 new

shares or treasury shares may be issued under the authorization. The maximum number of shares covered by the authorization corresponds to approximately 18.04 % of all shares in the Company on the date of the notice to the Annual General Meeting.

The Board may decide on a directed share issue, meaning an issue deviating from the shareholders' pre-emptive subscription rights. The Board may decide on the issuance of shares free of charge or against consideration, as well as on all other terms and conditions of the share issue.

The authorization may be used to carry out corporate or business arrangements, to implement the Company's incentive schemes, or for other purposes decided by the Board of Directors. The authorization is valid until the next Annual General Meeting, but no later than 30 June 2026.

The Annual General Meeting authorized the Board of Directors to decide on a share issue and the issuance of special rights entitling to shares in accordance with the Board's proposal.

The Annual General Meeting authorized the Board of Directors to decide on the acquisition of up to 500,000 of the Company's own shares, in one or several tranches, using the Company's unrestricted equity. The maximum number of shares to be acquired corresponds to 4.51% of all shares in the Company on the date of the notice.

However, the Company, together with its subsidiaries, may not at any time hold more than one tenth of all the Company's shares. Shares may

only be acquired using unrestricted equity.

The shares will be acquired in deviation from the shareholders' proportional holdings, through public trading arranged by Nasdaq Helsinki Ltd, at the market price prevailing at the time of acquisition or at a price otherwise formed on the market.

The authorization may be used, for example, to fulfil share-based remuneration of the Board of Directors, to implement the Company's share-based incentive schemes, or for other purposes decided by the Board of Directors. The authorization is valid until the end of the next Annual General Meeting, but no later than 30 June 2026.

The Annual General Meeting resolved that the Board of Directors shall comprise five (5) members. The Annual General Meeting re-elected the current Board members: Yrjö Trög, Tapio Lehti, Pekka Helle, Juhani Kangas, and Antto Trög. At the organizational meeting held after the Annual General Meeting, the Board elected Juhani Kangas as Chair of the Board and Pekka Helle as Vice Chair.

The Annual General Meeting resolved that KPMG Oy Ab shall continue as the Company's auditor. KPMG Oy Ab has notified that APA Juha Väärälä will act as the principal auditor. The Annual General Meeting resolved that the auditor's remuneration shall be paid against a reasonable invoice approved by the Company. The auditor's term of office will continue until the end of the next Annual General Meeting.



# Board of Directors, management and auditors

The Board of Directors of the company is elected by the Annual General Meeting for a term ending at the close of the Annual General Meeting following the election. The Chair is elected from among the members of the Board of Directors. The Board of Directors consists of 3–8 ordinary members. At the end of the financial period, the number of members of the company's Board of Directors was five.

Norrhydro's Board of Directors consists of Juhani Kangas (Chair), Pekka Helle (Vice Chair), Yrjö Trög (CEO), Tapio Lehti and Antto Trög.

The board had 11 meetings during the year 2025.

On 31 December 2025, Norrhydro's Executive Management Team consisted of CEO Yrjö Trög, Vice President Sales and Marketing as well as Vice President Sales & Marketing Anniina Piira-Wendeler, Digital Business Director Carl Mattson, CFO and HR Director Johanna Kaikkonen, Production Director Mikko Väliatalo and Director of Quality, Sustainability and Product Management Heidi Sederholm.

In the financial period 2025, Norrhydro Group's auditor was KPMG Oy, with Juha Väärälä, Authorised Public Accountant, as the principal auditor.

Norrhydro's certified advisor is Translink Corporate Finance Oy, with Jari Laurila and Sami Miettinen as the main partners.

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## Shares and shareholders

The Company has one category of shares. All shares have one vote at the General Meeting of Shareholders and are equally entitled to dividends.

The number of shares outstanding on 31 December 2024 was 11 026 119 (10 844 638 on 31 December 2024). The Company's share capital at the end of the financial year was EUR 4,252,200. At the end of the review period, Norrhydro Group Oyj does not own any of its own shares. The subsidiary Norrhydro Oy owns 60,000 (60,000) shares in the parent company Norrhydro Group Oyj.

A total of 1 841 545 shares (16.61 per cent of the total number of shares) were traded on Nasdaq First

North Growth Market Finland between 1 January–31 December 2024. The value of the stock exchange was EUR 2.4 million.

The closing share price on the last trading day of the period was EUR 1.20 per share. The lowest trading price for the period was EUR 1.13 per share, the highest was EUR 1.79 per share, and the average price for the period was EUR 1.35 per share. Norrhydro's market value at the end of the reporting period was EUR 13.3 million. At the end of the reporting period, the Company had 4 822 shareholders.

Norrhydro Group Oyj's share is listed on Nasdaq First North Growth Market Finland as of 1.12.2021.

### BIGGEST SHAREHOLDERS ON 31 DECEMBER 2024

	SHARES, PCS	OWNERSHIP, %
1. Economica Yrityspalvelut Oy	3 646 360	32.89
2. Helle-Kangas Consulting Oy	1 660 362	14.98
3. Keskinäinen Eläkevakuutusyhtiö Ilmarinen	595 238	5.37
4. Kari Juha Elias	329 293	2.97
5. Myllymäki Invest Oy	285 714	2.58
6. Penttinen Hannu Sakari	220 759	1.99
7. Triton Seasafety Oy	176 492	1.59
8. Terrasolid Oy	147 246	1.33
9. Reinzen Oy	119 048	1.07
10. Wastmäki Invest Oy	100 000	0.90
<b>10 biggest, total</b>	<b>7 280 512</b>	<b>65.67</b>

The average price 1 Jan. - 31 Dec. 2025

1,35 € / stock

Market value 31 Dec. 2025

13,3 M€



### Stock price development 2025



# Information for shareholders and capital repayment proposal

## SHARES AND SHARE REGISTER

Norrhydro Group Plc's share is traded on the Nasdaq Helsinki Ltd's First North Growth Market Finland marketplace under the trading symbol NORRH. The Company has a single share series. Each share carries equal voting rights, and all shares entitle their holders to an equal dividend.

At the end of the financial year, the Company's share capital amounted to EUR 4,252,200, divided into 11,086,119 shares. The shares are included in the book-entry system maintained by Euroclear Finland, which also maintains the Company's shareholder register. Shareholders are responsible for ensuring that their address and other information related to their shareholdings are kept up to date in the register in which they hold their book-entry account or share savings account.

## DIVIDEND POLICY AND PROPOSAL FOR THE DISTRIBUTION OF PROFITS

Norrhydro's objective is to distribute 20–30 percent of its annual profit as dividends. The Company assesses the prerequisites for dividend distribution annually, ensuring that it does not jeopardize investments related to the Company's growth strategy or other financial targets.

The parent company's distributable funds as at 31 December 2025 amounted to EUR 10,205,811.98. The parent company's loss for the financial year was EUR -237,753.27.

The Board of Directors is authorized to decide on the payment of a return of capital so that a maximum of EUR 0.04 per share may be paid under the authorization, which—based on the situation on the date of this notice of the General Meeting—amounts to a total maximum of EUR 443,444.76.

Based on the authorization, the Board of Directors is entitled to decide on the amount of the return of capital within the above-mentioned maximum limit, the record date for the return of capital, the payment date, and any other measures required in the matter. Any return of capital potentially paid under the authorization will be paid to shareholders who, on the record date, are registered in the Company's shareholder register maintained by Euroclear Finland Oy.

The Company will publish the decision possibly made by the Board of Directors under the authorization as well as the record and payment dates. The authorization is valid until the beginning of the next Annual General Meeting. The return of capital would be paid to all shares of the Company. The per-share amount of the return of capital may change if the number of the Company's shares changes after the date of this notice of the General Meeting. The parent company's loss for the financial year will be transferred to retained earnings.

No material changes have occurred in the Company's financial position or liquidity after the end of the financial year.

## FINANCIAL REPORTING 2026

Norrhydro will publish an interim Report for 1 January–31 March 2026 on 22 April 2026, a half-year report for the period 1 January to 30 June 2026 on 15 July 2026 and an interim Report for 1 July–30 September 2026 on 21 October 2026.

From the moment of their publication, financial reports will be available on the Company's website at <https://www.norrhydro.com/en/investors-reports-and-presentations>. You can use the form on our website to register as a newsletter subscriber.

The Company observes a 30-day silent period before the date of publication of the financial reports.

## ANNUAL GENERAL MEETING

Norrhydro Group Plc's Annual General Meeting for 2026 will be held on 24 March 2026 in Rovaniemi. The Company's Board of Directors convenes the Annual General Meeting separately. More information is available on the Company's website at <https://www.norrhydro.com/en/investors-agm>.



# Estimate of probable future development and guidance for 2026

Assessing the development of the Group's revenue at the beginning of 2026 remains challenging due to the prolonged uncertainty in the global economy. Some customer industries are showing signs of recovery, but the economic climate in European manufacturing is still weak, and investment decisions are progressing cautiously. However, we expect a gradual economic recovery to continue during 2026.

The Group aims to continue its growth-oriented strategy and expand its business by increasing its own market share in the hydraulic cylinder market, as well as by introducing new digital, energy-efficient, and intelligent products and services to the market.

The group's medium-term objective is to achieve revenue of over EUR 70 million, of which more than 30 % will consist of digital products and solutions. In addition, the Group aims to achieve an EBITDA margin of at least 16 %, with digital business accounting for 4 %.

Investments in product development, the visibility of digital solutions, and customer acquisition will continue during the current financial year. Digital products have transitioned from the development phase to a focus on marketing and sales.

The Company estimates that its business will continue to develop positively in 2026 and expects revenue to be EUR 30,000–32,000 thousand (EUR 28,702 thousand in 2025) and reported EBITDA to be EUR 3,000–4,000 thousand (EUR 2,651 thousand in 2025). The main focus of growth is expected to occur in the second half of 2026.



# Events after the financial year

At the time of the financial statements, one of the covenants related to the Group's financing agreements has been broken. After the end of the financial year, waivers have been received, according to which financial loans will not be collected early and financing terms will not be changed.

## ROVANIEMI 3 MARCH 2025

**Norrhydro Group Ltd**  
**Board of Directors**

### ADDITIONAL INFORMATION:

Yrjö Trög, CEO  
Norrhydro Group Ltd  
Tel. +358 40 029 1229  
E-mail: yrjo.trog@norrhydro.com

### DISTRIBUTION:

Nasdaq Helsinki Oy  
Main media  
<https://www.norrhydro.com/en/investors>



**NORRHIDRO**

**CONSOLIDATED INCOME STATEMENTS**
**1 Jan. - 31 Dec. 2024**
**1 Jan. - 31 Dec. 2023**

<b>TURNOVER</b>	<b>28,702,234.80</b>	<b>24,227,817.80</b>
Stocks of finished goods and work in progress increase (+) or decrease (-)	634,670.96	-544,526.32
Other operating income	23,168.11	26,791.45
<b>Materials and services</b>		
<b>Raw materials and consumables</b>		
Purchases during the period	-14,416,047.02	-11,809,805.24
Increase/decrease in stocks	-337,188.43	-428,894.64
External services	-586,706.59	-369,406.66
	<b>-15,339,942.04</b>	<b>-12,608,106.54</b>
<b>Personnel expenses</b>		
Salaries and fees	-6,123,420.12	-5,334,298.48
Indirect employee expenses		
Pension expenses	-1,107,383.98	-1,028,317.68
Other indirect employee expenses	-138,343.03	-79,140.88
	<b>-7,369,147.13</b>	<b>-6,441,757.04</b>
<b>Depreciation and impairment</b>		
Depreciation according to plan	-1,299,029.81	-1,343,097.67
<b>Other operating expenses</b>	<b>-4,000,266.76</b>	<b>-3401903.72</b>
<b>OPERATING PROFIT</b>	<b>1,351,688.13</b>	<b>-84,782.04</b>
<b>Financial income and expenses</b>		
<b>Other interest and financial income, from others</b>	14,960.72	747.01
<b>Interest expenses and other financial expenses, to</b>	-1,133,481.60	-1,237,240.97
	<b>-1,118,520.88</b>	<b>-1,236493.96</b>
<b>Profit (loss) before accounting transfers and taxes</b>	<b>233,167.25</b>	<b>-1,321,276.00</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>233,167.25</b>	<b>-1,321,276.00</b>
<b>CONSOLIDATED RESULT</b>	<b>233,167.25</b>	<b>-1,321,276.00</b>

Consolidated financial statements for 2025



CONSOLIDATED BALANCE SHEET	31 Dec. 2025	31 Dec. 2024
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible rights	256,866.07	327,385.94
Consolidated goodwill	580,430.03	663,364.31
Development expenses	6,436,316.43	6,235,132.80
Other long-term expenditure	1,501,319.63	1,733,483.45
<b>Total intangible assets</b>	<b>8,774,932.16</b>	<b>8,959,366.50</b>
<b>Material goods</b>		
Machinery and equipment	5,242,065.44	5,849,885.93
Other material goods	10,926.22	10,926.22
<b>Material goods in total</b>	<b>5,252,991.66</b>	<b>5,860,812.15</b>
<b>Investments</b>		
Other shares and holdings	807.30	807.30
<b>Total investments</b>	<b>807.30</b>	<b>807.30</b>
<b>FIXED ASSETS, TOTAL</b>	<b>14,028,731.12</b>	<b>14,820,985.95</b>
<b>CURRENT ASSETS</b>		
<b>Current assets</b>		
Raw materials and consumables	3,830,032.00	4,167,220.43
Work in progress	2,921,760.87	2,416,535.39
Finished goods and services	524,252.94	394,807.46
	942,919.72	426,259.21
Deferred income	5,069.29	1,222.16
<b>Total current assets</b>	<b>8,224,034.82</b>	<b>7,406,044.65</b>
<b>Receivables</b>		
<b>Current</b>		
Trade receivables	648,564.98	668,671.98
Loan receivables	40,734.68	44,974.68
Accrued income and prepaid expenses	423,137.40	445,731.95
Other receivables	9.12	312.33
<b>Total short-term receivables</b>	<b>1,112,446.18</b>	<b>1,159,690.94</b>
Cash and cash equivalents	283,680.38	568,588.86
<b>TOTAL CURRENT ASSETS</b>	<b>9,620,161.38</b>	<b>9,134,324.45</b>
<b>ASSETS, TOTAL</b>	<b>23,648,892.50</b>	<b>23,955,310.40</b>

	31 Dec. 2025	31 Dec. 2024
<b>LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	4,252,200.00	4,252,200.00
<b>Other reserves</b>		
Invested unrestricted equity reserve	10,379,382.76	10,379,382.76
Profit/loss from previous financial periods	-6,694,942.29	-5,373,666.29
Profit/loss for the financial period	233,167.25	-1,321,276.00
<b>Total equity</b>	<b>8,169,807.72</b>	<b>7,936,640.47</b>
<b>CURRENT LIABILITIES</b>		
<b>Long-term liabilities</b>		
Convertible loans	0.00	1,500,000.00
Loans from financial institutions	5,946,587.42	6,113,778.15
<b>Long-term liabilities, total</b>	<b>5,946,587.42</b>	<b>7,613,778.15</b>
<b>Short-term liabilities</b>		
Convertible bond	1,500,000.00	0.00
Loans from financial institutions	1,929,663.27	2,548,636.39
Advances received	8,182.00	35,760.00
Accounts payable	4,456,963.26	4,087,964.15
Other payables	621,780.08	704,414.68
Accruals and deferred income	1,015,908.75	1,028,116.56
<b>Short-term liabilities, total</b>	<b>9,532,497.36</b>	<b>8,404,891.78</b>
<b>CURRENT LIABILITIES, TOTAL</b>	<b>15,479,084.78</b>	<b>16,018,669.33</b>
<b>LIABILITIES, TOTAL</b>	<b>23,648,892.50</b>	<b>23,955,310.40</b>



**CONSOLIDATED CASH FLOW STATEMENT**

**1 Jan.-31 Dec. 2025    1 Jan.-31 Dec. 2024**

	<b>1 Jan.-31 Dec. 2025</b>	<b>1 Jan.-31 Dec. 2024</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/loss before accounting transfers and taxes	233,167.25	-1,321,276.00
<b>Adjustments:</b>		
Depreciation according to plan	1,299,029.81	1,343,097.67
Financial income and expenses	1,118,520.88	1,236,493.96
<b>Cash flow before working capital changes</b>	<b>2,650,717.94</b>	<b>1,258,315.63</b>
<b>Working capital changes:</b>		
Increase (+)/decrease (-) in short-term non-interestbearing accounts	47,244.76	-3,703.43
Increase (+)/decrease (-) in current assets	-817,990.17	556,205.25
Increase (+)/decrease (-) in short-term non-interestbearing liabilities	265,099.43	262,390.00
<b>Cash flow from operating activities before financial items and taxes</b>	<b>2,145,071.96</b>	<b>2,073,207.45</b>
<b>Financial items and taxes:</b>		
Interest paid and payments on other financial expenses for operating	-1,087,868.19	-1,195,631.98
Direct taxes paid		
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,057,203.77</b>	<b>877,575.47</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investments in intangible and tangible assets	-506,774.98	-1,312,452.51
Acquisition of subsidiaries	0.00	385,680.00
<b>CASH FLOW FROM INVESTING ACTIVITIES (B):</b>	<b>-506,774.98</b>	<b>-926,772.51</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Loan disbursements	1,300,282.00	1,173,134.00
Loan repayments	-2,135,619.27	-1,950,610.17
<b>CASH FLOW FROM FINANCING (C)</b>	<b>-835,337.27</b>	<b>-777,476.17</b>
Change in cash flows (A+B+C) increase (+)/decrease (-)	-284,908.48	-826,673.21
Cash and cash equivalents at the beginning of the period	568,588.86	1,395,262.07
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>283,680.38</b>	<b>568,588.86</b>



# Notes to the consolidated financial statements

Norrhydro Group Plc and its subsidiaries are a Finnish pioneer in motion control and the leading Scandinavian provider and system supplier of energy-efficient hydraulic cylinders. The Company specializes in designing and manufacturing high-quality, customer-oriented, and energy-efficient hydraulic cylinders.

Norrhydro Group Plc was established on 30 August 2007. In 2007, the Company acquired the entire share capital (600 shares) of Norrhydro Oy. The Norrhydro Group consists of the parent company Norrhydro Group Plc, Motiomax Oy, Norrhydro Oy and its wholly owned subsidiary NH Norrdigi Oy, as well as Norrhydro Oy's Chinese associate company, Norrhydro Hydraulic System Changzou Co., Ltd (ownership 49 %).

Norrhydro Hydraulic System (Changzou) Co., Ltd no longer has any business operations and has not been consolidated into the Group's financial statements. The value of the Company's shares was written off from the Group's balance sheet in 2018. Norrhydro Oy has not prepared consolidated financial statements.

## PRINCIPLES OF PREPARATION OF FINANCIAL STATEMENTS, CHAPTER 4, SECTION 2 OF THE ACCOUNTING ORDINANCE

The financial statements have been prepared in accordance with Finnish accounting standards (FAS). The consolidated financial statements have been prepared using the acquisition cost method.

In calculating revenue, indirect taxes, discounts granted, and foreign exchange differences related to sales have been deducted from sales proceeds. Sales revenue is recognized when all significant risks and rewards related to ownership have transferred to the buyer.

Revenue from ongoing development projects is recognized either over time or based on the percentage of completion, according to the stages defined in the contracts. Payments received in advance are recorded under Advances Received.

Grants received by the Company are recognized in other operating income during the same period in which the related expenses are recorded. Receivables related to grants are presented under Accrued Income. Grants received in advance are recorded under Advances Received in the balance sheet. Grants related to balance sheet assets have been deducted from the carrying amount of the respective asset. In the cash flow statement, grants related to balance sheet assets are presented within investing cash flows, while other grants are included in cash flow from operating activities.

Fixed assets are measured at acquisition cost. The acquisition cost of depreciable fixed assets owned by the Company is depreciated according to a predetermined depreciation plan.

Intangible and tangible assets are recorded in the balance sheet at acquisition cost less planned depreciation. Planned depreciation is calculated on a straight-line or declining-balance basis, depending on the expected useful economic life of the intangible and tangible assets.

For product development expenses, the depreciation plan is back-loaded and linked to the revenue targets of the digital business. As the set revenue target was not achieved during the financial year, the Board decided not to increase the depreciation percentage. Consequently, the planned depreciation schedule was not applied;

instead, depreciation was recorded at the 2024 level.

The Group has capitalized development costs during the financial year in accordance with Section 5:8 of the Finnish Accounting Act (KPL). Development costs expected to generate income have been capitalized under other intangible assets on the balance sheet and are amortized according to plan. The capitalizations are based on the expected income attributable to the products, and any impairment is recognized if those expectations are not met.

At the end of the financial year, capitalized development costs totaled €6,436,316.43. During the year, €333,817.40 of development costs were capitalized. These consist of salary and related expenses arising from development work, materials and supplies (including testing), as well as outsourced services (testing, subcontracting). Depreciation for the financial year amounted to €132,633.77.

Development of the Norrdigi product family continues, and the products remain in the testing and finalization phase and are not yet ready for sale. The capitalizations relate to the product development expenses of Norrhydro Oy, NH Norrdigi Oy, and Motiomax Oy. The Board of Directors decided that, during the product development phase, Norrhydro Oy and NH

Norrdigi Oy will apply annual depreciation of 2% of the capitalized development costs. Once a product is considered complete and sales activities commence, the capitalized costs will be amortized over a 10-year useful life using a back-loaded amortization method, starting from the beginning of the following year. The back-loaded amortization schedule corresponds to the revenue generation profile of the products, typically arising from customer projects lasting 1–3 years.

The residual value, useful economic life, and amortization method of the development costs are reviewed at least at the end of each financial year and adjusted if necessary should expectations of economic benefits change.

Development work and field testing of the Norr-Digi MCC system are ongoing. The main functions of the system are complete, but additional testing is required, particularly for excavator applications. Testing is expected to be completed during 2026, after which broader marketing and sales activities can begin.

The Board also decided that, starting from the 2026 financial year, Motiomax Oy will record depreciation of its development costs at 10 % of the total amount of development expenditure.

The comparison figures for the Group and the parent company are the audited and approved figures of Norrhydro Group Plc for the 2024 financial year.

In the 2024 financial year, the Company adopted a new practice in which goods in transit are recorded in a separate inventory account as part of the total inventory value. The purpose of this change is to improve inventory tracking and provide a more accurate view of the Company's assets and supply chain status. This change in accounting practice does not affect the Company's result, but it enhances reporting related to inventory and supply chain management.

At the balance sheet date, Motiomax Oy had a EUR 200 thousand capital loan from its parent company in accordance with Chapter 12 of the Finnish Companies Act. The parent company's distributable funds are presented in the notes to the financial statements under "Parent Company's Statement of Distributable Funds in Equity."

## BASIS FOR DEPRECIATION ACCORDING TO THE PLAN

Category of commodities	Estimated holding period in years	Depreciation rate	Depreciation method
Intangible rights/patents	10		straight-line depreciation
Consolidated goodwill	10		straight-line depreciation
Development expenses	10		back-loaded depreciation
Other long-term expenditure	10		straight-line depreciation
Alterations to production facilities	10		straight-line depreciation
Machinery and equipment		25 %	declining-balance depreciation
Production equipment	12		straight-line depreciation

Regarding product development expenses, the depreciation plan is back-loaded and tied to the revenue target of the digital business. Since the set revenue target was not achieved, the depreciation percentage was not increased by the decision of the board; instead, depreciations were made at the 2024 level.

### CURRENT ASSETS

Current assets are valued in accordance with the weighted average price method or at a lower replacement price or a probable sale price. The acquisition cost of current assets includes the variable and fixed costs incurred in the manufacture and acquisition of the product.

### Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are converted into EUR at the exchange rate of the day on which the transaction takes place and assets and liabilities denominated in foreign currencies are converted into EUR at the exchange rate of the reporting date. Exchange differences are recorded in financial income and expenses.



## NOTES TO THE CONSOLIDATED INCOME STATEMENT

### Geographical breakdown of turnover

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Domestic sales	19,342,120.71	16,944,067.54
Intra-community sales	8,739,429.55	6,773,821.62
Sales outside the community	620,684.54	509,928.64
<b>Total</b>	<b>28,702,234.80</b>	<b>24,227,817.80</b>

### Other operating income

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Grants received	10,600.00	12,568.62
Other operating income	12,568.11	14,222.83
<b>Total</b>	<b>23,168.11</b>	<b>26,791.45</b>

### Remuneration to the members of the Board of

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Remuneration to the Board of Directors	126,600.00	108,352.40
Remuneration to the CEOs	224,811.05	221,628.14

### Auditor fees

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Auditing services	33,275.00	78,984.08
<b>Total</b>	<b>33,275.00</b>	<b>78,984.08</b>

### Financial income and expenses

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Interest and other financial income	-14,960.72	-747.01
Interest expenses and other financial expenses	1,133,481.60	1,237,240.97
<b>Total</b>	<b>1,118,520.88</b>	<b>1,236,493.96</b>

## NOTES TO THE CONSOLIDATED BALANCE SHEET ASSETS

### Intangible rights

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
<b>Carrying amount at the beginning of the</b>	<b>327,385.94</b>	<b>387,909.80</b>
Increases	27,547.38	35,074.03
Decreases	0.00	0.00
Depreciation	98,067.25	95,597.95
<b>Carrying amounts at the end of the period</b>	<b>256,866.07</b>	<b>327,385.88</b>

### Consolidated goodwill

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
<b>Carrying amount at the beginning of the</b>	<b>663,364.31</b>	<b>345,430.43</b>
Increases		397,555.20
Decreases	0.00	0.00
Depreciation	82,934.28	79,621.32
<b>Carrying amounts at the end of the period</b>	<b>580,430.03</b>	<b>663,364.31</b>

### Other long-term expenditure

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
<b>Carrying amount at the beginning of the</b>	<b>1,733,483.49</b>	<b>1,977,070.85</b>
Increases	8,000.00	0.00
Decreases	0.00	0.00
Depreciation	240,163.86	243,587.36
<b>Carrying amounts at the end of the period</b>	<b>1,501,319.63</b>	<b>1,733,483.49</b>

### Development expenses

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
<b>Carrying amount at the beginning of the</b>	<b>6,235,132.80</b>	<b>5,660,466.18</b>
Increases	333,817.40	699,502.65
Decreases	0.00	0.00
Depreciation	132,633.77	124,836.03
<b>Carrying amounts at the end of the period</b>	<b>6,436,316.43</b>	<b>6,235,132.80</b>

### Machinery and equipment

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
<b>Carrying amount at the beginning of the</b>	<b>5,849,885.93</b>	<b>6,469,020.34</b>
Increases	137,450.86	180,320.63
Decreases	0.00	0.00
Decreases: Investment grant	0.00	0.00
Depreciation	745,271.35	799,455.05
<b>Carrying amounts at the end of the period</b>	<b>5,242,065.44</b>	<b>5,849,885.92</b>

### Other material goods – Art objects

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
<b>Kirjanpitoarvo tilikauden alussa</b>	<b>10,926.22</b>	<b>10,926.22</b>
Increases	0.00	0.00
Decreases	0.00	0.00
Depreciation	0.00	0.00
<b>Carrying amounts at the end of the period</b>	<b>10,926.22</b>	<b>10,926.22</b>

**MATERIAL ITEMS RELATED TO THE GROUP'S SHORT-TERM RECEIVABLES,  
CHAPTER 2, SECTION 4 OF THE ACCOUNTING ORDINANCE**

	31 Dec. 2025	31 Dec. 2024
<b>Loan receivables</b>		
Receivables from employees	40,734.68	44,974.68
<b>Total</b>	<b>40,734.68</b>	<b>44,974.68</b>

	31 Dec. 2025	31 Dec. 2024
<b>Accrued income and prepaid expenses</b>		
Secured deposit receivables	205,624.00	230,289.13
Other deferred charges	143,671.31	141,412.66
Other accrued income and prepaid expenses	73,842.09	74,030.16
<b>Total</b>	<b>423,137.40</b>	<b>445,731.95</b>

**NOTES TO THE LIABILITIES ON THE CONSOLIDATED BALANCE SHEET**

<b>ITEMISATION OF EQUITY AT 31 DECEMBER 2025</b>	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>Shareholders' equity at beginning of period</b>	<b>4,252,200.00</b>	<b>10,379,382.76</b>	-6,694,942.29	<b>7,936,640.47</b>
Return of equity				
Profit for the financial period			233,167.25	
<b>Equity at the end of the period</b>	<b>4,252,200.00</b>	<b>10,379,382.76</b>	<b>-6,461,775.04</b>	<b>8,169,807.72</b>

<b>ITEMISATION OF EQUITY AT 31 DECEMBER 2024</b>	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>Shareholders' equity at beginning of period</b>	<b>4,252,200.00</b>	<b>9,993,702.76</b>	<b>-5,373,666.29</b>	<b>8,872,236.47</b>
Return of equity				
Profit for the financial period			-1,321,276.00	
Other changes: acquisition of own shares		-6,000.00		
Other changes: Motiomax share issue		391,680.00		
<b>Equity at the end of the period</b>	<b>4,252,200.00</b>	<b>10,379,382.76</b>	<b>-6,694,942.29</b>	<b>7,936,640.47</b>



**NOTES CONCERNING GUARANTEES AND CONTINGENT LIABILITIES,  
CHAPTER 2, SECTION 7 OF THE ACCOUNTING ORDINANCE**

**LIABILITIES AND GUARANTEES BY BALANCE SHEET ITEM AND**

Long-term liabilities maturing after more than 5 years

**31 Dec. 2025**

331,811.15

**31 Dec. 2024**

497,716.70

**Liabilities included in the balance sheet**

Long-term financial loans

5,946,587.52

6,113,778.15

Convertible bond

1,500,000.00

1,500,000.00

Short-term borrowings from financial institutions

1,929,663.27

2,548,636.39

**Total**

**9,376,250.69**

**10,162,414.54**

One of the covenant terms related to the parent company's and the Group's financing loans was breached at the balance sheet date. After the end of the financial year, the Company received waivers from its financiers confirming that the loans will not be called for early repayment and that the financing terms will remain unchanged. The financing loans are presented as long-term and short-term liabilities in accordance with the original repayment schedule.

**INFORMATION ABOUT THE TERMS OF THE CONVERTIBLE BOND**

The maximum total amount of the convertible bond is EUR 1,500,000.00 and The Company will take out the convertible bond and simultaneously issue 15 bonds free of charge for loan shares of EUR 100,000.00. The loan period begins when the convertible bond is paid to the Company and ends on 31 December 2026, at which time the convertible bond matures in full for repayment.

The Company shall also have the right to repay all or part of the convertible bond to the Noteholders at any time prior to the Maturity Date, but not earlier than 24 months after the subscription of the convertible bond. The Company shall notify the noteholder of the repayment of the note 30 days prior to the intended repayment, in which case the noteholder has the opportunity, within that 30 day period, to notify the Board of Directors of the Company that he/she will exercise his/her right to subscribe for shares.

The repayment of the convertible bond shall be effected against the assignment of the notes and, in the case of partial repayment, against an entry for repayment in the note. The convertible bond shall bear an annual interest rate of 10 per cent for the loan period. The annual interest is due and payable annually every 6 months from the date of withdrawal. The last interest period ends on the date on which

the convertible notes are repaid in full. The note and related special rights may only be transferred with the consent of the Company. Special rights attaching to the convertible bond may not be transferred without simultaneously transferring the claim under the convertible bond to the same assignee.

The convertible bond entitles the Noteholder to payment from the company's assets after the Company's preferential obligations and on an equal footing with other non-preferential obligations. The noteholder has the right to repay the entire principal amount and interest immediately after notifying the Company in writing if: the company has failed to pay the interest due in accordance with the terms of the notes and the Company has not paid the payment within 30 days of the noteholder's written notice; and if the company has been placed in restructuring proceedings or declared bankrupt. Full terms of the convertible bond are available on Company's website: <https://www.norrhydro.com/en/releases-announcements>

**OPTIONS AND OTHER SPECIAL RIGHTS**

A resolution on granting special rights was made on 28 December 2023. The number of shares to be issued under these rights is a maximum of 720,000.



<b>MATERIAL ITEMS INCLUDED IN ACCRUALS AND DEFERRED</b>	<b>31 Dec. 2025</b>	<b>31 Dec. 2024</b>
Accrued indirect employee expenses	985,256.06	987,254.58
Accrued interest expense	30,652.69	40,861.98
<b>Total</b>	<b>1,015,908.75</b>	<b>1,028,116.56</b>

#### **PLEDGES AND CONTINGENT LIABILITIES PROVIDED**

<b>Guarantees</b>	<b>31 Dec. 2025</b>	<b>31 Dec. 2024</b>
Guarantees on behalf of subsidiary Norrhydro Oy	2,942,282.38	3,510,659.28
<b>Total</b>	<b>2,942,282.38</b>	<b>3,510,659.28</b>

<b>Business guarantees</b>	<b>31 Dec. 2025</b>	<b>31 Dec. 2024</b>
Norrdigi Oy's shares	100 kpl	100 kpl
	2,500.00	2,500.00
Business mortgages	6,325,033.61	6,325,033.61
Business mortgages, free held by the financier	400,000.00	400,000.00
<b>Total</b>	<b>6,725,033.61</b>	<b>6,725,033.61</b>

<b>Pledges given</b>	<b>31 Dec. 2025</b>	<b>31 Dec. 2024</b>
Deposited security as collateral	0.00	24,000.00
Deposit for sold trade receivables	190,000.00	190,000.00
Rental deposit	15,624.00	16,289.13
<b>Total</b>	<b>205,624.00</b>	<b>230,289.13</b>

Norrhydro Llc, a subsidiary of Norrhydro Group Plc, mainly sells its trade receivables. Credit loss on sold trade receivables is limited to EUR 500 thousand.

<b>OFF-BALANCE SHEET LIABILITIES, VAT. 0 %</b>	<b>31 Dec. 2025</b>	<b>31 Dec. 2024</b>
Leasing liabilities payable in the next financial period	202,823.04	226,886.80
Leasing liabilities payable later	132,862.84	322,764.87
<b>Leasing liabilities, total (VAT. 0 %)</b>	<b>335,685.88</b>	<b>549,651.67</b>
Residual value liabilities from leasing contracts	30,756.00	49,143.74
Rents payable in the next financial period	1,153,925.10	1,173,620.85
Rents payable later	10,495,476.60	11,652,882.72
<b>Rental liabilities, total (VAT. 0 %)</b>	<b>11,649,401.70</b>	<b>12,826,503.57</b>

In 2021, Norrhydro Oy, a subsidiary of Norrhydro Group Plc, has entered into a 15-year lease agreement for the production facility and its land built in Rovaniemi. The rental liability began in August 2022. Lease agreement is covered by bank guarantee where Norrhydro Llc has given counter guarantee, amounting to EUR 491,573.15.



**RELATED PARTY TRANSACTIONS, OPTION PROGRAMMES AND SHARE-BASED INCENTIVE SCHEMES**

Norrhydro Group Plc has identified the following related-party relationships in accordance with IAS 24.

**DEFINITION OF RELATED PARTIES**

The Company’s related parties include the following:  
Subsidiaries:

Norrhydro Oy and Motiomax Oy, as well as NH Norrdigi Oy, which is 100 % owned by Norrhydro Oy.

Members of the Board of Directors:

Juhani Kangas, Pekka Helle, Yrjö Trög, Tapio Lehti and Antto Trög.

Members of the Executive Management Team:

Yrjö Trög, Anniina Piira-Wendeler, Johanna Kaikkonen, Carl Mattson, Mikko Väitalo, Heidi Sederholm and Verna Sipola.

Close family members:

Spouses and dependent children of the members of the Board of Directors and Executive Management Team.

As at 31 December 2025, the Company’s related parties held 5,573,611 shares, representing 50.3 % of the Company’s shares and voting rights (52.9 % as at 31 December 2024). In addition, related parties held 50,000 option rights granted by the Company.

In 2020, the Group established a medium-term incentive scheme for key personnel and external members of the Board of Directors, under which key individuals acquired shares in the parent company, Norrhydro Group Plc. The maximum number of shares to be issued under these rights is 61,000 shares. The option programme is targeted at key employees responsible for the development of the Company’s business.

The programme’s vesting conditions include business growth, profitability, and the successful market launch of the Digital Business.

Norrhydro Oy has granted key personnel a seven-year loan for the acquisition of shares. The loan carries an annual interest rate of 1 percent, and 10 percent of the remaining principal is repaid each year. Fifty percent of any dividends paid by the Company will be used to repay the loan. The remaining balance becomes due seven years after the loan was drawn. The acquired shares serve as collateral for the loan.

In addition, key personnel have been granted option rights. The subscription price for shares subscribed with the option rights is EUR 0.10 per share.

However, subscribing for shares with the option rights requires that the Company’s strategic targets have been achieved. If these targets are not met in the manner required by the Board of Directors, the option rights do not entitle the holder to subscribe for shares. The related-party individuals who have subscribed for shares and option rights have committed to a minority shareholders’ agreement, under which key personnel are not entitled to transfer, sell, or otherwise dispose of the option rights or shares without the Company’s written approval. The minority shareholders’ agreement includes standard Good Leaver and Bad Leaver provisions related to the termination of employment or service agreements, as well as non-competition and non-solicitation clauses. The minority shareholders’ agreement remains in force despite the Company’s listing.

The Board of Directors of Norrhydro Group Plc decided in 2022 to introduce a share-based incentive scheme for key personnel in order to encourage and commit them to the Company. The aim of the scheme is to align the objectives of the Company’s shareholders and key employees to increase the Company’s long-term value, to strengthen the commitment of key personnel to the Company, and to offer them a competitive reward system based on share earning and accumulation. The earning criteria are primarily based on the development of the Company’s revenue and profitability, and secondarily on the share of digital solutions relative to the Group’s total revenue. The earning periods cover the financial years 2023–2025, 2024–2026, 2025–2027, and 2026–2028, and rewards are paid partly in shares and partly in cash. As at 31 December 2025, a total of 411,500 shares have been allocated to key personnel under the share-based incentive scheme.

<b>TRANSACTIONS WITH RELATED PARTIES</b>	<b>1 jan. -31 Dec. 2025</b>	<b>1 jan. -31 Dec. 2024</b>
Loan receivables from related parties	33,560	35,460
Liabilities to related parties	200,000	200,000
Salaries and fees paid to related parties	908,526	891,190

**AVERAGE NUMBER OF PERSONNEL DURING THE FINANCIAL PERIOD**

**Total**

**2025**

**2024**

**140**

**160**

In addition to its own personnel, the average number of leased employees during the financial period was 2 (1).



**PARENT COMPANY INCOME STATEMENT**

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
<b>TURNOVER</b>	<b>420,000.00</b>	<b>420,000.00</b>
<b>Personnel expenses</b>		
Salaries and fees	-126,600.00	-108,352.40
Indirect employee expenses		
Pension expenses	-53,559.08	-52,410.76
Other indirect employee expenses	-2,652.13	-3,075.80
	<b>-182,811.21</b>	<b>-163,838.96</b>
<b>Depreciation and impairment</b>		
<b>Other operating expenses</b>	<b>-197,251.59</b>	<b>-277,078.72</b>
<b>OPERATING PROFIT</b>	<b>39,937.20</b>	<b>-20,917.68</b>
<b>Financial income and expenses</b>		
Other interest and financial income, from others	21.79	49.58
Interest and other financial expenses, to others	-277,712.26	-346,774.46
	<b>-277,690.47</b>	<b>-346,724.88</b>
<b>PROFIT (LOSS) BEFORE ACCOUNTING TRANSFERS AND TAXES</b>	<b>-237,753.27</b>	<b>-367,642.56</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-237,753.27</b>	<b>-367,642.56</b>

Parent company financial statements 2025



**PARENT COMPANY BALANCE SHEET**

	31 Dec. 2025	31 Dec. 2024		31 Dec.2025	31 Dec.2024
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>FIXED ASSETS</b>			<b>EQUITY</b>		
<b>Investments</b>			Share capital	4,252,200.00	4,252,200.00
Holdings in Group undertakings	14,645,136.50	14,645,136.50	<b>Other reserves</b>		
Total investments	14,645,136.50	14,645,136.50	Invested unrestricted equity reserve	10,216,588.76	10,216,588.76
<b>FIXED ASSETS, TOTAL</b>	<b>14,645,136.50</b>	<b>14,645,136.50</b>	Profit/loss from previous financial periods	226,976.49	594,619.05
<b>CURRENT ASSETS</b>			Profit/loss for the financial period	-237,753.27	-367,642.56
<b>Receivables</b>			<b>TOTAL EQUITY</b>	<b>14,458,011.98</b>	<b>14,695,765.25</b>
Long-term Group loan receivables	200,000.00	200,000.00	<b>CURRENT LIABILITIES</b>		
Short-term receivables	0.00	0.00	<b>Long-term</b>		
Group receivables	1,440,536.93	2,607,940.68	Convertible bond	0.00	1,500,000.00
Accrued income and prepaid expenses	8,495.17	39,373.04	<b>Long-term liabilities, total</b>	<b>0.00</b>	<b>1,500,000.00</b>
<b>Total short-term receivables</b>	<b>1,449,032.11</b>	<b>2,647,313.72</b>	<b>Short-term</b>		
Cash and cash equivalents	9,877.90	217,067.16	Loans from financial institutions	300,000.00	1,473,202.11
<b>TOTAL CURRENT ASSETS</b>	<b>1,658,910.00</b>	<b>3,064,380.88</b>	Convertible bond	1,500,000.00	0.00
<b>ASSETS, TOTAL</b>	<b>16,304,046.50</b>	<b>17,709,517.38</b>	Accounts payable	35,674.26	35,712.29
			Other payables	10,360.26	4,837.73
			<b>Short-term liabilities, total</b>	<b>1,846,034.52</b>	<b>1,513,752.13</b>
			<b>CURRENT LIABILITIES, TOTAL</b>	<b>1,846,034.52</b>	<b>3,013,752.13</b>
			<b>LIABILITIES, TOTAL</b>	<b>16,304,046.50</b>	<b>17,709,517.38</b>

PARENT COMPANY NOTES

NOTES TO THE INCOME STATEMENT OF THE PARENT COMPANY, CHAPTER 2, SECTION 3 OF THE ACCOUNTING ORDINANCE

	1.1.-31 Dec. 2025	1.1.-31 Dec. 2024
<b>Geographical breakdown of turnover</b>		
Domestic sales	420,000.00	420,000.00
<b>Total</b>	<b>420,000.00</b>	<b>420,000.00</b>
<b>Remuneration to the members of the Board of Directors &amp; CEO</b>	<b>1.1.-31 Dec. 2025</b>	<b>1.1.-31 Dec. 2024</b>
Remuneration to the Board of Directors	126,600.00	108,352.40
<b>Auditor fees</b>	<b>1.1.-31 Dec. 2025</b>	<b>1.1.-31 Dec. 2024</b>
Auditing services	15,000.00	31,700.00
<b>Total</b>	<b>15,000.00</b>	<b>31,700.00</b>
<b>Financial income and expenses</b>	<b>1.1.-31 Dec. 2025</b>	<b>1.1.-31 Dec. 2024</b>
Interest and other financial income	21.79	49.58
Interest expenses and other financial expenses/vähennys (-)	-277,712.26	-346,774.46
<b>Total</b>	<b>-277,690.47</b>	<b>-346,724.88</b>

NOTES TO THE ASSETS OF THE PARENT COMPANY'S BALANCE SHEET

NOTES CONCERNING THE SUBSIDIARIES AND ASSOCIATED COMPANIES, CHAPTER 2, SECTION 3 OF THE ACCOUNTING ORDINANCE

	Registered office	Ownership share	Equity		Profit/loss	
			2025	2024	2025	2024
Norrhydro Oy	Rovaniemi	100 %	8,417,368.24	7,819,108.84	598,259.40	-825,195.07
NH NorrDigi Oy (Norrhydro Oy:n kautta)	Rovaniemi	100 %	299,879.84	333,874.69	-33,994.85	-50,589.95
Motiomax Oy	Rovaniemi	100 %	79,041.59	89,451.34	-10,409.75	1,772.90
Norrhydro Hydraulic System Shanghai CO. Ltd		49 %				

Book value of subsidiary shares	31 Dec. 2025	31 Dec. 2024
Norrhydro Oy	13,832,728.18	13,832,728.18
Changes during the financial year	0.00	0.00
Norrhydro Oy	13,832,728.18	13,832,728.18
Motiomax Oy	812,408.32	414,853.12
Changes during the financial year	0.00	397,555.20
Motiomax Oy	812,408.32	812,408.32
<b>Total</b>	<b>14,645,136.50</b>	<b>14,645,136.50</b>

**EMOYHTIÖN TASEEN VASTATTAVIA KOSKEVAT LIITETIEDOT KPA 2 LUKU 5 §**

<b>ITEMISATION OF EGUIY 2025</b>	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>Shareholders' equity at beginning of period</b>	<b>4,252,200.00</b>	<b>10,216,588.76</b>	<b>226,976.49</b>	<b>14,695,765.25</b>
Return of equity				
Profit for the financial period			-237,753.27	
<b>Equity at end of period</b>	<b>4,252,200.00</b>	<b>10,216,588.76</b>	<b>-10,776.78</b>	<b>14,458,011.98</b>

<b>ITEMISATION OF EGUIY 2024</b>	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>Shareholders' equity at beginning of period</b>	<b>4,252,200.00</b>	<b>9,824,908.76</b>	<b>594,619.05</b>	<b>14,671,727.81</b>
Return of equity		391,680.00		
Profit for the financial period			-367,642.56	
<b>Equity at end of period</b>	<b>4,252,200.00</b>	<b>10,216,588.76</b>	<b>226,976.49</b>	<b>14,695,765.25</b>

<b>Calculation of distributable assets in equity of the parent company</b>	<b>31 Dec. 2025</b>	<b>31 Dec. 2024</b>
Invested unrestricted equity reserve	10,216,588.76	10,216,588.76
Retained earnings	226,976.49	594,619.05
Profit for the financial period (profit+/-loss-)	-237,753.27	-367,642.56
<b>Distributable funds, total</b>	<b>10,205,811.98</b>	<b>10,443,565.25</b>



**NOTES CONCERNING GUARANTEES AND CONTINGENT LIABILITIES, CHAPTER 2, SECTION 7 OF THE ACCOUNTING ORDINANCE**

**LIABILITIES AND GUARANTEES BY BALANCE SHEET ITEM AND**

Liabilities included in the balance sheet	31 Dec. 2025	31 Dec. 2024
Bond	1,500,000.00	1,500,000.00
Short-term borrowings from financial institutions	300,000.00	1,473,202.11
<b>Total</b>	<b>1,800,000.00</b>	<b>2,973,202.11</b>

The covenants relating to loans to financial institutions, related waivers and convertible bonds are described in the notes to the consolidated financial statements on page 37.

**PLEDGES AND CONTINGENT LIABILITIES PROVIDED**

Guarantees	31 Dec. 2025	31 Dec. 2024
For and on behalf of subsidiary Norrhydro Oy	2,942,282.38	3,510,659.28
<b>Total</b>	<b>2,942,282.38</b>	<b>3,510,659.28</b>

Norrhydro Group plc has provided a self-debt guarantee on behalf of its subsidiary Norrhydro Oy in connection with invoice receivables sold to OP Corporate Bank plc. The liability for guarantees is not limited in quantity or time.

Cash deposits	31 Dec. 2025	31 Dec. 2024
For and on behalf of subsidiary Norrhydro Oy	0.00	24,000.00
<b>Total</b>	<b>0.00</b>	<b>24,000.00</b>

Business mortgages	31 Dec. 2025	31 Dec. 2024
Business mortgages	2,600,000.00	2,600,000.00
Business mortgages, free held by the financier	400,000.00	400,000.00
<b>Total</b>	<b>3,000,000.00</b>	<b>3,000,000.00</b>



# Signatures to the financial statements and the Board of Directors' report

The financial statements and the Board of Directors' report have been signed electronically 3 March 2026 by:

- Juhani Kangas, Chair of the Board
- Pekka Helle, Vice Chair of the Board
- Yrjö Trög, CEO
- Tapio Lehti, Board member
- Antto Trög, Board member

## AUDITOR'S NOTE

Our auditor's report on the conducted audit was issued today

Rovaniemi 13.3.2026

Audit firm: KPMG Oy,  
Juha Väärälä (APA)

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## Auditor's Report - To the Annual General Meeting of Norrhydro Group Oyj

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

In our opinion, the financial statements give a true and fair view of the group's and the 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.

#### WHAT WE HAVE AUDITED

We have audited the financial statements of Norrhydro Group Oyj (business identity code 2144656-2) for the financial period 1.1.-31.12.2025. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement and notes to the financial statements, as well as the parent company's balance sheet, income statement and notes to the financial statements.

#### 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 Financial Statements section of our report.

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

#### EMPHASIS OF MATTER - VALUATION OF DEVELOPMENT COSTS

We draw attention to the section "Accounting Principles" in the notes to the consolidated financial statements on page 33, which states that at the end of the financial period development costs totaled EUR 6,436,316.43, and that the capitalizations are based on expected future income from the related products. A potential write-down will be recognized if the expected income does not materialize.

#### INDEPENDENCE

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.

#### 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 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 a 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 to 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 about 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our opinion is not modified in respect of this matter.

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.

## Auditor's report continues

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 parent company or the group 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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. With respect to the report of the Board of Directors, 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 other information, we are required to report that fact. We have nothing to report in this regard.

Authorised Public Accountants KPMG Oy,

Authorised Public Accountant, Juha Väärälä (KHT)

**LIST OF ACCOUNTING JOURNALS, RECEIPT TYPES AND ARCHIVING METHODS**

Journal	Electronic
General ledger	Electronic
Accounts receivable	Electronic
Accounts payable	Electronic
Payroll accounting	Printed / Electronic
Financial statements	Electronic
Balance sheet breakdowns	Electronic
Note information breakdowns	Electronic

	<b>Voucher type</b>	<b>Archiving method</b>
Bank vouchers Nordea	460	Electronic
Sales ledger vouchers	131	Electronic
Purchase ledger vouchers	232	Electronic
Purchase ledger vouchers	231	Electronic
Memo vouchers	460	Electronic
Pay slips	310	Printed / Electronic
VAT receipts	210	Electronic
Bank transfers	241	Printed / Electronic

**IN ACCORDANCE WITH SECTION 10 OF THE ACCOUNTING ACT, THE MINIMUM RETENTION PERIODS FOR ACCOUNTING MATERIAL ARE:**

signed financial statements	10 years
balance sheet breakdowns	10 years
accounting	10 years
vouchers (6 years)	6 years
correspondence relating to transactions forming part of the accounts	6 years
list of accounting accounts (10 years)	10 years
a list of the accounting records on which the financial statements are based and the types of supporting documents and other accounting records showing the links between them and how they are stored	10 years

**The retention period is calculated from the end of the financial period.**



# NORR HYDRO

NORRHYDRO GROUP OYJ  
RATAVARTIJANKATU 2  
FI-96100 ROVANIEMI  
FINLAND

