



NORRHYDRO GROUP PLC FINANCIAL REPORT

1 January - 31 December 2025

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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

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

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

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

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

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

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

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

NET INTEREST-BEARING LIABILITIES= interest-bearing liabilities – cash and cash equivalents

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

PROFIT FOR THE FINANCIAL PERIOD = Net operating profit +/- financial expenses + taxes

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

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

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

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

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.

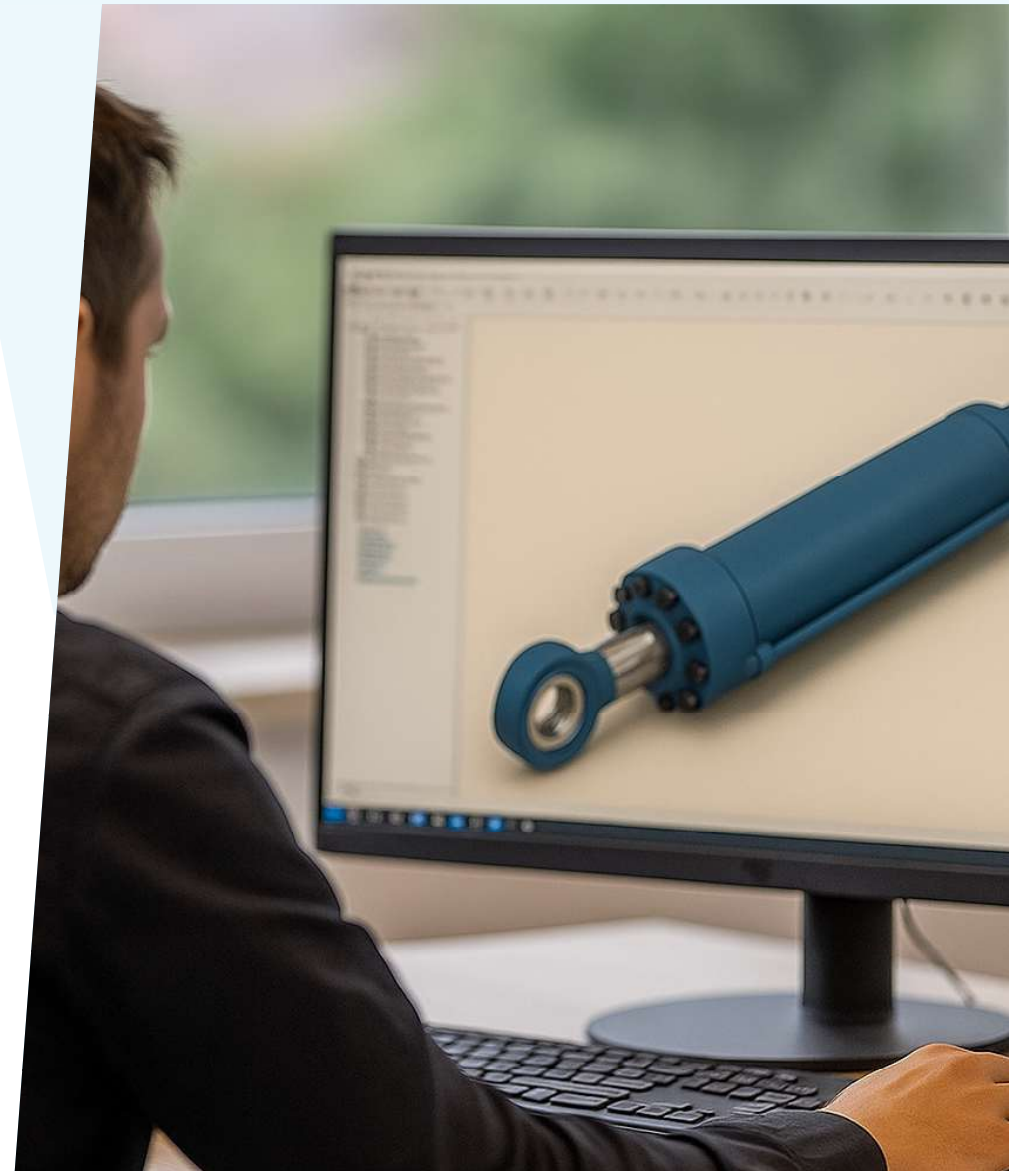
The NorrDigi solutions are designed to meet these needs, and in line with the Company's strategy, Norrhydro expects the NorrDigi business to form a significant share of its revenue in the coming years.

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

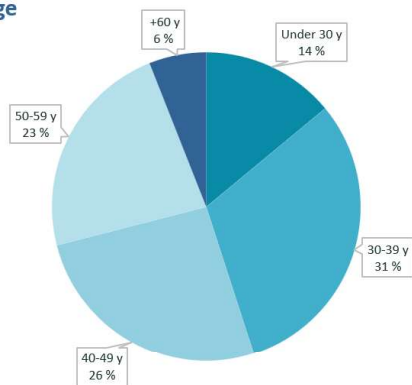
At the end of the financial period, the Group had 151 employees and at the beginning of the financial period, 168 employees. On average, the Group employed 160 people during the financial period. In addition, the Group had an average of 2 (1) leased employee during the financial period.

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.



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
10 biggest, total	7 280 512	65.67

The average price 1 Jan. - 31 Dec. 2025

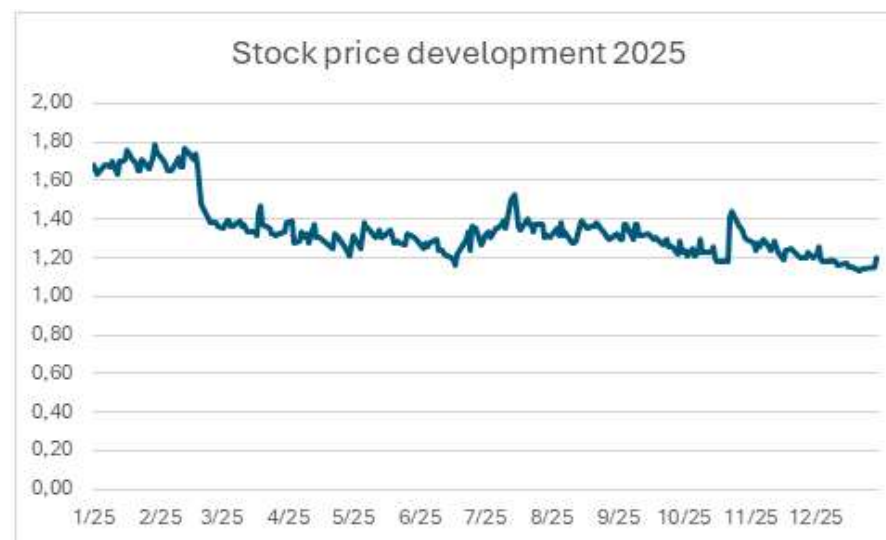
1,35 € / stock

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

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CONSOLIDATED INCOME STATEMENTS

1 Jan. - 31 Dec. 2024

1 Jan. - 31 Dec. 2023

TURNOVER	28,702,234.80	24,227,817.80
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
Materials and services		
Raw materials and consumables		
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
	-15,339,942.04	-12,608,106.54
Personnel expenses		
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
	-7,369,147.13	-6,441,757.04
Depreciation and impairment		
Depreciation according to plan	-1,299,029.81	-1,343,097.67
Other operating expenses	-4,000,266.76	-3401903.72
OPERATING PROFIT	1,351,688.13	-84,782.04
Financial income and expenses		
Other interest and financial income, from others	14,960.72	747.01
Interest expenses and other financial expenses, to	-1,133,481.60	-1,237,240.97
	-1,118,520.88	-1,236493.96
Profit (loss) before accounting transfers and taxes	233,167.25	-1,321,276.00
PROFIT (LOSS) FOR THE PERIOD	233,167.25	-1,321,276.00
CONSOLIDATED RESULT	233,167.25	-1,321,276.00

Consolidated financial statements for 2025



CONSOLIDATED BALANCE SHEET	31 Dec. 2025	31 Dec. 2024
ASSETS		
FIXED ASSETS		
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
Total intangible assets	8,774,932.16	8,959,366.50
Material goods		
Machinery and equipment	5,242,065.44	5,849,885.93
Other material goods	10,926.22	10,926.22
Material goods in total	5 252 991.66	5,860,812.15
Investments		
Other shares and holdings	807.30	807.30
Total investments	807.30	807.30
FIXED ASSETS, TOTAL	14,028,731.12	14,820,985.95
CURRENT ASSETS		
Current assets		
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
Total current assets	8,224,034.82	7,406,044.65
Receivables		
Current		
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
Total short-term receivables	1,112,446.18	1,159,690.94
Cash and cash equivalents	283,680.38	568,588.86
TOTAL CURRENT ASSETS	9,620,161.38	9,134,324.45
ASSETS, TOTAL	23,648,892.50	23,955,310.40

	31 Dec. 2025	31 Dec. 2024
LIABILITIES		
EQUITY		
Share capital	4,252,200.00	4,252,200.00
Other reserves		
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
Total equity	8,169,807.72	7,936,640.47
CURRENT LIABILITIES		
Long-term liabilities		
Convertible loans	0.00	1,500,000.00
Loans from financial institutions	5,946,587.42	6,113,778.15
Long-term liabilities, total	5,946,587.42	7,613,778.15
Short-term liabilities		
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
Short-term liabilities, total	9,532,497.36	8,404,891.78
CURRENT LIABILITIES, TOTAL	15,479,084.78	16,018,669.33
LIABILITIES, TOTAL	23,648,892.50	23,955,310.40



CONSOLIDATED CASH FLOW STATEMENT

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

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/loss before accounting transfers and taxes	233,167.25	-1,321,276.00
Adjustments:		
Depreciation according to plan	1,299,029.81	1,343,097.67
Financial income and expenses	1,118,520.88	1,236,493.96
Cash flow before working capital changes	2,650,717.94	1,258,315.63
Working capital changes:		
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
Cash flow from operating activities before financial items and taxes	2,145,071.96	2,073,207.45
Financial items and taxes:		
Interest paid and payments on other financial expenses for operating	-1,087,868.19	-1,195,631.98
Direct taxes paid		
CASH FLOW FROM OPERATING ACTIVITIES (A)	1,057,203.77	877,575.47
CASH FLOW FROM INVESTING ACTIVITIES:		
Investments in intangible and tangible assets	-506,774.98	-1,312,452.51
Acquisition of subsidiaries	0.00	385,680.00
CASH FLOW FROM INVESTING ACTIVITIES (B):	-506,774.98	-926,772.51
CASH FLOW FROM FINANCING ACTIVITIES:		
Loan disbursements	1,300,282.00	1,173,134.00
Loan repayments	-2,135,619.27	-1,950,610.17
CASH FLOW FROM FINANCING (C)	-835,337.27	-777,476.17
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
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	283,680.38	568,588.86



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 Norrdigi 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
Total	28,702,234.80	24,227,817.80

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
Total	23,168.11	26,791.45

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
Total	33,275.00	78,984.08

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
Total	1,118,520.88	1,236,493.96

NOTES TO THE CONSOLIDATED BALANCE SHEET ASSETS

Intangible rights

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

Consolidated goodwill

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

Other long-term expenditure

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

Development expenses

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

Machinery and equipment

	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Carrying amount at the beginning of the	5,849,885.93	6,469,020.34
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
Carrying amounts at the end of the period	5,242,065.44	5,849,885.92

Other material goods – Art objects

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

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

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

	31 Dec. 2025	31 Dec. 2024
Accrued income and prepaid expenses		
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
Total	423,137.40	445,731.95

NOTES TO THE LIABILITIES ON THE CONSOLIDATED BALANCE SHEET

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

ITEMISATION OF EQUITY AT 31 DECEMBER 2024	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
Shareholders' equity at beginning of period	4,252,200.00	9,993,702.76	-5,373,666.29	8,872,236.47
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		
Equity at the end of the period	4,252,200.00	10,379,382.76	-6,694,942.29	7,936,640.47



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

LIABILITIES AND GUARANTEES BY BALANCE SHEET ITEM AND

	31 Dec. 2025	31 Dec. 2024
Long-term liabilities maturing after more than 5 years	331,811.15	497,716.70

Liabilities included in the balance sheet

	31 Dec. 2025	31 Dec. 2024
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.

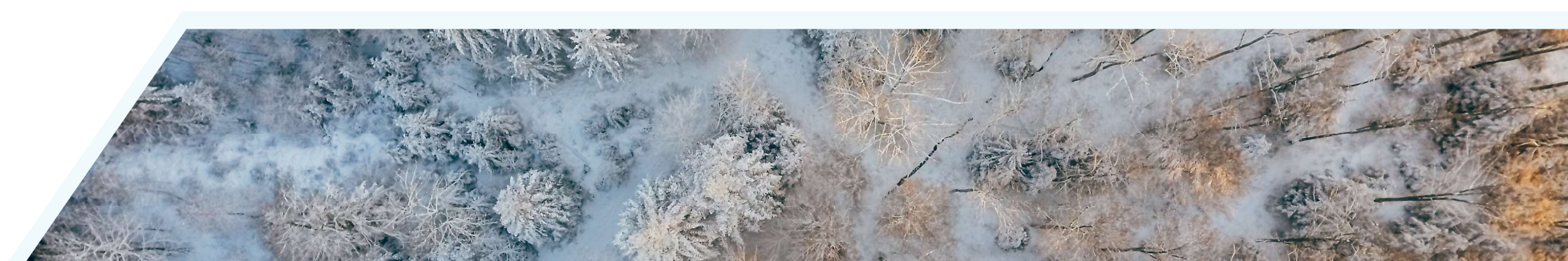
The repayment of the convertible bond shall be effected against the assignment of the notes and, in the case of partial repayment, against an entry for repayment in the note. The convertible bond shall bear an annual interest rate of 10 per cent for the loan period. The annual interest is due and payable 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.norhydro.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.



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

PLEDGES AND CONTINGENT LIABILITIES PROVIDED

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

Business guarantees	31 Dec. 2025	31 Dec. 2024
Norrdigi Oy's shares	100 kpl 2,500.00	100 kpl 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
Total	6,725,033.61	6,725,033.61

Pledges given	31 Dec. 2025	31 Dec. 2024
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
Total	205,624.00	230,289.13

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.

OFF-BALANCE SHEET LIABILITIES, VAT. 0 %	31 Dec. 2025	31 Dec. 2024
Leasing liabilities payable in the next financial period	202,823.04	226,886.80
Leasing liabilities payable later	132,862.84	322,764.87
Leasing liabilities, total (VAT. 0 %)	335,685.88	549,651.67
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
Rental liabilities, total (VAT. 0 %)	11,649,401.70	12,826,503.57

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.

TRANSACTIONS WITH RELATED PARTIES	1 jan. -31 Dec. 2025	1 jan. -31 Dec. 2024
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	2025	2024
Total	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
TURNOVER	420,000.00	420,000.00
Personnel expenses		
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
	-182,811.21	-163,838.96
Depreciation and impairment		
Other operating expenses	-197,251.59	-277,078.72
OPERATING PROFIT	39,937.20	-20,917.68
Financial income and expenses		
Other interest and financial income, from others	21.79	49.58
Interest and other financial expenses, to others	-277,712.26	-346,774.46
	-277,690.47	-346,724.88
PROFIT (LOSS) BEFORE ACCOUNTING TRANSFERS AND TAXES	-237,753.27	-367,642.56
PROFIT (LOSS) FOR THE PERIOD	-237,753.27	-367,642.56

Parent company financial statements 2025



PARENT COMPANY BALANCE SHEET

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

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

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
Motimax Oy	Rovaniemi	100 %	79,041.59	89,451.34	-10,409.75	1,772.90
Norrhydro Hydraulic System Shan-gzhou 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
Motimax Oy	812,408.32	414,853.12
Changes during the financial year	0.00	397,555.20
Motimax Oy	812,408.32	812,408.32
Total	14,645,136.50	14,645,136.50

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

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

Calculation of distributable assets in equity of the parent company	31 Dec. 2025	31 Dec. 2024
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
Distributable funds, total	10,205,811.98	10,443,565.25



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
Total	1,800,000.00	2,973,202.11

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
Total	2,942,282.38	3,510,659.28

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
Total	0.00	24,000.00

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
Total	3,000,000.00	3,000,000.00



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)

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
	Voucher type	Archiving method
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 vouchers (6 years)	10 years
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

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