

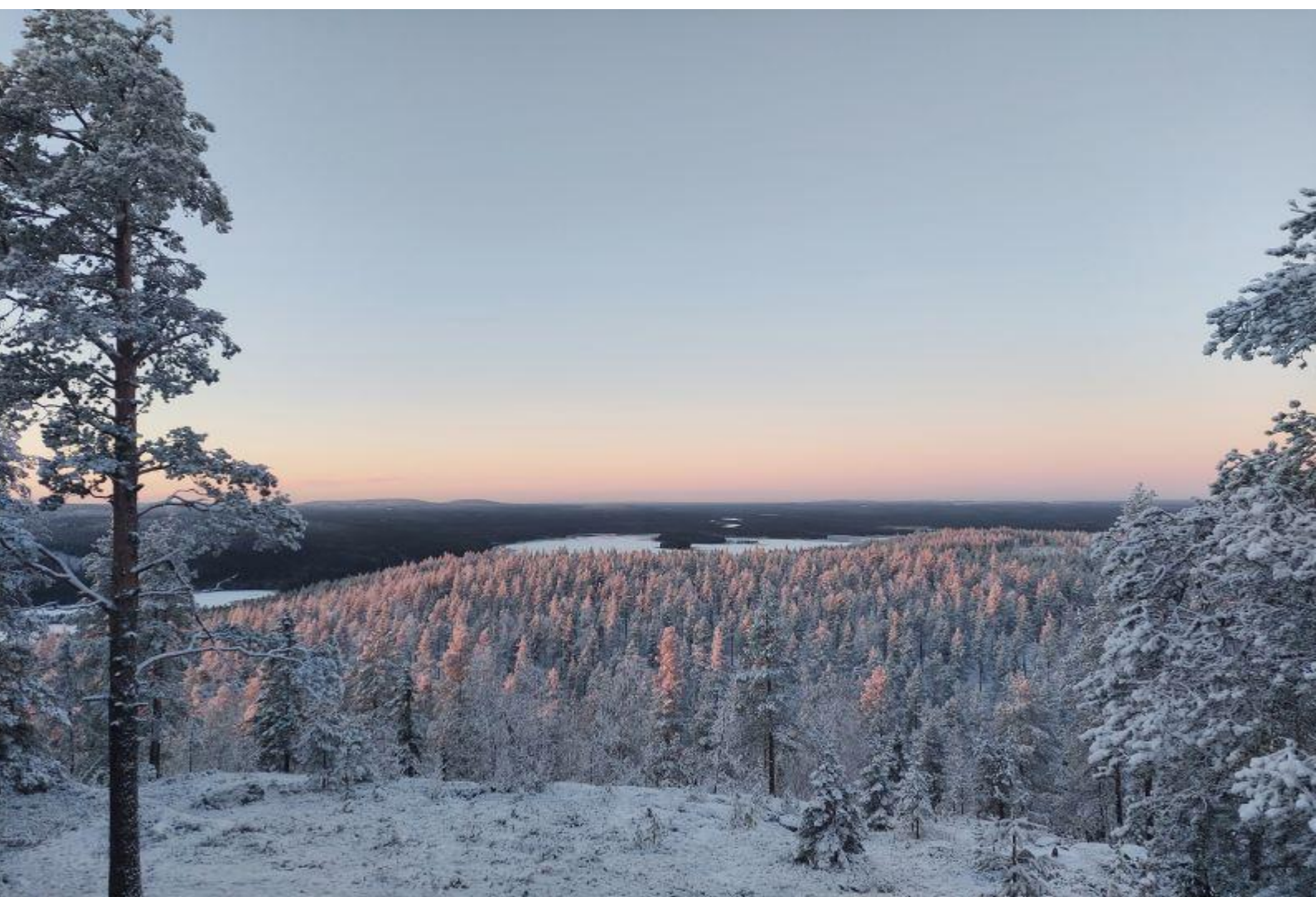
NORRHYDRO GROUP PLC

Financial Statement Bulletin

1.1.–31.12.2025

Business ID: FI21446562

Ratavartijankatu 2, 96100 Rovaniemi



Financial Statement Bulletin 2025 of Norrhydro Group Plc:

On the path to profitable growth

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

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

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

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

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

Financial statement bulletin has not been audited.

January-December 2025 in brief

- Turnover increased 18.5 % to EUR 28,702 (24,228) thousand
- EBITDA was EUR 2,651 (1,258) thousand
- EBITDA margin was 9.2 % (5.2 %)
- Operating profit was EUR 1,352 (-85) thousand
- Profit for the period was EUR 233 thousand, 0.8 % of the turnover
- Earnings per share were EUR 0.021 (-0.120)
- Diluted earnings per share were EUR 0.020 (-0.112)
- Return on equity was 2.9 % (-15,72 %)
- Equity ratio was 34.6 % (33.2 %)
- Cash flow from business operations was EUR 1,057 (878) thousand

July-December 2025 in brief

- Turnover increased 24.3 % to EUR 13,824 (11,118) thousand
- EBITDA was EUR 1,424 (486) thousand
- EBITDA margin was 10.3 % (4.4 %)
- Operating profit was EUR 779 (-191) thousand
- Profit for the period was EUR 225 (-878) thousand
- Earnings per share were EUR 0.020 (-0.08)
- Diluted earnings per share were EUR 0.019 (-0.07)

Thousand euros	1 July –31 Dec. 2025	1 July –31 Dec.2024	Change	1 Jan. –31 Dec. 2025	1 Jan. –31 Dec. 2024	Change
Turnover	13,824	11,118	+24.3 %	28,702	24,228	+18.5 %
EBITDA	1,424	486	+192.8 %	2,651	1,258	+110.7 %
EBITDA, %	10.3 %	4.4 %		9.2 %	5.2 %	
Operating profit	779	-191	+508.2 %	1 352	-85	+1,690.6 %
Operating profit, %	5.6 %	-1.7 %		4.7 %	-0.3 %	
Result for the financial period	225	-878		233	-1,321	
Result for the financial period, %	1.6 %	-7.9 %		0.8 %	-5.5 %	
Cash flow for business operations				1,057	878	
Return on investment, %				7.58 %	-0.5 %	
Return on equity, %				2.90 %	-15.7 %	
Equity ratio, %				34.6 %	33.2 %	
Current ratio				1.07	1.09	
Quick ratio				0.21	0.21	
Earnings per share, undiluted €	0.020	-0.08		0.021	-0.120	
Earnings per share, diluted, €	0.019	-0.07		0.020	-0.112	
Personnel at the end of the period				135	151	

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 the gradual recovery of the economy 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.

Chief Executive Officer's report

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

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

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

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

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

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

We expect profitable growth to continue during 2026.

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.

Turnover, profit and financial position

January-December 2025

In January-December 2025 turnover was EUR 28,702 (24,228) thousand, increase of 18.5 per cent. EBITDA was EUR 2,651 (1,258) thousand, representing 9.2 (5.2) per cent in the period under review. Group's return on capital employed (ROCE) was 7.58 (-0.45) per cent.

Personnel expenses during the period amounted to EUR 7,369 (6,442) thousand. Other operating expenses amounted to EUR 4,000 (3,402) thousand. Net financial expenses amounted to EUR 1,119 (1,236) thousand. Exchange rate gains and losses due to changes in exchange rates have been recognised in financial items, with a net effect of EUR 1 (13) thousand.

Profit for the period was EUR 233 (-1,321) thousand. Undiluted earnings per share were EUR 0,021 (-0.120) and diluted earnings per share were EUR 0.020.

July-December 2025

In July-December 2025 turnover was EUR 13,824 (11,118) thousand, increase of 24.3 per cent. The EBITDA was EUR 1,424 (486) thousand, representing 10.3 (4.4) per cent of turnover.

Personnel expenses during the second half of 2025 amounted to EUR 3,526 (3,225) thousand. Other operating expenses amounted to EUR 1,956 (1,497) thousand. Net financial expenses amounted to EUR 555 (688) thousand.

Profit for the period was EUR 225 (-878) thousand. Earnings per share were EUR 0,020 and diluted earnings per share were 0,019.

Balance sheet and financial position

Balance sheet total at the end of the financial period was EUR 23,649 (23,955) thousand. Current assets amounted to EUR 8,224 (7,406) thousand. Short-term receivables amounted to EUR 1,112 (1,160) thousand and liquid assets to EUR 284 (569) thousand. Group equity amounted to EUR 8,170 (7,937) thousand and parent company's equity amounted to 14,458 (14,696) thousand.

Interest-bearing liabilities amounted to EUR 9,376 (10,162) thousand. The Group's loans from financial institutions consist of both secured and unsecured loans. Some of these loans are subject to financial covenants that may affect the loan terms, mainly the interest rate payable. The review date of the covenants is at the end of the financial year on 31 December 2025. One of covenant terms were broken at the end of financial year 2025 and after the reporting period the company has received waivers from financiers stating that loans are not subject to premature collection and term will not be changed. The Group's net debt amounted to EUR 9,093 (9,594) thousand, and the net gearing ratio was 111.3 (120.9) per cent. Equity ratio was in the end of period 34.6 (33.2) per cent. Cash flow from operating activities in 2025 amounted to EUR 1,057 (878) thousand. Cash flow from investing activities amounted to EUR -507 (-927) thousand.

Personnel and management

At the end of the financial period, the Group had 135 employees and at the beginning of the financial period, 149 employees. On average, the Group employed 140 people during the financial period. In addition, the Group had an average of 2 leased employees during the financial period.

31.12.2025 the company's Executive Management Team consists of CEO Yrjö Trög, Vice President Sales and Marketing Anniina Piira-Wendeler, Digital Business Director Carl Mattson, CFO and Head of HR Johanna Kaikkonen, Production Director Mikko Välitalo and Director of Quality, Sustainability and Product Management Heidi Sederholm.

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' preemptive 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 Company's Board of Directors consists of Juhani Kangas (Chairman of the Board), Pekka Helle (Vice Chairman of the Board) Yrjö Trög (CEO), Tapio Lehti, and Antto Trög.

The minutes of the Annual General Meeting are available on Norrhydro's investor pages at www.norrhydro.com/en/investors-general-meetings.

Shares and shareholders

Norrhydro Group Plc held 11,086,119 shares at the end of the financial period. The average number of shares issued in the market during the financial period was 11,026,119. Each share entitles its holder to one vote at the company's Annual General Meeting, and they confer an equal right to dividends.

At the end of the financial period, the company's share capital amounted to EUR 4,252,200. At the end of the review period, the company does not hold any of its own shares. The subsidiary Norrhydro Oy owns 60,000 shares of the parent company Norrhydro Group Plc.

Between 1 January and 31 December 2025, a total of 1,841,545 Norrhydro shares were traded, representing 16.61 % of the total number of shares. The value of the exchange was approximately EUR 2.4 million.

The closing price of the share on the last trading day of the review period was EUR 1.20 per share. The lowest trading price during the review period was EUR 1.13 per share, the highest EUR 1.79 per share and the average price during the period EUR 1.35 per share. Norrhydro Group's market capitalization at the end of the review period was EUR 13.3 million.

At the end of the financial period on 31 December 2025, the company had 4,822 (5,385) shareholders.

Biggest shareholders on 31 December 2025

	Shares, pcs	Ownership, %
Economica Yrityspalvelut Oy	3,646,360	32.89
Helle-Kangas Consulting Oy	1,660,362	14.98
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	595,238	5.37
Kari Juha Elias	329,293	2.97
Myllymäki Invest Oy	285,714	2.58
Penttinen Hannu Sakari	220,759	1.99
Triton Seasafety Oy	176,492	1.59
Terrasolid Oy	147,246	1.33
Reinzen Oy	119,048	1.07
Wastmäki Invest Oy	100,000	0.90
10 largest shareholders total	7,280,512	65.67 %

Near-term risks and business uncertainties

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.

Proposal for the distribution of profit

- 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' proposal for the distribution of profits:
 - The Board of Directors will be 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 ratio of return of capital per share may change if the number of the Company's shares changes after the date of this notice of the General Meeting.
 - The authorization will remain valid until the beginning of the next Annual General Meeting.
 - The parent company's loss for the financial year is transferred to retained earnings

Financial reporting and the Annual General Meeting 2026

The Financial Statements Bulletin for the financial period 1 January–31 December 2025 will be published on Thursday, 19 February 2026.

The Annual Report, including the financial statements for 2025, will be published on the Company's website and through a company announcement by 3 March 2026 at the latest.

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

Rovaniemi, 19 February 2026

Norrhydro Group Plc

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<https://www.norrhydro.com/en>

Norrhydro Group Plc in brief

Norrhydro, founded in 1985, is a Finnish forerunner in motion control and a provider of energy-efficient hydraulic cylinders and system suppliers specialising in high-quality, customised and energy-efficient hydraulic cylinders and demanding linear motion control systems and mobile equipment. The Company has 40 years of experience in developing and manufacturing customised hydraulic cylinders and liners motion control systems for the most demanding conditions and environments. In 2025, the Company generated revenues of EUR 28.7 million, EBITDA of EUR 2.7 million (adjusted) and operating profit of EUR 1.4 million.

Tables 1 January-31 December 2025

Consolidated income statement

Thousand euros	1.7.- 31.12.2025	1.7.- 31.12.2024	1.1.- 31.12.2025	1.1.- 31.12.2024
Turnover	13,824	11,118	28,702	24,228
Stocks of finished goods and work in progress	304	76	635	-545
increase (+) or decrease (-)				
Other operating income	20	-7	23	27
Materials and services	-7,242	-5,978	-15,340	-12,608
Personnel expenses	-3,526	-3,225	-7,369	-6,442
Depreciation and impairment	-645	-677	-1,299	-1,343
Other operating expenses	-1,956	-1,497	-4,000	-3,402
Operating profit	779	-191	1,352	-85
Financial income	14	1	15	1
Financial expenses	-568	-689	-1,133	-1,237
Profit (loss) before taxes	225	-878	233	-1,321
Consolidated result	225	-878	233	-1,321

Consolidated balance sheet

Thousand euros	31 Dec. 2025	31 Dec. 2024
ASSETS		
Fixed assets		
Intangible rights	8,775	8,959
Material goods	5,253	5,861
Investments	1	1
Fixed assets, total	14,029	14,821
Short-term assets		
Current assets	8,224	7,406
Short-term receivables	1,112	1,160
Cash and cash equivalents	284	569
Short-term assets, total	9,620	9,134
ASSETS, TOTAL	23,649	23,955
LIABILITIES		
Equity		
Share capital	4,252	4,252
Invested unrestricted equity	10,379	10,379
Profit/loss from previous financial periods	-6,695	-5,374
Profit/loss for the financial period	233	-1 321
Total equity	8,170	7,937

Current Liabilities		
Long-term liabilities		
Convertible bond	0	1,500
Loans from financial institutions	5,947	6,114
Long-term liabilities, total	5,947	7,614
Short-term liabilities		
Convertible bond	1,500	0
Loans from financial institutions	1,930	2,549
Deferred income	8	36
Trade payables and other current liabilities	6,095	5,820
Short-term liabilities, total	9,532	8,405
Current liabilities, total	15,479	16,019
LIABILITIES, TOTAL	23,649	23,955

During the 2024 financial year, the Company implemented a practice in which in-transit inventories are recorded in a separate inventory account as part of the total inventory value. This change aims to improve inventory tracking and provide a more accurate representation of the Company's assets and the state of the supply chain.

This accounting practice change does not impact the Company's financial result, but it enhances reporting on inventory and supply chain management.

Cash flow statement

Thousand euros

31 Dec. 2025

31 Dec. 2024

Cash flow from operating activities		
Profit (loss) before accounting transfers and taxes	233	-1,321
Adjustments:		
Depreciation according to plan	1,299	1,343
Financial income and and expenses	1,119	1,236
Cash flow before working capital changes	2,651	1,258
Working capital changes:		
Increase (-) / decrease (+) in short-term non-interest-bearing accounts receivable	47	-4
Increase (-) / decrease (+) in current assets	-818	556
Increase (+) / decrease (-) in short-term non-interest-bearing liabilities	265	262
Cash flow from operating activities before financial items and taxes	2,145	2,073
Financial items and taxes:		
Interest paid and payments on other financial expenses for operating activities	-1,088	-1,196
Cash flow from operating activities (A)	1,057	878

Cash flow from investing activities:

Investments in tangible and intangible assets	-507	-1,312
Acquisition of subsidiaries	0	386
Cash flow from investing activities (B)	-507	-927

Cash flow from financing activities:

Loan disbursements	1,300	1,173
Loan repayments	-2,136	-1,951
Cash flow from financing (C)	-835	-777

Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-285	-827
Cash and cash equivalents at the beginning of the period	569	1 395
Cash and cash equivalents at the end of the period	284	569

Statement of changes in equity

1 January – 31 December 2025	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity at the beginning of the period	4,252	10,379	-6,695	7,937
Profit for the financial period			233	
Equity at the end of the period	4,252	10,379	-6,462	8,170

1 January – 31 December 2024	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
Equity at the beginning of the period	4,252	9,994	-5,374	8,872
Profit for the financial period			-1,321	
Other changes, acquisition of own shares		-6		
Other changes: Motiomax share issue		392		
Equity at the end of the period	4,252	10,379	-6,695	7,937

Principles of preparation of financial statements

Financial statement bulletin, including periods 1 July–31 December 2025 and 1 July–31 December 2024, has been prepared in accordance with good accounting practice and Finnish legislation. The figures are unaudited and have been prepared according to the Finnish Accounting Standards (FAS). The consolidated financial statements have been prepared using the acquisition cost method. Figures are presented in thousands of euros unless otherwise stated, and the figures presented have been rounded to the nearest thousand, so that the sum of the figures in a column or row may not always correspond exactly to the figure presented as the final total of the column or row.

Financial information presented here does not include all the notes to the financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2025.

Acquisition cost method is applied when preparing consolidated financial statements. Consolidated statements include Norrhydro Llc (acquired 30 August 2007) and NH Norrdigi Llc, 100 % owned by Norrhydro Llc and Motiomaxx Llc, subsidiary of Norrhydro Group Plc. Norrhydro Llc has not prepared consolidated financial statement. Chinese associate company Norrhydro Hydraulic System Changzhou Co. Ltd has not been included in consolidated financial statements.

Turnover

When calculating turnover, indirect taxes, discounts granted, and exchange differences related to sales are deducted from sales revenue. Sales revenue is recognized when all the material risks and rewards of ownership have been transferred to the buyer.

The Group's turnover also includes sales revenue related to the assignment of the rights to use NorrDigi technology developed and patented by the Company as well as the continuous development of the technology. The part of the consideration relating to the transfer of rights to use the technology to the customer has been recognized as income in connection with the transfer. Revenues related to continuous improvement are recognized either over time or according to the degree of completion, based on the work stages specified in the agreements. Advances received are recorded under the item Deferred income.

Grants received

Grants received by the Company are recognized in other operating income for the same period for which the Company recognizes the expenses that the grants cover. In the balance sheet, amounts receivable relating to grants are recorded under Accrued income and prepaid expenses. Grants received in advance are entered in the balance sheet under the item Deferred income. Grants related to assets in the balance sheet have been recognized to reduce the balance sheet value of the asset. In the cash flow statement, grants paid that relate to assets in the balance sheet are presented in the cash flow of investing activities and other grants are included in the cash flow from operating activities.

Fixed assets

Fixed assets have been valued at acquisition cost. The acquisition cost of the current fixed assets owned by the Company are depreciated according to plan.

Intangible and tangible assets are recognized in the balance sheet at acquisition cost less depreciation in accordance with the plan. Planned depreciation has been calculated based on the economic life of the intangible and tangible assets as straight-line depreciation or declining-balance depreciation.

The depreciation plan for product development expenses is linked to the revenue target of the digital business. As the set revenue target was not met, the depreciation rate was not increased by the decision of the Board but remained at the 2024 level.

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

Current assets

Current assets are valued in accordance with the weighted average price method or at a lower replacement price or a probable sales 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

Foreign currency transactions are converted into EUR at the exchange rate prevailing on the date of the transaction, foreign currency assets and liabilities are converted into EUR at the exchange rate of the reporting date. Exchange differences are recorded in financial income and expenses.

Geographical breakdown of turnover

Thousand euros	1 Jan. -31 Dec. 2025	1 Jan. -31 Dec. 2024
Domestic sales	19 342	16,944
Sales to other countries	9 360	7,284
Total	28 702	24,228

Changes in intangible rights and material goods

Thousand euros	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Intangible rights		
Carrying amount at the beginning of the period	327	388
Increases	28	35
Decreases	0	0
Depreciation	98	96
Carrying amounts at the end of the period	257	327

Thousand euros	1 Jan.-31 Dec. 2025	1 Jan.-31 Dec. 2024
Consolidated goodwill		
Carrying amount at the beginning of the period	663	345
Increases	0	398
Decreases	0	0
Depreciation	83	80
Carrying amounts at the end of the period	580	663

Thousand euros	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Other long-term expenditure		
Carrying amount at the beginning of the period	1,733	1,977
Increases	8	0
Decreases: Investment grant	0	
Depreciation	240	244
Carrying amounts at the end of the period	1,501	1,733

Thousand euros	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Development expenses		
Carrying amount at the beginning of the period	6,235	5,660
Increases	334	700
Decreases	0	0
Depreciation	133	125
Carrying amounts at the end of the period	6,436	6,235

Thousand euros	1 Jan.–31 Dec. 2025	1 Jan.–31 Dec. 2024
Machinery and equipment		
Carrying amount at the beginning of the period	5,850	6,469
Increases	137	180
Decreases	0	0
Decreases: Investment grant and insurance benefit	0	0
Depreciation	745	799
Carrying amounts at the end of the period	5,242	5,850

Thousand euros

1 Jan. –31 Dec. 2025

1 Jan. –31 Dec. 2024

Other material goods – Art objects

Carrying amount at the beginning of the period	11	11
Increases	0	0
Decreases	0	0
Depreciation	0	0
Carrying amounts at the end of the period	11	11

Current assets

Thousand euros

1 Jan.–31 Dec. 2025

1 Jan.–31 Dec. 2024

Raw materials and consumables	3,830	4,167
Work in progress	2,922	2,417
Finished goods	524	395
In-transit inventories	943	426
Deferred income	5	1
Total current assets	8,224	7,406

Maturity of loans

Thousand euros

< 1 year

1–5 years

> 5 years

Convertible bond	1,500		
Long-term financial loans	1 930	5 615	332
Total	3 430	5 615	332

One of covenant terms were broken at the end of financial year 2025 and after the reporting period the Company has received waivers from financiers stating that loans are not subject to premature collection and term will not be changed. Financial loans are presented as long-term and short-term liabilities according to the original payment schedule.

Pledges and contingent liabilities provided

Guarantees

Thousand euros	31 Dec. 2025	31 Dec. 2024
Guarantees on behalf of subsidiary companies	2,942	3,511
Business guarantees, NH Norrdigi Oy's shares	100 pcs	100 pcs
Business mortgages	6,325	6,325
Business mortgages, free held by the financier	400	400
Business mortgages, total	6,725	6,725

Norrhydro LLC, a subsidiary of Norrhydro Group Plc sells most of the trade receivables to the financier and the risk of credit loss is limited to 1 million euros.

Norrhydro Group Plc has given a guarantee on behalf of subsidiary company Norrhydro Oy to OP Yrityspankki Oyj for sold trade receivables. Guarantee is not limited quantitatively or timely.

Pledges given

Thousand euros	31 Dec. 2025	31 Dec. 2024
Deposited security	206	230

Off-balance sheet liabilities, VAT 0 %

Thousand euros	31.12.2025	31.12.2024
Leasing liabilities payable in the next financial period	203	227
Leasing liabilities payable later	133	323
Leasing liabilities, total	336	550
Residual value liabilities from leasing contracts	31	49

Rents payable, VAT 0 %

Thousand euros	31 Dec. 2025	31 Dec. 2024
Rents payable in the next financial period	1,154	1,174
Rents payable later	10,495	11,653
Rental liabilities, total	11,649	12,827

In 2021, Norrhydro Llc, 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

The Company's related parties include the subsidiaries, CEO, members of the Board of Directors and members of the Management Team. On 31 December 2025, the Company's related parties owned 5,573,611 shares, which is 50.3 per cent of the Company's shares and votes (52.9 per cent on 31 December 2024). In addition, the Company's related parties had 50,000 option rights granted by the Company.

A medium-term commitment scheme has been created for the Group's key employees and external Board members, within which key employees have acquired shares in the parent company Norrhydro Group Plc. The maximum number of shares to be issued under the rights offering is 61,000 shares. The stock option program is targeted at key personnel responsible for the development of the Company's business operations. The implementation of the stock option program is conditional upon business growth and profitability, as well as the successful market launch of the digital business. For the acquisition of the shares, Norrhydro Ltd has granted key personnel a 7-year loan. The interest on the loan is 1% per annum and the loan is annually repaid at 10% of the outstanding principal. Of any dividends paid by the Company, 50 per cent is used to repay the loan. The remaining loan is due seven years after its disbursement. The loan is secured by the acquired shares.

In addition, key personnel have received option rights. The subscription price for the option right subscription is EUR 0.10 per share. However, the subscription of shares with option rights requires that the Company's strategic objectives have been met. If these objectives are not met in the manner required by the Board of Directors of the Company, the option rights do not entitle you to share subscription. Related parties that have subscribed for shares and option rights have committed to comply with the Minority Shareholder Agreement, according to which the key employee is not entitled to transfer, sell or otherwise dispose option rights or shares without the written approval of the Company. The Minority Shareholder Agreement includes the usual so-called Good Leaver and Bad Leaver conditions related to the termination of the employment or service contract as well as non-compete and non-solicitation clauses. The Minority Shareholder Agreement is in force despite the listing.

The Board of Directors of Norrhydro Group Plc has decided in 2022 on the introduction of a share-based incentive scheme for key employees to encourage and commit them. The purpose of the scheme is to combine the objectives of the Company's shareholders and key employees to increase the Company's value in long term and to commit the key employees to the Company and to offer them a competitive reward

system based on the earnings and accumulation of shares. Earning is determined primarily on the basis of the Company's turnover and profitability development and, secondarily, on the proportion of digital solutions in relation to the Group's turnover. The earnings period covers the financial years 2023–2025, 2024–2026, 2025–2027 and 2026–2028, and the reward is paid in shares and cash. As of 31 December 2025, a total of 411,500 shares have been allocated to key personnel under the share-based incentive plan.

Thousand euros	1 Jan. -31 Dec. 2025	Jan. –31 Dec. 2024
Loan receivables from related parties	34	35
Liabilities to related parties	200	200
Salaries and fees paid to related parties	909	891

Calculation of key figures

Change in turnover, %	$\frac{= \text{turnover} - \text{previous year's turnover}}{\text{previous year's turnover}} \times 100$
Operating profit	<p>=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</p>
Operating profit, %	$\frac{= \text{Operating profit}}{\text{turnover}} \times 100$
EBITDA	<p>= turnover + change in stocks of finished goods and work in progress (+/-) + other operating income – materials and services – personnel expenses – other operating expenses</p>
EBITDA, %	$\frac{= \text{EBITDA}}{\text{turnover}} \times 100$
Cash flow from operating activities	<p>= 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</p>
Return on investment	$\frac{= \text{Operating profit before tax} + \text{financial expenses}}{\text{equity (average over the year)} + \text{interest-bearing financial liabilities (average over the year)}} \times 100$

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 = Operating profit +/- financial expenses + taxes

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

Net gearing
$$\frac{\text{= interest-bearing liabilities – cash and cash equivalents}}{\text{equity}} \times 100$$

Earnings per share
$$\frac{\text{= profit for the period}}{\text{weighted average number of shares outstanding during the period}}$$

Current Ratio
$$\frac{\text{= current assets + short-term receivables + liquid assets + cash and cash equivalents + overdraft limit}}{\text{short-term liabilities}}$$

Quick Ratio
$$\frac{\text{= short-term receivables + liquid assets + cash and cash equivalents + overdraft limit}}{\text{short-term liabilities}}$$

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