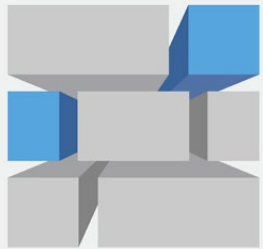


# NORR HYDRO

Annual report 2022





**YRITTÄJÄ '22**

Valtakunnallinen yrittäjäpalkinto

**5** NORRHYDRO RECEIVED  
NATIONAL ENTREPRENEUR  
AWARD 2022



**4** NORRHYDRO'S NEW CEO,  
MATIAS PARVIAINEN

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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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**6** THE NEW PRODUCTION FACILITY  
WAS COMPLETED IN ROVANIEMI

# Norrhydro in brief

Norrhydro is a Finnish pioneer in motion control and one of the leading providers of energy-efficient hydraulic cylinders in the Nordic countries. The company develops and manufactures innovative and environmentally friendly hydraulic and linear motion solutions for the needs of the forest machinery, material handling, mining, construction and marine industries, among others.

Norrhydro has more than 35 years of experience in providing quality hydraulic solutions for demanding circumstances. The company's customers are mainly Nordic and globally operating manufacturers of mobile machinery and equipment, for whom the company is a long-term strategic partner. Depending on the customer's needs, the company offers either components or complete motion control systems. The company's digital product portfolio includes the NorrDigi® system and the electromechanical linear actuator "Motiomax by Norrhydro". The NorrDigi® solution developed by the company is based on hydraulic technology which combines a multi-chamber cylinder with a patented, smart digital motion control system and advanced pressure accumulators that enable significant energy recovery in mobile machines. Motiomax by Norrhydro is an environmentally friendly and energy-efficient alternative to a conventional hydraulic cylinder.

Norrhydro's headquarters and production facility are located in Rovaniemi, and the company also has offices in Tampere and Kuopio.

## 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

EUR 29.7 million

### EBITDA

EUR 1.7 million

### Operating profit

EUR 0.8 million

### Number of employees

175

The figures are based on the Group's audited financial statements for 2022.





The Board of Directors of Norrhydro Group Plc appointed Matias Parviainen (born 1977) as the new CEO of the company as of 1 November 2022.

## CEO's review

# Strategy implementation continued on a strong growth path

Norrhydro's business developed strongly again in 2022 and, for the second year in a row, the growth was faster than expected, especially considering the simultaneous ramp-up of the new facility. Thanks to strong demand and new customer acquisition, the Group's turnover grew to EUR 29.7 million, or approximately by 20 per cent, from the previous year.

Norrhydro's EBITDA was EUR 1.7 million and EBITDA margin was 5.7% (2021: 12.0%). During the second half of the year, profitability was weakened by the ramp-down of the old factory, the move to the new facility and the resulting production shutdowns and the ramp-up of the new facility. In the autumn, operations had to be carried out in two production facilities at the same time. All of the aforementioned issues tied the company's human resources to the move and ramping up the new production facility, caused significant additional costs and kept production and delivery volumes at a lower level than usual. The move and the ramp-up of the new production facility also tied significant amounts of capital to stocks and work in-process. The impact of these is estimated to have weakened EBITDA in the second half of the year by approximately EUR 1.5 million compared to normal operations. The increase in the prices of raw materials and components that continued throughout the year also affected profita-

bility, as the increased costs could be transferred to customer prices with a delay due to the agreements in force.

The new facility will enable increase of the production volume and improvement of profitability, so investments in the second half of the year can be considered an investment in future growth.

## NEW CUSTOMERS POWER THE ENGINE OF GROWTH

Demand was good in almost all of our customer sectors and segments. Most of our growth came again from our profitable and steadily cash flow generating cylinder business, but we still expect the share of digital solutions to grow to more than 30 per cent of our turnover by 2027.

The portfolio of our digital products includes our NorrDigi® system and the electromechanical linear actuator "Motiomax by Norrhydro". The NorrDigi technology is a unique solution on the market, which, among other things, improves fuel efficiency and enables customer machines to switch to battery-powered electric machines. Motiomax by Norrhydro is an environmentally friendly and energy-efficient solution for the electrification challenges of both industrial processes and mobile machinery.

## TOWARDS THE FINANCIAL GOALS AND INTERNATIONAL MARKETS WITH DIGITAL SOLUTIONS

After a strong year, we are firmly on track to meet our financial targets of over EUR 70 million in turnover and over 16% EBITDA by 2027. In cylinder business, growth in 2022 was approximately 20 per cent, which means that we exceeded our annual target of 11 per cent compound annual growth rate (CAGR) in 2020–2027. Through our digital solutions, we seek not only growth but also opportunities to expand into new geographical markets. NorrDigi's global market has a very high market potential, and our potential growth markets include Europe, Asia and North America. The electromechanical business solutions, which were added to the company's product portfolio in 2021, have already generated remarkable interest, and several negotiations and projects with potential customers are ongoing in both the industrial and mobile machinery sectors. The importance of further development of the Moti-omax by Norrhydro electric cylinder is also reflected in the EMMA2 grant we received from Business Finland in 2022.

**"There is great demand for smart motion control solutions, energy efficiency and electromechanical solutions, and we have excellent opportunities to build our success story on them."**

## NEW PRODUCTION FACILITY READY FOR STRONG GROWTH

Our new world-class production facility was completed in Rovaniemi in the summer of 2022 and it was commissioned during the autumn of 2022. The investment of over EUR 17 million is the largest in our history and we celebrated this achievement together with our customers, partners and employees at the opening ceremony on 18 November 2022. The new facility will gradually double the cylinder capacity of the old factory over the next few years and enable the launch of the serial production of the NorrDigi and Moti-omax products, among others.

Norrhydro is a significant local employer in Rovaniemi, and we have already managed to create around 60 new jobs in Rovaniemi over the last 12 months, both in production and on the white-collar employee side. The company has always invested in the occupational safety and well-being of its personnel, and these are an important part of our daily operations also in the new production facility. One good example of the importance of occupational safety is the company's internal project "Zero accidents", which was launched in the autumn of 2022.

In the sensitive northern environment, we also want to take responsibility for the energy efficiency and environmental friendliness of our own operations. The new facility will reduce the emissions of our production by approximately 20 per cent compared to the emissions of the old facility. The environment and carbon footprint have been taken into account already during the facility's construction phase. The solar panels placed on the roof of

the production facility, with which some of the electricity of the new production plant is produced, are a visible indication of this to outsiders. Another practical example of responsibility in our own operations is the utilisation of waste heat from cooling by transferring it to the local district heating network. With the new production facility, we also succeeded in taking the next step in sustainability by switching to environmentally friendly local heat produced with renewable forms of energy.

## NATIONAL ENTREPRENEUR AWARD 2022

Norrhydro was awarded the traditional and highly respected National Entrepreneur Award in Tampere on 22 October 2022. The reasons given for the award included the importance of research cooperation in our company's operations and a strong development approach, as evidenced by our digital solutions unit in Tampere, for example. The construction of our new production facility in Rovaniemi at a challenging time and last year's stock exchange listing – as the only listed company in Rovaniemi – were also strong merits in presenting the award to our company.

Regarding the Entrepreneur of the Year Award, we would also like to emphasise the importance of our skilled and committed employees and of all other partners and stakeholders.

## OUTLOOK FOR 2023 IS PROMISING

In 2023, we will focus on the commissioning of the new production facility and on improving productivity as well as strengthening cooperation with existing customers and on acquiring new international customers outside Scandinavia. The

importance of our digital solutions for our future is remarkable, which is why, during 2023, we will increase the focus and resources on the implementation of these solutions' current projects and the acquisition of new customers, so that we can increase our market share in terms of energy efficiency and environmentally friendly solutions according to our strategy.

We believe that the difficult geopolitical situation, energy-related challenges and possible recession will not slow down our growth rate in the coming year either.

Our business is based on several segments in traditional hydraulics. The versatility of our operations is a factor that provides a strong basis for the company's growth despite many threats. The still-evolving hydraulics market is blowing tailwinds to our growth. The use of hydraulics is constantly expanding into new industries – our digital product portfolio offers our customers an alternative to traditional hydraulics as well as paves the way for increasing electrification in the future, regardless of the segment.

During 2023, we will also offer our customers tailor-made solutions for both traditional cylinder and digital business. We want to continue to be a long-term strategic partner for our customers, helping them to succeed, and at the same time succeeding ourselves. Thus our motto "Partner in Success".

**Matias Parviainen**  
CEO



# The world's best production facility for cylinders was completed in the summer of 2022

The approximately EUR 17 million production facility project launched by Norrhydro in spring 2021, contracted by Lehto Toimitilat Oy and developed by OP Toimitilakiinteistö Ky, was completed in the summer of 2022. The production was transferred from the old facility to the new production facility during the autumn of 2022.

The brand-new "world's best cylinder production facility" will double the production capacity once all planned investments in machinery have been made. In the future, the production capacity can be increased further with additional investments to be 3–4 times the capacity of the old facility. In the first phase of the project, the production capacity increased by 20 per cent and, at the same time, CO2 emissions have decreased by about 20 per cent compared to the old factory.

The design of the new production facility takes into account the production needs of hydraulic cylinders and digital solutions, such as NorrDigi and Motimax by Norrhydro. The manufacture of cylinders requires the production facility to take into account many special features, such as the cleanli-

ness of the hydraulics, increased automation, floor carrying capacity and vibrationless production. It is important to pay attention to the free placement of machines in the production premises as well as the use of travelling crane rails both indoor and outdoors. The already high level of occupational safety at the new facility will be further improved.

## ENVIRONMENTALLY FRIENDLY SOLUTIONS AT ALL STAGES OF PRODUCTION

The outdoor areas of the production facility are designed for the handling and storage of long materials, protected from the weather. The roof structures were designed to fit the solar panels, and the production facility's HVAC systems were implemented to enable the utilisation of the heat generated in the production. These solutions support Norrhydro's mission to play its part in ensuring a cleaner world for future generations, and allow Norrhydro to offer environmentally friendly solutions to its customers. We have applied LEED certification for the production building itself, which takes into account the building's environmental friendliness and carbon footprint.

In this major investment, the most important thing was to improve productivity and enable new production technologies to support Norrhydro's

significant growth and internationalisation goals. In addition to the new production building, the investment includes significant investments in machinery and equipment, such as a friction welding machine, a modernised paint shop and several washing machines that improve the cleanliness of the hydraulics.

The new Norrhydro production facility is a significant source of employment for Rovaniemi and all of Lapland. As a result of the new production facility and increasing capacity, Norrhydro is estimated to create more than 100 new industrial jobs in Rovaniemi within a few years, of which about 60 (including temporary agency workers) were already realised in 2022.

**"The production capacity can be increased 3–4 times compared to the old level. In the first phase of the project, the production capacity will be increased by 20 per cent and, at the same time, CO2 emissions will be reduced by up to 20 per cent per year compared to the old production facility."**



# Key figures

	1.1.-31.12.2022	1.1.- 31.12.2021
Turnover	29,705	24,693
EBITDA	1,697	2,968
EBITDA, %	5.7%	12.0%
Operating profit	825	2,177
Operating profit, %	2.8%	8.8%
Profit for the financial period	43	353
Profit for the financial period, %	0.1%	1.4%
Cash flow from operating activities	-408	756
Return on investment, %	4.2%	15.2%
Return on equity, %	0.4%	4.8%
Equity ratio, %	38.3%	50.7%
Current ratio	1.53	1.74
Quick ratio	0.53	1.09
Earnings per share, undiluted, EUR	0.004	0.04
Earnings per share, diluted, EUR	0.004	0.04
Personnel at the end of the period	175	144





# Key elements of the strategy

## GROWTH IN TURNOVER ORGANICALLY AND THROUGH SELECTED ACQUISITIONS

Norrhydro's aim is to increase turnover organically and through acquisitions. The target is to achieve profitable growth and a turnover of more than EUR 70 million by 2027. Growth is sought in the cylinder business as well as international operations and by increasing the share of digital solutions to over 30 per cent of turnover. In terms of turnover of the cylinder business, the company aims to achieve a compound annual growth rate (CAGR) of approximately 10 per cent between 2020 and 2027.

## EXPANSION INTO NEW GEOGRAPHICAL MARKETS, IN PARTICULAR THROUGH THE COMMERCIALISATION OF ENERGY-EFFICIENT SOLUTIONS AND NORRDIGI MOTION CONTROL SYSTEM

Norrhydro's business consists of two pillars: the profitable cylinder business with steady cash flow and digital solutions that include both the NorrDigi motion control system and the Motiomax by Norrhydro electric cylinders. In the future, Norrhydro will seek strong growth and opportunities to expand into new geographical markets through the company's digital solutions. The NorrDigi motion control system, which combines artificial intelligence and digitalisation, represents a global and advanced

technology that saves energy and significantly reduces emissions. According to the Company's assessment, the NorrDigi system has the potential to revolutionise the entire industry. The aim is to commercialise the system and start serial production by 2024 at the latest. At the same time, the company offers the NorrDigi system to new customers and segments. Motiomax by Norrhydro is the company's environmentally friendly and energy-efficient alternative to conventional hydraulic cylinders.

## EXPANDING TECHNOLOGICAL KNOW-HOW AND PRODUCTION CAPACITY

Norrhydro aims to renew the mobile machinery and equipment industry with its innovations. The company's goal is to be the technology leader in its field, for whom patented solutions and in-house product development bring a decisive competitive advantage. The company continues its close development cooperation with leading equipment manufacturers and research institutes.

Norrhydro's goal is to expand its technological expertise and production capacity also through acquisitions and further investments in the new production facility in Rovaniemi. The new production facility will serve both digital products and the traditional cylinder business.

## POSITION HIGHER UP IN THE CUSTOMER'S VALUE CHAIN

Norrhydro's goal is to achieve a higher position in the customers' value chain, especially through the global commercialisation of the NorrDigi system and a partnership model that provides a competitive advantage to the customer. This development is also strongly supported by the company's electromechanical linear actuator "Motiomax by Norrhydro".





## Digital solutions

# Providing clean nature also for future generations with smart and environmentally friendly motion control systems

Saving energy and protecting the environment are the most important challenges for companies, today and in the future – and also an important part of Norrhydro's mission. In addition to energy-efficient hydraulic cylinders, a significant and growing role in Norrhydro's product portfolio is played by the smart digital solutions NorrDigi® and Motiomax by Norrhydro.

The NorrDigi system, which is based on Norrhydro's patented multi-chamber cylinders, smart digital motion control system and pressure accumulators, is a unique technology that is not available elsewhere on the market. Compared to traditional technologies, NorrDigi improves efficiency and, at the same time, significantly reduces fuel costs and CO2 emissions, for example, in construction machinery. When deployed on a large scale, this new solution will help customers to achieve their sustainability goals while improving the performance of the machines.

The NorrDigi system has been developed in cooperation with Volvo CE and the University of Tampere. The digital hydraulic system can be used not only in construction machinery but also in many other applications.

Motiomax by Norrhydro's energy-efficient products enable comprehensive electrification solutions for linear and rotary motions. Electromechanical linear actuators optimised for the customer's needs are oil-free, independently operating devices with an integrated electric motor, transmission and, if necessary, cylinder control logic. The products enable high-precision motion and high forces as well as provide a safe, clean and quiet operating environment.

There is a demand for electromechanical linear actuators, especially in the linear solutions of the process industry, but they will also become part of the electrical whole of mobile machinery, as the goals of carbon neutrality and electrification will steer different industries towards emission-free equipment and machines.

"The company's digital solutions support the electrification of Pitämobile machinery and thus the future towards emission-free equipment and machines."



# Market trends

Demand for Norrhydro's hydraulics solutions is supported by, among other things, increased demand for machines and appliances due to urbanisation, infrastructure development and construction as well as to machine manufacturers' desire to continuously invest in smarter, more efficient and more environmentally friendly solutions to improve their competitiveness. The use of hydraulics is expanding to new industries.

## TOWARDS SUSTAINABLE DEVELOPMENT BY REDUCING EMISSIONS

The rapid introduction of modern technology drives the growth of our customers' markets. The tightening of regulations related to mitigating climate change, targets for reducing emissions, development of even completely emission-free machinery and promotion of sustainable business as well as the rise of environmental awareness are driving companies to seek more energy-efficient and low-emission hydraulic solutions. The introduction of hydraulic equipment is also becoming more common in other industries, such as food production.

Sustainable development does not exclude targets for improving productivity. In fact, these two things go hand in hand for both our customers and our own product development. Norrhydro's digital products offer complete solutions for various sustainability trends, and close cooperation with the customers and public authorities is the key to

sustainable development both in industry and in the mobile machinery industries.

## EQUIPMENT MANUFACTURERS INVEST IN SMART HYDRAULICS

The growing use of automation and the increasing number of autonomous machines have significantly accelerated the use of hydraulics in machinery. The development of smart hydraulic cylinders is an important step forward in the industry, as they can be used to monitor, adjust and control the operation of the machines more efficiently. The data measured from the cylinders can be used to monitor the maintenance needs and efficiency of the machinery, so that unforeseen breakdowns of the machinery can be avoided and the equipment can be serviced at exactly the right time. Automation improves work efficiency and occupational safety, as it helps to avoid production interruptions and personal injuries caused by machine breakdowns.





# Sustainability

For us, responsibility means sustainable operations in terms of the environment, economy and people.

## KEY THEMES OF NORRHYDRO'S SUSTAINABILITY

### Environmentally friendly solutions

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

### Quality and safety of the products

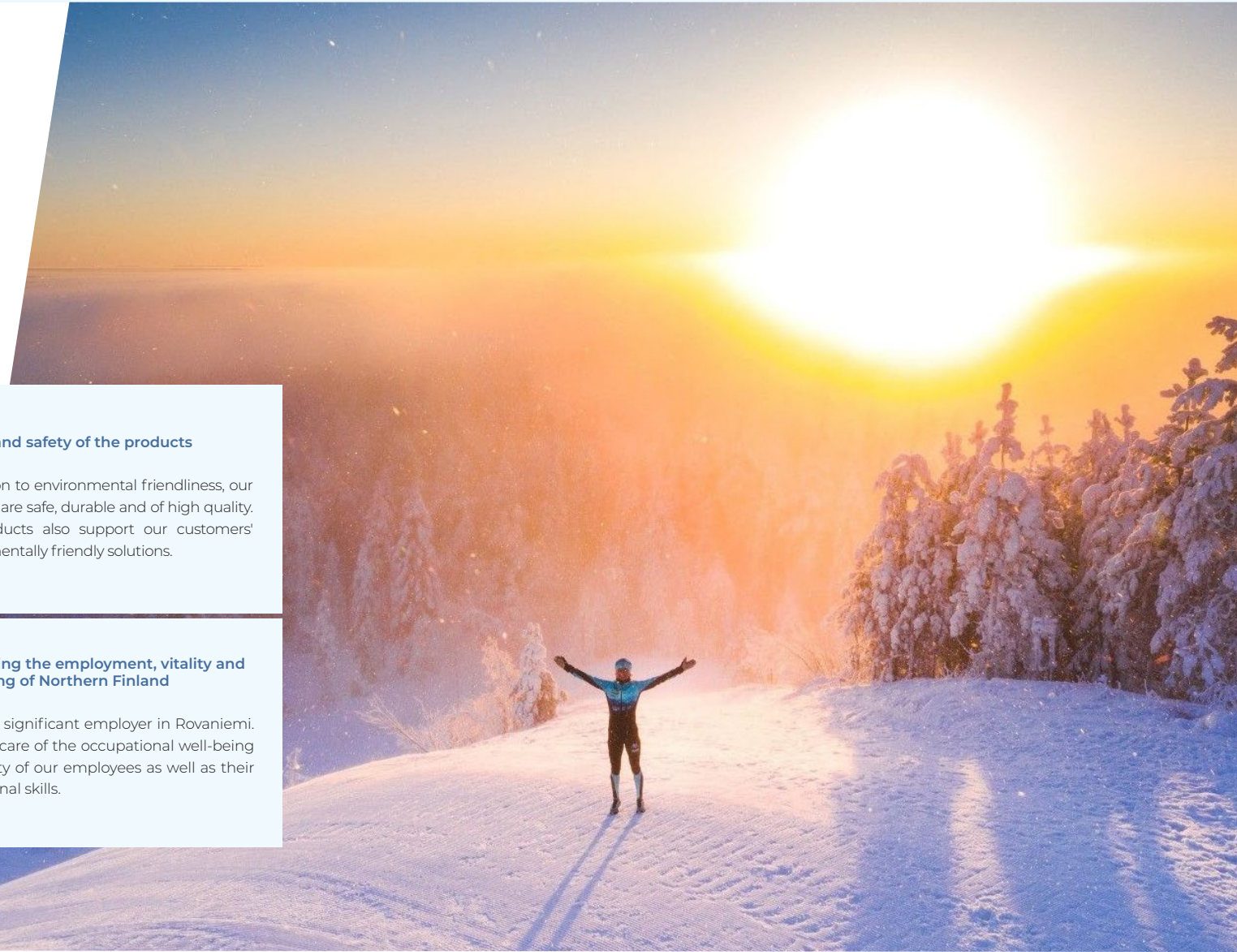
In addition to environmental friendliness, our products are safe, durable and of high quality. Our products also support our customers' environmentally friendly solutions.

### Respecting the environment in our own operations

Our goal is also to minimise the adverse environmental impact of our operations, for example, by using resources efficiently and reducing emissions from our production as well as the waste generated in our production.

### Supporting the employment, vitality and well-being of Northern Finland

We are a significant employer in Rovaniemi. We take care of the occupational well-being and safety of our employees as well as their professional skills.





## ENVIRONMENTAL RESPONSIBILITY

### SAVING ENERGY AND THE ENVIRONMENT WITH OUR SOLUTIONS

Our customers operate in industries where the environmental impacts are significant and, thus, the potential for reducing emissions is high. We take responsibility for its environment by providing our customers with solutions that help them move to low-carbon operations. Our digital solutions, NorrDigi® and Motiomax by Norrhydro, play an important role in terms of sustainability.

### THE NEW PRODUCTION FACILITY WILL SIGNIFICANTLY REDUCE EMISSIONS FROM OUR OWN OPERATIONS

We are also committed to minimising the negative environmental impact of our own operations by looking for ways to reduce the production's waste, emissions and impacts on the soil, and by using energy, water and other resources as efficiently and responsibly as possible.

Our new production facility reduces the carbon dioxide emissions of our production by approximately 20 per cent compared to the old facility. The environmental impact and carbon footprint of the production facility have already been taken into account during the construction phase and LEED certification has been applied for the building. Some of the production facility's electricity is produced with solar panels and the waste heat generated in production can be reused.



## SOCIAL RESPONSIBILITY

### EMPLOYEE SAFETY AND WELL-BEING ARE AT THE CORE OF OUR SOCIAL RESPONSIBILITY

We are a significant local employer in Rovaniemi and are committed to providing a healthy and safe working environment for all our employees and others who work with us. Our goal is to avoid all injuries, accidents and health risks. We promote occupational safety in our operations in many ways and our motto "Zero accidents" supports the achievement of our goal on a daily basis.

### JOB SATISFACTION IS REFLECTED IN LONG CAREERS

Norrhydro treats its employees fairly and respectfully and values diversity. We do not tolerate any form of discrimination in our operations. We invest in training our employees by offering courses and training which maintain and develop their skills as well as offering job rotation opportunities.

According to our annual personnel survey, our employees are particularly satisfied with our occupational safety and health level, the opportunity to utilise their own expertise and the good working atmosphere. Job satisfaction is reflected in the commitment of our personnel and their careers are typically long: in average 10 years, and even up to 35 years.



## ECONOMIC RESPONSIBILITY

### THE QUALITY AND SAFETY OF OUR PRODUCTS ARE THE CORNERSTONES OF OUR OPERATIONS

Norrhydro's key goal is to provide customers with high-quality and environmentally friendly products and services that meet or even exceed customer and industry requirements.

The company complies with ISO 9001 quality management standard, which aims to continuously improve operations and increase customer satisfaction. By adhering to the standard, we guarantee that the products and services always meet the requirements of our customers as well as those of the authorities.

### GLOBAL SOURCING SUPPORTS PROFITABLE GROWTH

Our key competitive advantage is the global supply network we have built over the years, in which there are always numerous suppliers for the most important materials and components. The extensive procurement network consists of large suppliers that are well-known in the industry, whose products are known to represent the top quality in their field, who meet our exact product requirements and whose operations we consider to be responsible and thus, the reliability, cost-effectiveness and quality of deliveries are improved. In our integrated supply chain model, demand forecasts guide our sourcing operations, which guarantees the availability of critical materials and components.



# Board of Directors



**Yrjö Trög**

MASTER OF ECONOMIC SCIENCES  
CHAIR OF THE BOARD, 2022–

Board member since 2007

Norrhydro Group Plc, CEO, 2007–

Economica Yrityspalvelut Oy, CEO, 1995–

Accountor Group Oy, Regional Director, 2007

On 31 December 2022, Trög owned 4,231,033 shares of the company through Economica Yrityspalvelut Oy, corresponding to 38.8% of the company's shares.



**Juhani Kangas**

MASTER OF ARTS  
BOARD MEMBER, 2022–

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 2022, Kangas owned 1,660,362 shares of the company through Helle-Kangas Consulting Oy, corresponding to 20.1 per cent of the company's shares.



**Jukka Jokinen**

MASTER OF ECONOMIC SCIENCES  
VICE CHAIR OF THE BOARD, 2022–

Board member since 2018

BRP Finland Oy, CEO, 2008–2017

Henkilöpalvelu JJ Oy, Founder and CEO, 2005–  
2008

Outokumpu Group, several managerial positions,  
1989–2005

Jukka Jokinen is independent of the company and its significant shareholders.

On 31 December 2022, Jokinen owned 15,674 shares in the company.



**Hannu Rusanen**

MASTER OF SCIENCE IN ENGINEERING  
BOARD MEMBER, 2018–

Konecranes Plc, managerial positions, 2003–2014

ABB Oy, managerial positions, 1995–2002

Oy Tampella Ab, managerial positions, 1982–1995

Hannu Rusanen is independent of the company and its significant shareholders.

On 31 December 2022, Rusanen owned 15,364 shares in the company.



**Tapio Lehti**  
MASTER OF SCIENCE IN ENGINEERING  
BOARD MEMBER, 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

Tapio Lehti is independent of the company and its significant shareholders.



**Hanna-Maria Heikkinen**  
MASTER OF ECONOMIC SCIENCES  
BOARD MEMBER, 2022–

Wärtsilä Corporation, Vice President, Investor Relations, 2021–

Cargotec Corporation, Vice President, Investor Relations, 2016–2021

Valmet Plc, Vice President, Investor Relations, 2013–2016

YIT Corporation, Vice President, Investor Relations, 2010–2013

Nordea Markets, Equity Analyst, 2007–2010

Hanna-Maria Heikkinen is independent of the company and its significant shareholders.



**Asko Myllymäki**  
eMBA  
BOARD MEMBER, 2022–

Raatihuone Oy, Chair of the Board/Partner, 2018–

Toivo Group Plc Chair of the Board/Partner, 2018–

Päätoimija Oy – Lehto Group Plc, Development Director/ Business Director COO, Partner, 2008–2018

Myllymäki Invest Oy, CEO 2008–

Myllymäki Trading Oy, Development Director/Partner, 2005–2007

Myllymäen Rauta Oy, entrepreneur/CEO, 1994–2005

Asko Myllymäki is independent of the company and its significant shareholders.

Myllymäki indirectly owns 285,714 shares in the company through Myllymäki Invest Oy, which is 2.62 per cent of the company's shares.

"New board members bring expertise and new aspects in hydraulics, communication and in entrepreneurship to support the company's long-term targets"



# Management Team



**Marko Mylläri (5)**  
Head of Operations

**Heidi Sederholm (3)**  
QEHS Manager

**Hanne Sarajärvi (2)**  
CFO

**Matias Parviainen (1)**  
CEO

**Johanna Kaikkonen (6)**  
HR Manager

**Anniina Piira-Wendeler (4)**  
Director of Sales and Marketing

# Management Team

## 1 **Matias Parviainen** CEO 11/2022–

### MASTER OF ECONOMIC SCIENCES

#### Key work experience

Riikku Group Ltd, CEO, 6/2017–11/2022

Riikku Group, Chair positions at Sakkes Ab, Glassy As, Riikku Koti Oy

Ruukki Construction, Business Director, 1/2015–6/2017

Business Development and Management positions in various industries, 2002–2015

## 2 **Hanne Sarajärvi** CFO SINCE 2021

### MASTER OF SOCIAL SCIENCES (BUSINESS ADMINISTRATION AND MANAGEMENT), BACHELOR OF BUSINESS ADMINISTRATION

#### Key work experience

Roadscanners Oy, Chief Financial Officer, 2013–2021

Sarajärvi owned 116 shares of the company on 31 December 2022.

## 3 **Heidi Sederholm** QEHS MANAGER SINCE 2021

### MASTER OF SCIENCE IN ENGINEERING

#### Key work experience

KONE Corporation Finland, Supply line quality and environmental manager, 2015–2021

KONE Corporation, Global component manager in mechanics category, 2011–2015

KONE Corporation, several different positions, 2007–2011

Suunto Oy, Development Engineer, 2006–2007

ABB Drives Oy, Design Engineer, 2005–2006

## 4 **Anniina Piira-Wendeler** DIRECTOR OF SALES AND MARKETING SINCE 2020

### BACHELOR OF BUSINESS ADMINISTRATION (COMMERCE, INTERNATIONAL BUSINESS)

#### Key work experience

Rheinmetall Automotive AG, Senior Sales Manager, 2012–2020

Rheinmetall Automotive AG, other tasks, 2001–2012

Piira-Wendeler held 14,857 shares of the company on 31 December 2022.

## 5 **Marko Mylläri** HEAD OF OPERATIONS SINCE 2022

### BACHELOR'S DEGREE, VEHICLE ENGINEERING

#### Key work experience

Norrhydro Group Oyj, Head of Engineering and Sourcing since 2019-2022

Marttiini Metal Ltd, CEO, 2019

Kalottikone Ltd, CEO, 2015–2019

Picodeon Ltd, CEO, 2012–2015

JOT Automation Oy, COO, 2008–2012

Oulu Innovation Ltd, Development Director, 2007–2008

Nokia Corporation, various positions related to R&D HW, 2000–2006

Bombardier Recreational Products Inc., various positions, 1995–2000

On 31 December 2022, Mylläri owned 15,000 shares in the company.

## 6 **Johanna Kaikkonen** HR MANAGER SINCE 2021

### VOCATIONAL QUALIFICATION IN BUSINESS AND ADMINISTRATION, SPECIALIST QUALIFICATION IN BUSINESS ADMINISTRATION, FINANCIAL AND HR

#### Key work experience

Norrhydro Group Plc, Office Manager, 2020–2021

Norrhydro Group Plc, Accountant, 2008–2019

K-Rauta Rovaniemi, Office Manager, 2007–2008

K-Rauta Rovaniemi, Office Worker, 1997–2007

On 31 December 2022, Kaikkonen owned 5,075 shares in the company.

# Information for shareholders

## SHARES AND SHARE REGISTER

The Norrhydro Plc share is traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Oy under the stock symbol NORRH. The company has one series of shares. Each share has equal voting rights and the company's shares give equal rights to dividends.

## AT THE END OF THE FINANCIAL PERIOD, THE SHARE CAPITAL OF THE COMPANY WAS

EUR 4,252,200 and it was divided into 10,901,638 shares. At the end of the review period, the company does not hold its own shares. The shares are included in the book-entry system maintained by Euroclear Finland, in which a list of the company's shares and their owners is maintained. A shareholder is obligated to indicate their current address and other matters related to their shareholding in the register in which they have a book-entry account or share savings account.

## DIVIDEND POLICY AND CAPITAL REPAYMENT PROPOSAL

Norrhydro's objective is to distribute a dividend of 20–30 per cent of the result for the financial period. The company evaluates the prerequisites for profit distribution on an annual basis in such a way that the distribution does not jeopardise the company's

investments in growth or other Norrhydro's financial targets in accordance with its strategy. The Board of Directors proposes to the Annual General Meeting that a return of capital of EUR 0.06 per share be distributed to shareholders for the financial year 2022 in two instalments as follows:

On the basis of the resolution of the AGM, a capital repayment of EUR 0.03 per share will be paid, i.e. a total of EUR 327,049.14 to those shareholders who are registered on the record date 5 April 2023 in the shareholders' register of the Company maintained by Euroclear Finland Oy. The payment date is 14 April 2023. In addition, the Board of Directors is authorised to decide on the payment of the capital repayment so that the maximum amount of the capital repayment payable under the authorisation is EUR 0.03 per share, i.e. a maximum of EUR 327,049.14. On the basis of the authorisation, the Board of Directors is entitled to decide on the amount of the return of capital within the limits of the aforementioned maximum amount, the record date of the return of capital, the date of payment of the return of capital and other measures required in the matter. The possible capital repayment to be paid in accordance with the authorisation will be paid to the shareholders who are registered on the record date in the shareholders' register of the Company maintained by Euroclear Finland Oy.

The Company will publish any decision made by the Board of Directors under the authorisation as well as the record dates and payment dates. The authorisation is valid until the beginning of the next Annual General Meeting.

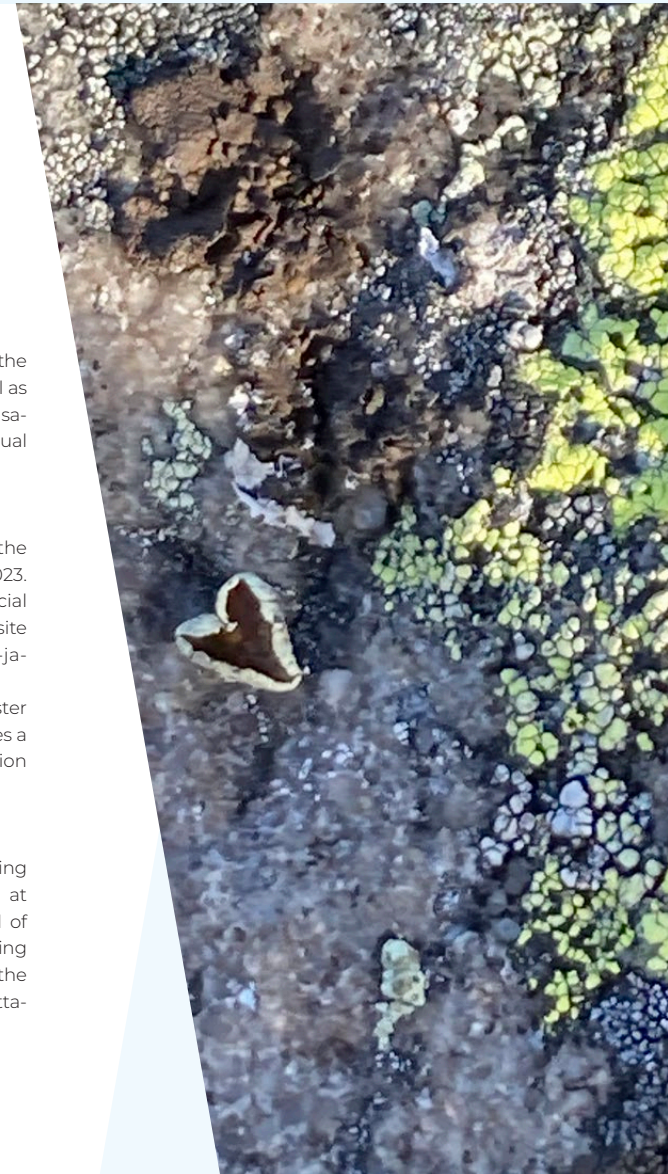
## FINANCIAL REPORTING 2023

Norrhydro will publish a half-year report for the period 1 January to 30 June 2023 on 11 August 2023. From the moment of their publication, financial reports will be available on the company's website at [www.norrhydro.com/fi/sijoittajat-raportit-jaisitykset](http://www.norrhydro.com/fi/sijoittajat-raportit-jaisitykset).

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 2023 is planned to be held on 3 April 2023 at 10:00 a.m. in Rovaniemi. The company's Board of Directors convenes the Annual General Meeting separately. More information is available on the company's website at [www.norrhydro.com/fi/sijoittajat-yhtiokokous](http://www.norrhydro.com/fi/sijoittajat-yhtiokokous).





### NORRHIDRO INVESTOR RELATIONS

The aim of our investor relations activities is to support the correct valuation of Norrhydro's share by continuously and consistently providing all essential information about the company to all market participants. We want to serve both private investors as well as institutional investors and analysts following the company in Finland.

### INVESTMENT ANALYSIS

Inderes Oyj monitors and analyses Norrhydro as an investment.

Average trading rate on  
30 December 2022

EUR 3.17/share

### INVESTOR RELATIONS CONTACT PERSONS

#### Matias Parviainen

CEO  
matias.parviainen@norrhydro.com

#### Hanne Sarajärvi

CFO  
hanne.sarajarvi@norrhydro.com

Market value on  
30 December 2022

EUR 34.1 million

### 10 LARGEST SHAREHOLDERS ON 31 DECEMBER 2022

	NUMBER OF SHARES	PERCENTAGE OF SHARES
1. Economica Yrityspalvelut Oy	4,231,033	38.81
2. Helle-Kangas Consulting Oy	1,660,362	15.23
3. Ilmarinen Mutual Pension Insurance Company	595,238	5.46
4. Kari Juha Elias	350,993	3.22
5. Myllymäki Invest Oy	285,714	2.62
6. Penttinen Hannu Sakari	262,453	2.41
7. Op-Suomi Mikroyhtiöt -erikoissijoitusrahasto	127,998	1.17
8. Reinzen Oy	119,048	1.09
9. Triton Seasafety Oy	76,492	0.70
10. Wastmäki Invest Oy	59,524	0.55
10 the largest total	7,768,855	71.26

### DEVELOPMENT OF THE SHARE PRICE



# Norrhydro's strengths



**Over 35 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 proprietary intellectual property rights and close development cooperation with OEMs and research institutes**



**Significant global growth potential of digital solutions**

We improve our customers' competitiveness with environmentally friendly hydraulic solutions tailored to customers' individual needs. With decades of experience, our high-quality products have been created to be durable, energy-efficient and productive – operating in demanding conditions such as Arctic cold and heavy mechanical use. Our unique technological know-how, which also covers digital applications, as well as our extensive production capacity enable the development of innovative solutions.

We have grown steadily in recent years and our profitability has been strong. Our financial success has been based on profitable cylinder business with steady cash flow, long-term strategic partnerships with our customers, successful new customer acquisition and solutions that provide added value to the customer. Our profitable growth has been supported also by our global procurement network and the development of production and automation in our operations.

About 70 per cent of our net sales come from decades long customer relationships with leading machine and equipment manufacturers. We are our customers' strategic, long-term partner who develops solutions in cooperation with them. Long-term partnership agreements provide us with predictable and stable turnover and visibility into the future, even in unstable situations. They also speak for our expertise to potential new customers.

Our goal is to renew the operation of mobile machinery and equipment through our own innovations, which we develop together with leading research institutes and our customers. We have been cooperating with Tampere University of Technology in the field of digital hydraulics for nearly 15 years. NorrDigi, our intelligent and energy-saving motion control system, has been developed together with Tampere University of Technology and our long-term partner Volvo CE.

NorrDigi, which is on the verge of commercialisation, is a unique technology that accelerates our strategy of growth and expansion into new geographical markets in Europe, Asia and North America. NorrDigi enables the use of electric motors and batteries in mobile machinery. From 2021, the digital solutions are complemented by an electromechanical linear actuator, Motiomax by Norrhydro, which is an almost oil-free, energy-efficient and environmentally friendly alternative to conventional cylinders. Our digital solutions can transform the entire industry.





**NORR  
HYDRO**