

# NORR HYDRO

ANNUAL REPORT  
2024





**9** BUSINESS ENVIRONMENT



**8** NORRDIGI EMA  
ELECTROMECHANICAL ACTUATOR



**7** NORRDIGI MCC  
MULTI-CHAMBER CYLINDER

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

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This document is a translation of Norrhydro's official Annual Report for 2024. In case of discrepancy, the original Finnish version is valid.

# Norrhydro in short

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

The company develops and manufactures innovative and environmentally friendly hydraulic solutions for the needs of forestry, material handling, mining and construction mobile machinery as well as for marine industry, among others. Our motion control systems, combining artificial intelligence and digitalization, represent a globally leading-edge technology that significantly reduces emissions and will revolutionize the entire industry.

Norrhydro has 40 years of experience in providing high-quality hydraulic solutions for demanding environments. Our customers are global manufacturers of mobile machinery and equipment for whom we are a long-term strategic partner. Our solutions create a competitive advantage for our customers and contribute to a cleaner tomorrow.

## 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

24,2 M€

### EBITDA

1,3 M€

### Operating result

-0,09 M€

### Employees

151

The figures are based on the Group's audited financial statements for 2024.





## Review from the CEO

# Adaptation and development – ready for future opportunities

The company has experienced an exceptionally challenging year in 2024. The fluctuating market environment and existing uncertainty have continued to prolong decision-making among end customers and dampen investment willingness. Economic recovery has been slow, and although expectations of declining interest rates realized at the end of 2024, a clear turnaround for the better is yet to be seen.

The geopolitical situation, particularly in the European operating environment, remained and continues to be quite difficult. Europe's economy faces structural challenges due to factors such as Russia's ongoing war of aggression in Ukraine and the complexities of the green transition. Economic uncertainty remains evident in the early part of this year, and growth prospects have clearly shifted towards the latter half of 2025.

Norrhydro had to adapt its operations in 2024 to align reduced volume and order backlog levels. Despite cost discipline, we made determined investments in product development and internal development projects to secure our future competitiveness.

On a positive note, we maintained a strong service capability despite the challenging operating environment. Additionally, we continued executing the company's strategy according to the previously established plan.

We once again invested in the product development of digital business solutions and participated in implementing exciting NorrDigi® MCC and EMA projects, which we anticipate will continue in 2025. Our digital business has now reached the technology maturity phase, allowing us to transition from an intensive product development phase to a stronger focus on marketing and sales activities.

Participation in the FinnMetko trade fair in August 2024 was an even greater success than expected for Norrhydro. Interest in our environmentally friendly NorrDigi products was substantial, bringing us significant publicity and numerous potential new customers.

In 2024, we also achieved success in acquiring new customers. In line with our company strategy, new customer acquisitions are crucial for long-term growth. Following the market downturn in 2024, we expect our sales to recover at a faster pace than the overall market growth.

Towards the end of 2024, we focused on further developing the operations and processes of our production facility. The orders received for NorrDigi EMA products brought variety and further development to our production. From the outset, our production facility was designed with the serial production of NorrDigi products in mind. However, last year, we had

several excellent opportunities to deepen our expertise in producing larger batches of electric cylinders.

Inflation has gradually stabilized at a moderate level, and the price trends and availability of raw materials, components, and materials have improved in the right direction. As always, we will closely monitor market development and ensure the continued efficiency of our global supply chains. We remain committed to meeting our customers' expectations in the coming year and will continue taking actions to strengthen our market position. In line with our motto, we aim to remain a "Partner in Success" for our customers.

For 2025, we anticipate revenue growth driven by increasing volumes from our existing customers, additional sales from ramping up new customers, and the expansion of our digital business. Thanks to these positive factors, we also expect the company's profitability to improve compared to 2024.

Once again, we move forward with confidence, convinced that growth will materialize—only the exact timing remains uncertain.

Yrjö Trög  
CEO  
Norrhydro Group Plc

# The long-term implementation of Norrhydro's strategy

The cornerstones of Norrhydro's strategy have remained virtually unchanged for years, with only minor adjustments needed to refine and update the strategy. This reinforces the idea that the strategy was successfully designed to suit the company, laying a solid foundation for long-term development.

## A STRONG POSITION IN THE CUSTOMER VALUE CHAIN

A key aspect of Norrhydro's strategy is maintaining strong customer relationships and driving the company's growth alongside its customers. Expanding technological expertise and production capacity are both means to move higher in the customer value chain, thereby strengthening the company's position as a supplier.

## EXPANSION INTO NEW MARKET AREAS

In addition to fostering long-term customer relationships, expanding into new geographical regions is one of the cornerstones of Norrhydro's strategy.

The company is actively exploring new markets for hydraulic cylinders, but particularly the NorrDigi system solutions serve as a gateway to new geographic areas, with a market potential that spans globally.

## GLOBAL REVENUE GROWTH

Norrhydro's strategy includes revenue growth both organically and through potential acquisitions. The global launch of the NorrDigi product family, in particular, requires resources, some of which the company seeks externally.

The partner scouting process, initiated in 2024 to support the company's growth strategy, will continue.

## OPERATIONAL EXCELLENCE IN PRODUCTION

In hydraulics, the importance of cleanliness cannot be overstated. Norrhydro has invested in maintaining hydraulic cleanliness throughout the entire production chain, from the storage of individual components to final assembly. The final assembly of cylinders takes place in a dedicated, isolated area where all components pass through a cleaning process before assembly.

Production quality and efficiency have been further enhanced with a friction welding machine, which offers superior consistency, especially for large production batches.

All welding operations follow the EN ISO 3834-2 welding quality management system, ensuring that all products are manufactured by qualified personnel using approved and reliable welding procedures.

An automated painting line represents a key investment in surface treatment. The painting robot is programmed to accurately follow each cylinder's detailed coating plan, ensuring that the

final result meets both customer specifications and the requirements of the application.

Workplace safety is of paramount importance to Norrhydro. In 2024, the company continued implementing its "Zero Accidents" program, aiming to eliminate all injuries, accidents, and health risks.

## TECHNOLOGICAL EXPERTISE

Norrhydro's vision is to be the global leader in intelligent and sustainable linear motion solutions.

The company collaborates closely with globally operating mobile machinery manufacturers, while partnerships with universities and public institutions are equally essential.

To safeguard its technological expertise, Norrhydro has secured patents and continues to dedicate a significant portion of its resources to the development of new technologies—particularly the NorrDigi MCC and NorrDigi EMA products. These solutions offer environmentally friendly and responsible motion control, which will become increasingly important to the company's customer base in the future.



As of the balance sheet date, Motimax Oy has a subordinated loan of 200,000 euros from its parent company in accordance with Chapter 12 of the Finnish Limited Liability Companies Act. The minority interest of Motimax Oy has not been separated from the group's result or equity, as Motimax Oy's equity would be negative without the subordinated loan provided by the parent company.



# Hydraulic cylinder business

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

Norrhydro has decades of experience in developing and manufacturing high-quality hydraulic cylinders for a wide range of industries, including highly demanding applications. As the company's customer base expands and its focus areas shift, "Lifting and Recycling" was established as a separate segment in 2024.

## CUSTOMER-ORIENTED PRODUCT DESIGN

Norrhydro manufactures single and double-acting as well as multi-chamber cylinders in a wide range of sizes. The company focuses specifically on the design and production of customised hydraulic cylinders, which are sold directly to the machine manufacturer, without additional intermediaries.

Norrhydro can increase cylinder durability and extend product life with innovative design solutions. The company has developed numerous innovative solutions to address its customers' challenges. However, at its simplest, the functionality and features of a cylinder can be enhanced with accessories such as integrated valves and sensors.

## STANDARDIZED PROCESSES ENSURE THE QUALITY

Norrhydro is continuously working on product quality management, production efficiency, supply chain quality control and optimisation of prototyping. Processes supporting operational activities are also regularly monitored and optimized.

Both the ISO 9001 quality management system and the ISO 14001 environmental management system form the foundation of Norrhydro's operations.

Manufacturing processes such as welding and painting are certified, and approved by third parties.

## LONG-TERM PARTNERSHIPS

Norrhydro's customers are the leading mobile machine manufacturers around the world. The company's strategy is to create long-term, mutually beneficial partnerships in which the company grows together with the customer — hence the company's motto, "Partner in Success."

The company's customers are divided into several different segments. In this way, operations are not dependent on a single industry, but diverse industry expertise brings stability and risk management to the company's operations. Customers also benefit from the expertise that the company has accumulated over decades of working across various segments, developing solutions for diverse environments.

**MINING MACHINES**



**CONSTRUCTION EQUIPMENT**



**FORESTRY MACHINES**



**MATERIAL HANDLING MACHINES**



**MARINE & OFF-SHORE**



**LIFTING & RECYCLING**



Digital solutions

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

In 2024, the development of NorrDigi multi-chamber cylinders (MCC) focused on finalizing a large excavator project in collaboration with Volvo and its subsidiary CEES Ab, aiming to ensure a smooth transition from the testing phase to commercialization. A key milestone will be reached when the first NorrDigi MCC Hybrid machine is delivered to the end customer as planned during 2025.

**SUPERIOR ENERGY EFFICIENCY**

The NorrDigi MCC system is based on intelligent motion control and advanced energy storage using pressure accumulators. Field tests conducted in 2024 with Volvo's 30-ton excavator have demonstrated the exceptional energy efficiency of the MCC system — performance that no other solution currently available on the market can offer.

Thanks to smart movement control and highly efficient energy recovery, the up to 50% improvement in energy efficiency makes the NorrDigi MCC system a superior market solution, setting a new industry standard for construction machinery.

The advantages of the NorrDigi MCC Hybrid system are directly measurable through improved fuel

efficiency. Diesel fuel is a major operating cost for earthmoving machinery, and considering this expense, the investment in the NorrDigi MCC system pays for itself within 2–3 years, depending on machine utilization hours.

**COMPETITIVE ADVANTAGE BY REGULATIONS**

The EU has long lacked unified regulations regarding fuel emissions from construction machinery, but the situation is expected to change in the coming years as CO<sub>2</sub> emission taxation becomes stricter. The development positively impacts the market appeal of the NorrDigi MCC system, creating a favorable environment for its commercial launch. In the initial phase of the NorrDigi MCC product launch, the company will focus on Scandinavia and central EU countries.



**CHANGES IN THE PROCUREMENT CRITERIA FOR INFRASTRUCTURE PROJECTS**

The procurement criteria for public infrastructure projects are evolving in response to the carbon neutrality targets set for municipalities and cities. Public procurements related to earthworks are generally carried out as "turnkey" contracts or as ongoing services billed at fixed hourly rates. In the implementation of public procurements, it is recognized that new technologies must provide incentives for contractors to encourage them to make investments. NorrDigi MCC Hybrid machines hold a strong competitive advantage as cities and municipalities strive to meet their environmental targets.

Additionally, the increasing use of biofuels in earthworks projects is driving demand for energy-efficient machinery. With the price of biodiesel being significantly higher than that of conventional diesel, the business potential of the NorrDigi MCC Hybrid system is further enhanced.

**HYBRID MACHINES INSTEAD OF FULLY ELECTRIC ONES**

The electrification of heavy earthmoving machinery has not yet gained widespread adoption, and its mainstream implementation is likely to take several more years. Prices of fully electric models remain high. Mobile charging solutions also lead to significant additional costs, and due to limited operating time, machines often require extra batteries. Hybrid solutions like NorrDigi MCC, will continue to maintain a strong position in the market.

NorrDigi MCC brings significant advantages also to fully electric machines, for example, by enabling smaller batteries or extending the operating time of existing batteries. The NorrDigi MCC system is versatile and provides benefits to customers, whether it's a fully electric machine or a hybrid application.



**45-60 %  
better fuel  
efficiency**



**50 %  
lower fuel  
consumption**



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



**6-12 %  
improved  
productivity**

Digital solutions

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

The advantages of electromechanical actuators (EMA) and their motion control systems include simple implementation and easy commissioning. The system's total cost of ownership (TCO) is competitive due to reduced number of components and minimal maintenance requirements.

### INDUSTRIAL ELECTRIFICATION

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

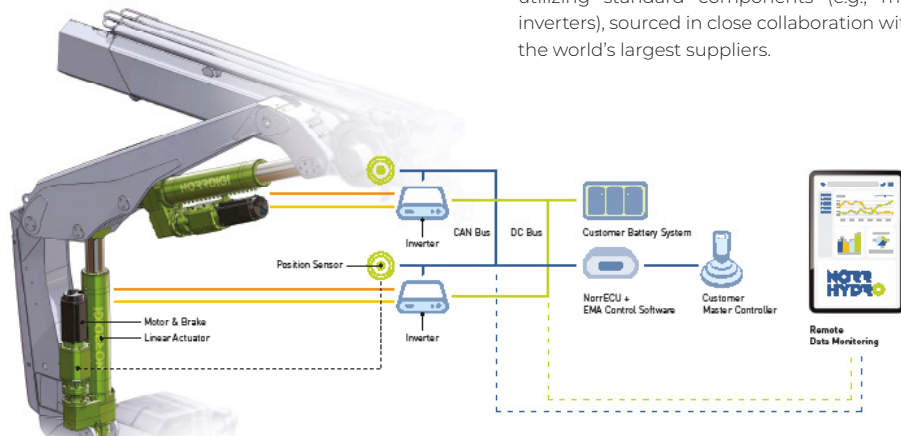
A similar shift is occurring in the marine & offshore segments, where the first deliveries are already in production. Customer inquiries are increasing, and NorrDigi EMA is gaining a foothold in the market for large, customized, and heavy-duty electric actuators.

In 2024, the delivery volume of electromechanical actuators (EMA) saw significant growth, with the first small series supplied to customers. This strong growth rate is expected to continue into 2025.

### NORRDIGI EMA SYSTEM DESIGN

The system includes a cylinder, an electric motor, a gearbox, an inverter, a control unit (ECU), sensors, and software logic. Additionally, it can be connected to a remote monitoring system that provides real-time data on system performance.

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



### CUSTOMER CASE: TRANSPORTATION, COLD CONTAINERS

**OBJECTIVE:** The customer's goal was to eliminate the risk of oil leaks and contamination in cold containers designed for food transportation. They sought precise motion control for pallet handling to optimize space utilization.

**SOLUTION:** The NorrDigi EMA is installed on the loading platform, which is responsible for moving pallets inside the container. With the system upgrade, hydraulic pipes and hoses can be eliminated, freeing up valuable space.



### CUSTOMER CASE: WOOD PROCESSING

**OBJECTIVE:** The customer's goal was to find a replacement system for hydraulics to perform the key functions of the wood processing operation more efficiently, safely, and sustainably.

**SOLUTION:** The NorrDigi EMA system's highly compact design is lighter and significantly more energy-efficient than traditional hydraulics. Its precise control and end damping enhance the application's safety and durability.



# Business environment and market trends

The global hydraulics market has continued to decline throughout 2024. Overall market demand is not expected to increase significantly, at least during the first six months of the current year.

The development in 2024 progressed at a more moderate level than expected, with volume and order backlog growth falling significantly below early-year forecasts. Despite declining interest rates and stabilizing inflation, overall economic uncertainty persists. The anticipated market recovery has been clearly delayed, and its momentum has weakened, though the situation is expected to improve towards the end of the year.

While some of our customers have seen a gradual recovery in order backlogs and intake, market conditions remain highly uncertain, and the outlook across various industries remains difficult to predict at the beginning of 2025.

Demand for forestry machinery continued to decline in 2024. The market situation has deteriorated, and end-customer investment activity has decreased. The demand and market conditions for forest industry products — such as sawn timber, pulp, and board — were highly unstable in 2024. Uncertainty and caution have impacted both the utilization rates and demand for forestry machinery. Although the outlook for 2025 remains uncertain, the market is expected to see a slight improvement compared to 2024.

Demand for material handling machinery and equipment fluctuated throughout 2024, but the best word to describe the market situation of the segment is challenging. Sales and deliveries to material handling segment customers declined slightly compared to the previous period. However, new customer acquisition in this segment was as successful in 2024 as in the previous year. The positive impact of the new customers is expected to become more visible in the company's business operations by 2026.

Demand for construction and mining equipment varied significantly throughout 2024. While demand in the construction segment continued to decline, the mining industry experienced a slight recovery towards the end of the year. The predictability for these segments in 2025 remains weak, but we believe that the mining industry will experience some growth during the year. Additionally, recent developments in the construction segment provide cautious optimism.

The prolonged geopolitical challenges have had a positive impact on the demand for different vessel segments within the maritime and shipbuilding markets. Towards the end of 2024, demand for marine industry

hydraulic cylinders manufactured by Norrhydro declined slightly compared to the strong performance earlier in the year. However, demand for the current year is expected to remain at least at the same level as in 2024.

## INCREASED DEMAND FOR NEW TECHNOLOGIES

The changes in the business environment are very similar in all of Norrhydro's customer segments, and the demand for new technologies is increasingly focused on improving energy efficiency, green transition and electric solutions. The digital product and service solutions developed by the company, which are an integral part of Norrhydro's strategy, offer good alternatives to tackle the aforementioned challenges of our customers.

## MARKET TRENDS

The order intake in the machinery and metal product industry has been on a downward trend for nearly two years. The long-anticipated market turnaround has yet to materialize clearly.

We believe that the market conditions in Norrhydro's customer industries will remain at the low levels seen in 2024 for at least the next six months. However, a slight recovery is expected in the second half of 2025.

The future of Norrhydro's customer base, consisting of mobile machinery manufacturers, is shaped by the so-called digital green transition. The coming years will be defined by carbon neutrality, electrification, and environmentally friendly power sources for machinery. Additionally, the increasing autonomy of work machines — such as remote operation and real-time data transmission — will play a key role in guiding the company's customers' product development. Alongside these trends, intelligent control systems and data-driven predictive maintenance will significantly influence the development of tomorrow's solutions.

With its NorrDigi product portfolio, including MCC and EMA solutions, Norrhydro provides opportunities for its customers to successfully implement their green transition.



# Sustainability and quality development

At Norrhydro, sustainability guides every aspect of our business. The company operates responsibly, taking responsibility for people, quality, and the environment while ensuring a sustainable supply chain management.

## SUSTAINABLE DEVELOPMENT GOALS

Implementation of sustainability and quality improvement are monitored through key performance indicators. Norrhydro's sustainability efforts are also supported by its management and governance systems ISO 9001 and ISO 14001 as well as welding standard ISO 3834-2.

Norrhydro is committed to the United Nations Global Compact initiative ([www.unglobalcompact.org](http://www.unglobalcompact.org)), focusing on human rights, labor rights, environmental protection, and anti-corruption. Since 2021, the company has prioritized the advancement of clean energy solutions, responsible water and energy use, environmentally friendly infrastructure, and climate action, in alignment with sustainable development principles.



In 2024, Norrhydro was selected to participate in the Finnish Chamber of Commerce's Climate Program, which aims to promote corporate climate action. The program provides concrete tools for carbon footprint calculation and the implementation of emission reduction measures.

## RESPONSIBLE BUSINESS PRACTICES

Environmental protection and quality development are the cornerstones of Norrhydro's operations. The company uses natural resources responsibly, strives to reduce its carbon footprint, and aims to increase its carbon handprint by providing sustainable solutions. Norrhydro's energy-efficient and fuel-saving linear motion solutions support its customers in their transition toward more responsible and sustainable business practices.

By delivering innovative and environmentally friendly motion solutions, Norrhydro and its customers gain a significant competitive advantage in the global value chain.

At Norrhydro, quality is an integral part of every product's lifecycle. To ensure the highest product quality, the company invests in precise and innovative design, thorough testing, and continuous development. Rigorous quality control and customer feedback utilization ensure that Norrhydro meets the highest industrial standards.



## HEALTHY AND SAFE WORK ENVIRONMENT

Norrhydro is a significant local employer in Rovaniemi, leading by example by providing a healthy and safe work environment for its employees, subcontractors, and all those working with the company. Workplace safety is enhanced through comprehensive onboarding, continuous improvement of training programs, high-quality protective equipment, and close collaboration with occupational health services and safety representatives.

At Norrhydro, equality and diversity are highly valued, and any form of discrimination or inappropriate behavior is not tolerated. A high level of occupational safety is maintained and improved through the company's "Zero Accidents" program and proactive risk management. Norrhydro's risk management process monitors the safety and well-being of personnel, assets, business operations, and workplace conditions at both the strategic and operational levels.

# Norrhydro's strenghts



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



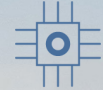
**Stable financial evidence of profitable growth in the cylinder business**



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



**Technology leader with 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 remarkably in recent years. 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 continuous improvement of the production as part of everyday operations.

Over 50 per cent of our net sales come from decades long customer relationships with leading machine and equipment manufacturers. We are a strategic, long-term partner to our customers developing solutions in cooperation with them. Long-term partnership agreements provide us with predictable and stable turnover and visibility into the future, even in unstable circumstances. 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 with our customers. We have been cooperating with Tampere University of Technology in the field of digital hydraulics for nearly 15 years. NorrDigi MCC, 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. The digital solutions are completed since 2021 by an electromechanical linear actuator, NorrDigi EMA, which is almost oil-free, energy-efficient and environmentally friendly alternative to conventional cylinders. Our digital solutions can transform the entire industry.

# Board of directors



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

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

Juhani Kangas is dependent on the company and its significant shareholders.  
On 31 December 2024, Kangas owned 1,660,362 shares of the company through Helle-Kangas Consulting Oy, corresponding to 14.98% of the company's shares.



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

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

Aspectum Oy, Management consultant  
2003 - 2004

Helle is independent of the company.  
Helle is dependent on Helle-Kangas  
Consulting Oy, which on 31.12.2024  
owned 1,660,362 shares of the company,  
corresponding to 14.98% of the company's  
share capital. Helle owns 10% of Helle-  
Kangas Consulting Oy.



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

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

On 31 December 2024, Trög owned 3,933,171  
shares of the company through Economica  
Yrityspalvelut Oy, corresponding to 35.48%  
of the company's shares.



**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

Lehti is independent of the company.  
Lehti owns 3,000 shares of the company.

Lehti has made a 200,000 eur subscription  
to convertible bond issued on 28 December  
2023 by Norrhydro Group Plc.



**Antto Trög**  
eMBA  
BOARD MEMBER 2024–


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

Antto Trög is independent of the company.

Antto Trög owns 5 000 shares of the com-  
pany.

# Management Team

**1** **Yrjö Trög**  
**CEO**



**MASTER OF ECONOMIC**

Key work experience

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

On 31 December 2024, Trög owned 3,933,171 shares in the company through Economica Yrityspalvelut Ltd.

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



**MASTER OF SCIENCE IN ENGINEERING**

Key work experience

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

On 31 December 2024 Mattson owned 176,412 shares in the company through Triton Seasafety Ltd.

**2** **Annina Piira-Wendeler**  
**VICE PRESIDENT SALES & MARKETING  
HEAD OF ROVANIEMI UNIT**



**BACHELOR OF BUSINESS ADMINISTRATION,  
SPECIALIST, VOCATIONAL QUALIFICATION IN LEADERSHIP  
AND BUSINESS MANAGEMENT**

Key work experience

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

On 31 December 2024 Piira-Wendeler owned 14,857 shares in the company.

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




**MASTER OF SCIENCE IN ENGINEERING, MBA**

Key work experience

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

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



**SPECIALIST QUALIFICATION IN FINANCIAL AND  
HR MANAGEMENT**

Key work experience

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

On 31 December 2024 Kaikkonen owned 5,075 shares in the company.

**6** **Mikko Väliälä**  
**PRODUCTION DIRECTOR**



**MASTER OF SCIENCE IN ENGINEERING**

Key work experience

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



# NORRHYDRO GROUP PLC FINANCIAL REPORT

1 January - 31 December 2024

Business number: FI21446562  
Ratavartijankatu 2, 96100 Rovaniemi - Finland

The logo for NORRHYDRO, featuring the word "NORR" in blue and "HYDRO" in blue with a green circle at the end of the "O".

# Financial report

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This document is a translation of Norrhydro's official financial statements for 2024. 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.

After the annual general meeting the Board of Directors held its organizational meeting and elected Juhani Kangas as Chairman of the Board. Kauppaneuvos (Finnish honorary title) Juhani Kangas has previously been the Chairman of the Board of Norrhydro Group Oyj for a long time and is the company's second-largest shareholder. The company's majority owner and Member of the Board Yrjö Trög continued as CEO during the 2024 financial year.

"Despite the company's exceptionally challenging year, we have remained committed to investing in the product development of our digital business and have successfully acquired new customers in both our traditional and digital cylinder business.

We have reached the maturity phase for our NorrDigi MCC and EMA products and will transition to their commercialization in 2025, as interest in these products has been strong, and we have great confidence in their growth potential. The transition enables us to shift from intensive product development toward more accelerated marketing and sales.

At the same time, we remain a trusted partner for our customers, supporting their success in an evolving business environment. Our outlook for the future is positive, and we are ready to seize the opportunities ahead." says CEO Yrjö Trög.





# Turnover, profit and financial position

In 2024, Norrhydro's net sales decreased by 20.2% compared to the previous financial year.

Net sales for the financial year was EUR 24,228 thousand (previous year EUR 30,365 thousand) and balance sheet total was EUR 23,955 (25,365) thousand.

Norrhydro's EBITDA was EUR 1,258 (1,055) thousand and operating profit was EUR -85 (-258) thousand. EBITDA margin was 5.2 (3.5) per cent and EBIT margin -0.3 (0.8) per cent. Norrhydro's operating result was -1,321 (-1,443) thousand euros. Return on capital employed was -0.45 (-1.26) per cent in the past financial year.

Norrhydro's liquidity measured by the Current Ratio was 1.09 (1.14) and measured by the Quick Ratio 0.21 (0.29). Norrhydro's cash flow from operating activities improved from the comparison period and was EUR 878 (306) thousand. Efficient working capital management improved the operating cash flow for the financial year.

During the comparison period, the change in working capital was primarily driven by a significant reduction in short-term liabilities, as well as the optimization and reduction of inventory levels.

Solvency measured by the equity ratio was 33.2 (35.0) per cent. The company's large investments in the new production facility, machinery and equipment in recent years have affected solvency, and with the repayment of investment loans, the company aims for a level of 50 per cent in equity in the next few years. Consecutive loss-making financial years in 2024 and 2023 have also contributed to weakening the company's solvency.

The amount of interest-bearing liabilities at the end of the financial year was EUR 10,162 (11,033) thousand. Some of the covenant terms and conditions of the Group's financial loans have been breached at the end of the financial year, and the company has received waivers from its financiers after the end of the financial year, according to which financial loans will not be collected prematurely by financial institutions and financing terms will not be changed.

Norrhydro's investments in 2024 focused on product development and totalled EUR 1,313 (1,620) thousand. The investments were mainly financed by income financing. Machinery and equipment investments amounted to EUR 180 (583) thousand, R&D expenses to EUR 700 (912) thousand and investments in patents and other intellectual property rights to EUR 35 (69) thousand.



# Key financial figures

Thousand euros	2024	2023	2022
Turnover	24,228	30,365	29,705
Change in turnover	-20.2 %	2.2 %	20 %
EBITDA *	1,258	1,055	1,697
EBITDA, %	5.2 %	3.5 %	5.7 %
Adjusted EBITDA		2,327	-
Adjusted EBITDA, %		7.7 %	-
Operating profit *	-85	-258	825
Operating profit, %	-0.3 %	-0.8 %	2.8 %
Profit for the financial period *	-1,321	-1,443	43
Profit for the financial period, %	-5.5 %	-4.8 %	0.1 %
Adjusted profit for the financial period		-171	-
Adjusted profit for the financial period, %		-0.6 %	-
Cash flow from operating activities	878	306	-528
Return on investment, %	-0.45 %	-1.26 %	4.2 %
Return on equity, %	-15.72 %	-14.7 %	0.4 %
Equity ratio, %	33.2 %	35 %	38.3 %
Current ratio	1.09	1.14	1.53
Quick ratio	0.21	0.29	0.53
Earnings per share, undiluted, €	-0.120	-0.133	0.004
Earnings per share, diluted, €	-0.112	-0.125	0.004
Adjusted earnings per share		-0.016	-
Net interest-bearing liabilities	9,594	9,638	7,990
Net gearing	120.9 %	108.6 %	74.7 %
Personnel at the end of the period	151	168	175

\* The company has booked the non-recurring deduction for the obsolescence of inventories and the ramp-up cost of a new production facility, a total of EUR 1,074 thousand.



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

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

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

**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'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 2028. Growth is sought alongside the international expansion of the cylinder business by increasing the share of globally marketed digital solutions to over 30 per cent of turnover. In terms of the cylinder business turnover, the company aims to achieve a compound annual growth rate (CAGR) of approximately 10 per cent between 2020 and 2028.

## EXPANSION INTO NEW GEOGRAPHICAL MARKETS

Norrhydro's business consists of two pillars: the profitable hydraulic cylinder business with steady cash flow and innovative digital solutions that include the NorrDigi® MCC and NorrDigi® EMA motion control systems. According to company's strategy, Norrhydro will seek opportunities to expand into new geographical markets through the commercialisation of the digital solutions, although new markets for traditional hydraulic cylinders are also being sought, mainly in Scandinavia as well as Northern and Central Europe.

Norrhydro seeks strong growth through the company's digital solutions. The NorrDigi MCC motion control systems, which combine artificial intelligence and digitalisation, represent advanced global technology that saves energy and significantly reduces emissions. Almost oil-free NorrDigi EMA -electromechanical actuator is environmentally friendly and energy-efficient alternative to hydraulic cylinders.

The development of digital products focuses on the energy efficiency of linear motion, precise system control, and seamless integration into customers' systems. The industrial-scale launch of NorrDigi products is planned for 2025, during which the company will expand the offering of the NorrDigi MCC system to new customers and market segments. The company believes that the NorrDigi MCC system, together with the NorrDigi EMA electric cylinder, has the potential to revolutionize the entire industry.

## EXPANDING TECHNOLOGICAL KNOW-HOW AND PRODUCTION CAPACITY

Norrhydro aims to renew the mobile machinery and equipment industry with its innovations. Norrhydro is 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. The company's goal is to expand its technological expertise and production capacity also through acquisitions and further investments in the modern production facility, opened 2022 in Rovaniemi.

The company has secured its technological expertise through patents and allocates a significant portion of its investments to the development of new technology, particularly the NorrDigi MCC and NorrDigi EMA products. These products are environmentally friendly and responsible motion control solutions that the company's customers will increasingly require in the future.

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

A significant part of Norrhydro's turnover comes from customer relationships lasting up to decades. A key aspect of Norrhydro's strategy is maintaining strong customer relationships and driving the company's growth alongside its customers. Expanding technological expertise and production capacity are both means to climb higher in the customer value chain, thereby strengthening the company's position as a supplier.

Norrhydro aims to be more than just a component supplier; its goal is to serve as a long-term strategic partner, developing solutions in collaboration with its customers. The company provides comprehensive service throughout the product lifecycle — from design and manufacturing to maintenance and servicing.

In addition, the sale of the solutions to equipment manufacturers takes place without intermediaries. Norrhydro's new energy-efficient solutions, NorrDigi MCC and NorrDigi EMA, create a competitive advantage for customers in industries with significant potential for emission reduction. The company's goal is to commercialise digital products globally during the current strategy period (2020-2028).

## KEY FACTORS OF THE STRATEGY

Norrhydro's strategy was originally designed to provide a solid foundation for the company's long-term development. The cornerstones of Norrhydro's strategy have remained largely unchanged for years, with only minor adjustments needed for refinement and updates.

A key focus of Norrhydro's strategy is maintaining strong customer relationships and growing alongside its customers. Additionally, expansion into new geographical markets is an essential part of the company's long-term strategy.

Revenue growth is pursued both organically and through potential acquisitions. In particular, the global launch of the NorrDigi product portfolio will require significant resources, which the company is also seeking externally.

The implementation of the company's growth strategy also requires continuous production development. Efforts to improve production quality and efficiency have focused on cleanliness, consistency, and expertise.

Investments in hydraulic processes have been made throughout the production chain, from component storage to assembly. The final assembly of cylinders takes place in a dedicated, isolated facility, where all components go through a washing process before entry. Additionally, the company has invested in a friction welding machine, whose key advantage is consistency in large production batches.

Norrhydro collaborates closely with globally operating mobile machinery manufacturers, while partnerships with universities and other public institutions also play a crucial role. The company secures its technological expertise through patents and dedicates a significant portion of its investments to the development of new technologies, particularly the NorrDigi MCC and NorrDigi EMA products.

# Research and development

The development of digital products with the company's key customers has progressed significantly during the financial year.

Norrhydro is developing the NorrDigi® multi-chamber cylinder (MCC) system for large mobile machines and the electromechanical electric cylinder (EMA) for medium-sized machines and industrial applications. The development of both product lines has progressed significantly during 2024 in close cooperation with the company's key customers. The development work focused on final tests aimed at ensuring the durability of components and the functionality of the overall system. Preparatory work has also been carried out for the transition into serial production.

The development of digital products focuses on the energy efficiency of linear motion, good system controllability and seamless integration into customers' systems. The launch of NorrDigi products on an industrial scale is planned to take place during 2025.

Electrification is progressing across multiple sectors. In process industries, traditional hydraulic and pneumatic systems are being replaced with electric actuators, primarily due to their reliability and oil-free operation. Deliveries have also been made for transport equipment and lifting devices in work machinery. The key advantages of electric actuators include superior efficiency and minimal maintenance requirements.

NorrDigi solutions are designed to meet the aforementioned needs. In line with Norrhydro's strategy, the company's expectation is NorrDigi business will

account for a significant part of the company's net sales in the coming years

## THE PRODUCT DEVELOPMENT IS PROGRESSING

The development of digital products has continued during the financial year together with the customers. The further development of the NorrDigi MCC system and NorrDigi EMA products both play an extremely important role in the company's growth strategy.

During the financial year, Business Finland granted Norrhydro a product development loan for the further development and commercialization of the NorrDigi project. This initiative will significantly support Norrhydro's growth and international expansion. The estimated cost of the project was EUR 2,390 thousand, with Business Finland providing 50% funding (1,195 thousand). Due to the project's market-oriented nature, which emphasizes development work, the funding was granted as a 50% product development loan. The project is set to continue until the end of 2025.

During the 2024 financial year, EUR 873 thousand of the loan was drawn, which has been recorded as long-term liabilities. Research and development expenses during the financial year amounted to approximately EUR 1,276 (1,580) thousand, or 5.3 (5.2) percent of net sales. EUR 699 thousand of the expenses were capitalized in the balance sheet for development expenses and the rest was recognised as an expense for the financial year.



# Near-term risks and business uncertainties

Global market volatility, recession and uncertainty in the geopolitical environment will cause a risk to the company's customer relationships and business operations during the coming financial year.

Global economic forecasts have stayed largely the same, but regional differences have emerged. While growth in Europe has further weakened, growth in the United States has been stronger than before.

The European Central Bank lowered its key interest rate three times in 2024, but there are still no signs of a turnaround for the better. Interest rates are declining, and inflation is stabilizing; however, end customers' investment capacity and willingness to invest remain very low.

The industrial downturn has persisted for a long time with a gradual decline. Similarly, the forthcoming recovery is expected to be slow, with no sharp upturns anticipated in 2025.

In addition to the preceding uncertainties, the expected rise in labor costs poses a risk to profitability development in the coming financial year, depending on how the increased costs can be accounted for in pricing.

Political instability and conflicts also show no signs of decrease in the near future. In particular, Trump's reelection as President of the United States and its

global impact creates significant uncertainty for the development of 2025.

Price competition, supplier capacity and supplier delivery reliability have a direct impact on the Group's business, profitability and scope of operations. Although the raw material markets have stabilized, the price development of raw materials and components remains difficult to predict.

Norrhydro has closely monitored technological and market developments. The company's strategy has remained strong and consistent, with only minor adjustments needed over the years, despite the continuously changing world. The prolonged market uncertainty has posed challenges to the company's operations, but the consistency and adaptability of the strategy have supported stability.

In terms of financing, the company has taken necessary measures to ensure the continuity of the company's business. The Group sells the majority of its trade receivables, and the risk associated with them to financial institutions. The company has not identified any indication of possible impairment of capitalised development costs.



The main objective of the company's financial risk management is to ensure a stable financial position, secure 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 EUR 1,750 thousand credit limit, of which EUR 1,072 were used in the end of the period. A new agreement regarding the credit limit was made during the financial year, stating that the limit of 1,750 thousand euros will remain in effect until September 30, 2025. From October 1, 2025, the credit limit will continue at 1,250 thousand euros and will be valid until January 31, 2026.

The impact of adverse changes in interest rates is minimized by using fixed interest rates in addition to credit lines linked to various reference rates. The Group's exposure to foreign exchange risks is low, as the main currency for sales and purchases is the euro.

Cybersecurity risks today are both complex and dynamic, with the potential to have far-reaching impacts on the company's operations. Norrhydro has invested in cybersecurity and its development at various levels. A comprehensive approach ensures that the company can effectively respond to both current and future threats.

# Personnel

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 1 leased employee during the financial period.

Of the personnel, 108 (103 men and 5 women) are employed in production and 43 (30 men and 13 women) are employed as salaried employees. The average age of the employees is approximately 41 years. Gross wages and salaries paid to personnel totalled EUR 5,975 (7,407) thousand.

Number of personnel	Total	Salaried Employees	Production
Men	133	30	103
Women	18	13	5
<b>Total</b>	<b>151</b>	<b>43</b>	<b>108</b>
<b>Employment relations</b>			
Indefinite duration	149	41	108
Fixed-term	2	2	0
<b>Working time</b>			
Full-time	147	42	105
Part-time	4	1	3



# Annual General Meeting and current board authorisations

The Annual General Meeting held on 26th of March 2024 unanimously authorized the Board of Directors to decide on the issuance of shares, option rights and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Companies Act in one or more tranches so that a maximum of 2,000,000 new shares or existing shares held by the company may be issued on the basis of the authorization.

Based on the situation on the date of the notice, the maximum number of shares covered by the authorization corresponds to approximately 18,04 per cent of all the shares in the company.

Based on the authorization, the Board of Directors may also decide on a directed share issue, i.e. in deviation from the shareholders' pre-emptive subscription right. The Board of Directors may decide on the issuance of shares free of charge or against payment and on all other terms and conditions of the share issue.

The Board of Directors may use the authorization to carry out mergers and acquisitions or other arrangements related to the company's business operations, to implement a personnel incentive scheme or for other purposes decided by the Board of Directors.

The authorization is valid until the next Annual General Meeting, however not longer than until 30 June 2025.

The Annual General Meeting resolved 5 members to be elected to the Board of Directors. The Annual General Meeting re-elected the current members of the Board of Directors: Yrjö Trög, Tapio Lehti and Pekka Helle. Juhani Kangas and Antto Trög were elected as new members of the Board of Directors. In the constitutive meeting held after the Annual General Meeting, the Board of Directors elected Juhani Kangas from among its members as Chairman of the Board of Directors. Pekka Helle was elected Vice Chairman.

The Annual General Meeting resolved to elect authorized public accountants KPMG Oy as the new auditor, which has notified Juha Väärälä, APA, as its auditor with principal responsibility. The Annual General Meeting resolved that the remuneration of the auditor shall be paid according to a reasonable invoice approved by the company. The auditor's term of office lasts 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 15 meetings during the year 2024.

On 31 December 2024, Norrhydro's Executive Management Team consisted of CEO Yrjö Trög, Vice President Sales and Marketing as well as Head of the Rovaniemi unit Anniina Piira-Wendeler, Digital Business Director Carl Mattson, CFO and HR Director Johanna Kaikkonen, Production Director Mikko Välitähti and Director of Quality, Sustainability and Product Management Heidi Sederholm.

In the financial period 2024, Norrhydro Group's auditor was KPMG Oy, with Juha Väärälä, Authorised Public Accountant, as the principal auditor.

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

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## Shares and shareholders

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

The number of shares outstanding on 31 December 2024 was 11 026 119 (10 844 638 on 31 December 2023). 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 (57,000) shares in the parent company Norrhydro Group Oyj.

A total of 1 723 729 shares (15.55 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 2.9 million.

The closing share price on the last trading day of the period was EUR 1.62 per share. The lowest trading price for the period was EUR 1.31 per share, the highest was EUR 2.25 per share, and the average price for the period was EUR 1.71 per share. Norrhydro's market value at the end of the reporting period was EUR 18 million. At the end of the reporting period, the company had 5,385 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	3 933 171	35,48
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. Reinzen Oy	176 492	1,59
8. Kari Kaarlo Alvar	119 048	1,07
9. Saana Partners Oy	100 000	0,90
10. Triton Seasafety Oy	79 752	0,72
<b>10 biggest, total</b>	<b>7 499 829</b>	<b>67,65</b>

The average price 1 Jan. - 31 Dec. 2024

1,71 € / share

Market value 31 Dec. 2024

18,0 M€



# Information for shareholders and capital repayment proposal

## 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.

## THE SHARE CAPITAL OF THE COMPANY

At the end of the financial period, the share capital of the company was EUR 4,252,200 and it was divided into 11,086,119 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. Shareholders are 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 parent company's distributable funds on 31 December 2024 totalled EUR 10,443,565.25

Board of Directors' proposal for measures concerning the company's profit/loss: The parent company's loss of EUR -367,642.56 will be transferred to the account "Profit/loss from previous financial years" and no dividend will be paid.

There have been no essential changes in the company's financial position and liquidity since the end of the financial year.

## FINANCIAL REPORTING 2025

Norrhydro will publish a half-year report for the period 1 January to 30 June 2025 on 15 July 2025. 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 2025 will be held on 14 April 2025 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 2025

Estimating the development of the Group's net sales in the current, still uncertain global economic situation is challenging. The market and demand situation for Norrhydro's customers and consequently for the company, remains highly uncertain, making predictability challenging. The general economic uncertainty continues to cause caution in end customers' investment decisions, which affects the development of the company's order backlog.

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

The Group's target for 2028 is net sales of over EUR 70 million, digital products and services accounting for more than 30 per cent of net sales, and EBITDA for at least 16 per cent of net sales.

Investments in product development and commercialization of digital solutions will continue during the current financial year. For digital products, the focus will shift from product development to marketing and sales.

The company expects net sales in 2025 to be higher than in 2024 (EUR 24,228 thousand) and reported EBITDA to be better than in 2024 (EUR 1,258 thousand).



# Events after the financial year

At the time of the financial statements, some of the covenants related to the Group's financing agreements have 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 10 MARCH 2025

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

### ADDITIONAL INFORMATION:

Yrjö Trög, CEO  
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### DISTRIBUTION:

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



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

<b>TURNOVER</b>	<b>24,227,817.80</b>	<b>30,365,283.93</b>
Stocks of finished goods and work in progress increase (+) or decrease (-)	-544,526.32	-710,817.62
Other operating income	26,791.45	653,020.68
<b>Materials and services</b>		
<b>Raw materials and consumables</b>		
Purchases during the period	-11,809,805.24	-15,550,502.26
Increase/decrease in stocks	-428,894.64	-183,935.40
External services	-369,406.66	-708,913.60
	<b>-12,608,106.54</b>	<b>-16,443,351.26</b>
<b>Personnel expenses</b>		
Salaries and fees	-5,334,298.48	-7,193,247.83
Indirect employee expenses		
Pension expenses	-1,028,317.68	-1,381,069.18
Other indirect employee expenses	-79,140.88	-179,498.44
	<b>-6,441,757.04</b>	<b>-8,753,815.45</b>
<b>Depreciation and impairment</b>		
Depreciation according to plan	-1,343,097.67	-1,312,309.61
<b>Other operating expenses</b>	<b>-3401903.72</b>	<b>-4,055,660.47</b>
<b>OPERATING PROFIT</b>	<b>-84,782.04</b>	<b>-257,649.80</b>
<b>Financial income and expenses</b>		
Other interest and financial income, from others	747.01	9,674.10
Interest expenses and other financial expenses, to	-1,237,240.97	-1,194,668.32
	<b>-1,236493.96</b>	<b>-1,184,994.22</b>
Profit (loss) before accounting transfers and taxes	-1,321,276.00	-1,442,644.02
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-1,321,276.00</b>	<b>-1,442,644.02</b>
<b>CONSOLIDATED RESULT</b>	<b>-1,321,276.00</b>	<b>-1,442,644.02</b>

Consolidated financial statements for 2024

CONSOLIDATED BALANCE SHEET	31 Dec. 2024	31 Dec. 2023
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible rights	327,385.94	387,909.79
Consolidated goodwill	663,364.31	345,430.43
Development expenses	6,235,132.80	5,660,466.18
Other long-term expenditure	1,733,483.45	1,977,070.85
<b>Total intangible assets</b>	<b>8,959,366.50</b>	<b>8,370,877.25</b>
<b>Material goods</b>		
Machinery and equipment	5,849,885.93	6,469,020.34
Other material goods	10,926.22	10,926.22
<b>Material goods in total</b>	<b>5,860,812.15</b>	<b>6,479,946.56</b>
<b>Investments</b>		
Other shares and holdings	807.30	807.30
<b>Total investments</b>	<b>807.30</b>	<b>807.30</b>
<b><u>FIXED ASSETS, TOTAL</u></b>	<b>14,820,985.95</b>	<b>14,851,631.11</b>
<b>CURRENT ASSETS</b>		
<b>Current assets</b>		
Raw materials and consumables	4,167,220.43	4,596,115.07
Work in progress	2,416,535.39	2,260,963.99
Finished goods and services	394,807.46	1,094,905.18
	426,259.21	0,00
Deferred income	1,222.16	10,265.66
<b>Total current assets</b>	<b>7,406,044.65</b>	<b>7,962,249.90</b>
<b>Receivables</b>		
<b>Current</b>		
Trade receivables	668,671.98	445,250.60
Loan receivables	44,974.68	63,829.68
Accrued income and prepaid expenses	445,731.95	643,255.49
Other receivables	312.33	3,651.74
<b>Total short-term receivables</b>	<b>1,159,690.94</b>	<b>1,155,987.51</b>
Cash and cash equivalents	568,588.86	1,395,262.07
<b><u>TOTAL CURRENT ASSETS</u></b>	<b>9,134,324.45</b>	<b>10,513,499.48</b>
<b>ASSETS, TOTAL</b>	<b>23,955,310.40</b>	<b>25,365,130.59</b>



	31 Dec. 2024	31 Dec. 2023
<b>LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	4,252,200.00	4,252,200.00
<b>Other reserves</b>		
Invested unrestricted equity reserve	10,379,382.76	9,993,702.76
Profit/loss from previous financial periods	-5,373,666.29	-3,931,022.27
Profit/loss for the financial period	-1,321,276.00	-1,442,644.02
<b>Total equity</b>	<b>7,936,640.47</b>	<b>8,872,236.47</b>
<b>CURRENT LIABILITIES</b>		
<b>Long-term liabilities</b>		
Convertible loans	1,500,000.00	1,400,000.00
Loans from financial institutions	6,113,778.15	5,850,590.51
<b>Long-term liabilities, total</b>	<b>7,613,778.15</b>	<b>7,250,590.51</b>
<b>Short-term liabilities</b>		
Loans from financial institutions	2,548,636.39	3,782,364.33
Advances received	35,760.00	
Accounts payable	4,087,964.15	3,443,308.58
Other payables	704,414.68	764,704.04
Accruals and deferred income	1,028,116.56	1,251,926.66
<b>Short-term liabilities, total</b>	<b>8,404,891.78</b>	<b>9,242,303.61</b>
<b>CURRENT LIABILITIES, TOTAL</b>	<b>16,018,669.33</b>	<b>16,492,894.12</b>
<b>LIABILITIES, TOTAL</b>	<b>23,955,310.40</b>	<b>25,365,130.59</b>

**CONSOLIDATED CASH FLOW STATEMENT**

1 Jan. - 31 Dec. 2024      1 Jan. - 31 Dec. 2023

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/loss before accounting transfers and taxes	-1,321,276.00	-1,442,644.02
<b>Adjustments:</b>		
Depreciation according to plan	1,343,097.67	1,312,309.61
Financial income and expenses	1,236,493.96	1,184,994.22
<b>Cash flow before working capital changes</b>	<b>1,258,315.63</b>	<b>1,054,659.81</b>
<b>Working capital changes:</b>		
Increase (+)/decrease (-) in short-term non-interestbearing accounts receivable	-3,703.43	807,155.17
Increase (+)/decrease (-) in current assets	556,205.25	884,759.23
Increase (+)/decrease (-) in short-term non-interestbearing liabilities	262,390.00	-1,359,648.57
<b>Cash flow from operating activities before financial items and taxes</b>	<b>2,073,207.45</b>	<b>1,386,925.64</b>
<b>Financial items and taxes:</b>		
Interest paid and payments on other financial expenses for operating activities	-1,195,631.98	-1,189,171.65
Direct taxes paid		108,618.07
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>877,575.47</b>	<b>306,372.06</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investments in intangible and tangible assets	-1,312,452.51	-1,580,048.27
Investments in other financial securities	0.00	1,000,000.00
Investment grants received	385,680.00	338,522.70
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>-926,772.51</b>	<b>-241,525.57</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Dividends paid and other distributions	0.00	-331,489.14
Loan disbursements	1,173,134.00	1,995,435.63
Loan repayments	-1,950,610.17	-1,587,427.74
<b>CASH FLOW FROM FINANCING (C)</b>	<b>-777,476.17</b>	<b>76,518.75</b>
Change in cash flows (A+B+C) increase (+)/decrease (-)	-826,673.21	141,365.24
Cash and cash equivalents at the beginning of the period	1,395,262.07	1,253,896.83
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>568,588.86</b>	<b>1,395,262.07</b>





# Notes to the consolidated financial statements

Norrhydro Group Plc and its group companies are Finnish pioneers in motion control and Scandinavia's leading provider and system supplier of energy-efficient hydraulic cylinders. The company specialises in designing and manufacturing high quality, customer-oriented and energy-efficient hydraulic cylinders.

Norrhydro Group Oyj was established on 30 August 2007. The company acquired the entire share capital of Norrhydro Oy (600 shares) in 2007. The Norrhydro Group comprises the parent company Norrhydro Group Plc, Motiomax Oy, Norrhydro Oy and its wholly-owned subsidiary NH Norrdigi Oy as well as the Chinese affiliated company Norrhydro Hydraulic System Changzou Co., Ltd (49% ownership). Norrhydro Hydraulic System (Changzou) Co., Ltd no longer has business operations and is not consolidated in the consolidated financial statements. The value of the company's shares has been written down in 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 according to the Finnish Accounting Standards (FAS). The consolidated financial statements have been prepared using the acquisition cost method. When calculating turnover, indirect taxes, discounts granted and exchange differences related to sales are deducted from sales revenue. Sales revenue is recognised when all the material risks and rewards of

ownership have been transferred to the buyer.

Revenues related to continuing improvement are recognised 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 by the company are recognised in other operating income for the same period for which the company recognises 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 recognised 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 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 recognised in the balance sheet at acquisition cost less depreciation in accordance with the plan. Planned depreciation has been calculated on the basis of the economic life of the intangible and tangible assets as straight-line depreciation or declining-balance depreciation.

The confirmed and audited information of Norrhydro Group Plc for the financial period 2023 is presented as the comparative information for the Group and the parent company.

In addition to the normal corporation tax for the financial period 2023, the income tax paid during the financial period 2022 concerning the financial period 2021 of the Group's parent company Norrhydro Group Plc was EUR 99,000. In accordance with the decision of the Tax Administration, the expense presented by the company for the financial period 2021, amounting to EUR 1,319,480.41, were not considered deductible.

The expense consists of the guarantee liability, including interest, paid by the company to the Finnish Fund for Industrial Cooperation Ltd in 2021. The company filed an appeal against the decision with the Board of Adjustment and after the Board of Adjustment rejected the appeal, the company has appealed the decision to the Administrative Court. The Administrative Court has dismissed the appeal by its decision on March 4, 2024.

During the financial year 2024, the company implemented a practice in which goods in transit 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.

In the financial statements for the comparative year

2023, goods in transit were not separately recorded, which may affect the comparability of inventory value between different financial years. This change in accounting practice does not impact the company's earnings but enhances the reporting of inventory and supply chain management.

On January 8, 2024, the company's board of directors decided on a directed share issue and completed the second phase of the corporate transaction concerning Motiomax Oy's shares, as announced on December 2, 2021, by acquiring the remaining 48.96% of Motiomax's shares. The decision on the share issue is based on the authorization granted to the board by the company's annual general meeting on April 3, 2023, as well as the board's decision on January 8, 2024, to acquire the remaining Motiomax shares at the request of Motiomax's shareholders. The purchase price was paid by issuing new shares of the company to Motiomax's shareholders.

As at the balance sheet date, Motiomax Oy has a capital loan of EUR 200,000 from its parent company in accordance with chapter 12 of the Finnish Companies Act. Motiomax Oy's minority shareholding has not been separated from the consolidated result or equity, as without the parent company's capital loan, Motiomax Oy's equity would be negative.

The distributable funds of the parent company are presented in the note to these financial statements "Calculation of distributable funds in equity of the parent company".

## 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 backloaded and tied to the revenue target of the digital business. Since the set revenue target was not achieved, the board decided not to increase the depreciation percentage. As a result, the depreciation plan was not followed, and depreciations were made at the 2023 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. 2024	1 Jan. - 31 Dec. 2023
Domestic sales	16,944,067.54	20,674,486.41
Intra-community sales	6,773,821.62	9,212,855.94
Sales outside the community	509,928.64	477,941.58
<b>Total</b>	<b>24,227,817.80</b>	<b>30,365,283.93</b>

### Other operating income

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Grants received	12,568.62	631,102.53
Other operating income	14,222.83	21,918.15
<b>Total</b>	<b>26,791.45</b>	<b>653,020.68</b>

### Remuneration to the members of the Board of Directors and the CEO

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Remuneration to the Board of Directors	108,352.40	84,600.00
Remuneration to the CEOs	221,628.14	404,925.31

### Auditor fees

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Auditing services	78,984.08	40,475.30
<b>Total</b>	<b>78,984.08</b>	<b>40,475.30</b>

### Financial income and expenses

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Interest and other financial income	-747.01	9,674.10
Interest expenses and other financial expenses	1,237,240.97	1,194,668.32
<b>Total</b>	<b>1,236,493.96</b>	<b>1,184,994.22</b>

## NOTES TO THE CONSOLIDATED BALANCE SHEET ASSETS

### Intangible rights

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
<b>Carrying amount at the beginning of the</b>	<b>387,909.80</b>	<b>433,648.02</b>
Increases	35,074.03	69,707.88
Decreases	0.00	24,282.20
Depreciation	95,597.95	91,163.90
<b>Carrying amounts at the end of the period</b>	<b>327,385.88</b>	<b>387,909.80</b>

### Consolidated goodwill

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
<b>Carrying amount at the beginning of the</b>	<b>345,430.43</b>	<b>388,609.19</b>
Increases	397,555.20	0.00
Depreciation	79,621.32	43,178.76
<b>Carrying amounts at the end of the period</b>	<b>663,364.31</b>	<b>345,430.43</b>

### Other long-term expenditure

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
<b>Carrying amount at the beginning of the</b>	<b>1,977,070.85</b>	<b>2,164,329.96</b>
Increases	0.00	55,881.98
Depreciation	243,587.36	243,141.09
<b>Carrying amounts at the end of the period</b>	<b>1,733,483.49</b>	<b>1,977,070.85</b>

### Development expenses

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
<b>Carrying amount at the beginning of the</b>	<b>5,660,466.18</b>	<b>4,856,476.60</b>
Increases	699,502.65	911,624.84
Depreciation	124,836.03	107,635.26
<b>Carrying amounts at the end of the period</b>	<b>6,235,132.80</b>	<b>5,660,466.18</b>

### Machinery and equipment

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
<b>Carrying amount at the beginning of the</b>	<b>6 469 020.34</b>	<b>6,853,687.16</b>
Increases	180,320.63	583,116.93
Decreases: Investment grant	0.00	140,593.16
Depreciation	799,455.05	827,190.59
<b>Carrying amounts at the end of the period</b>	<b>5,849,885.92</b>	<b>6,469,020.34</b>

### Other material goods – Art objects

	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
<b>Carrying amount at the beginning of the</b>	<b>10,926.22</b>	<b>10,926.22</b>
<b>Carrying amounts at the end of the period</b>	<b>10,926.22</b>	<b>10,926.22</b>

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

<b>Loan receivables</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Receivables from employees	44,974.68	63,829.68
<b>Total</b>	<b>44,974.68</b>	<b>63,829.68</b>

<b>Accrued income and prepaid expenses</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Secured deposit receivables	230,289.13	230,289.13
Other deferred charges	141,412.66	154,204.84
Accrual of grants	0.00	185,428.38
Other accrued income and prepaid expenses	74,030.16	73,333.14
<b>Total</b>	<b>445,731.95</b>	<b>643,255.49</b>

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

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

<b>Itemisation of equity at 31 December 2023</b>	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>Shareholders' equity at beginning of period</b>	<b>4,252,200.00</b>	<b>10,361,671.90</b>	<b>-3,922,122.27</b>	<b>10,691,749.63</b>
Adjusted profit of Motiomax Oy for the financial period 2022			-8,900.00	
Return of equity		-325,969.14		
Profit for the financial period			-1,442,644.03	
Other changes: acquisition of own shares		-42,000.00		
<b>Equity at the end of the period</b>	<b>4,252,200.00</b>	<b>9,993,702.76</b>	<b>-5,373,666.29</b>	<b>8,872,236.47</b>



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

<b>LIABILITIES AND GUARANTEES BY BALANCE SHEET ITEM AND TYPE OF GUARANTEE</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Long-term liabilities maturing after more than 5 years	497,716.70	304,186.75
<b>Liabilities included in the balance sheet</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Long-term financial loans	6,113,778.15	5,850,590.51
Convertible bond	1,500,000.00	1,400,000.00
Short-term borrowings from financial institutions	2,548,636.39	3,782,364.33
<b>Total</b>	<b>10,162,414.54</b>	<b>11,032,954.84</b>

Some of the Group companies' financing agreements include the following covenant terms: interest-bearing liabilities per EBITDA < 3.0, equity ratio at least 30% and gearing below 100%. In some of the parent company's and the corporation's financial loans, some of the covenant terms have been breached at the end of the financial year. After the end of the financial year, the company has received waivers from its financiers, according to which financial loans will not be collected prematurely by financial institutions and financing terms will not be changed. Financial loans are presented as long-term and short-term debt according to the original payment plan.

A new agreement regarding the credit limit presented under the company's long-term liabilities was made during the financial year. According to the agreement, the credit limit remains at EUR 1,750 thousand until September 30, 2025. From October 1, 2025, the credit limit will continue at EUR 1,250 thousand and will remain in effect until January 31, 2026.

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

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

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

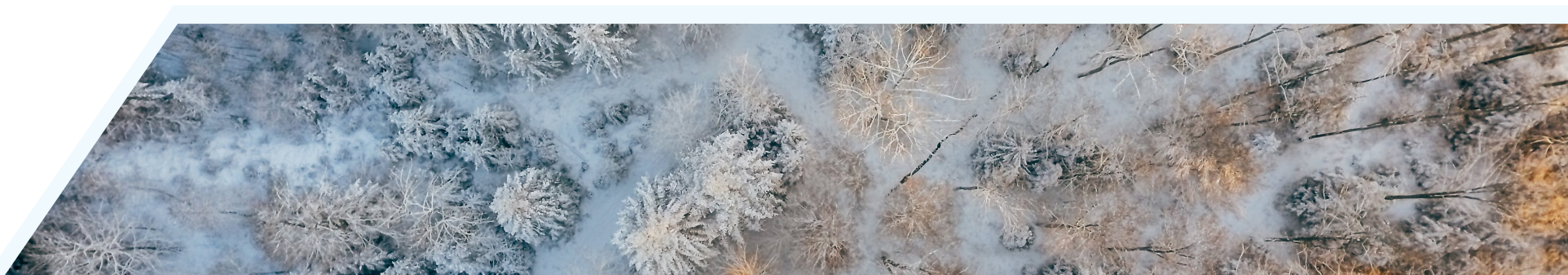
The repayment of the convertible bond shall be effected against the assignment of the notes and, in the case of partial repayment, against an entry for repayment in the note. The convertible bond shall bear an annual interest rate of 10 per cent for the loan period. The annual interest is due and payable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

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

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

**OPTIOT- JA MUUT ERITYISET OIKEUDET**

The issuance of special rights was decided on December 28, 2023. The maximum number of shares to be issued under these rights is 720,000.



<b>MATERIAL ITEMS INCLUDED IN ACCRUALS AND DEFERRED</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Accrued indirect employee expenses	987 254,58	1,184,168.11
Accrued interest expense	40 861,98	67,758.55
<b>Total</b>	<b>1 028 116,56</b>	<b>1,251,926.66</b>

**PLEDGES AND CONTINGENT LIABILITIES PROVIDED**

<b>Guarantees</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Guarantees on behalf of subsidiary Norrhydro Oy	3,510 659,28	1,356,191.97
<b>Total</b>	<b>3,510,659.28</b>	<b>1,356,191.97</b>

<b>Business guarantees</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Norrdigi Oy's shares	100 pcs	100 pcs
	2,500.00	2,500.00
Business mortgages	6,825,033.61	6,825,033.60
Business mortgages, free held by the financier	400,000.00	400,000.00
<b>Total</b>	<b>7,225,033.61</b>	<b>7,225,033.61</b>

<b>Pledges given</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Deposited security as collateral	24,000.00	24,000.00
Deposit for sold trade receivables	190,000.00	190,000.00
Rental deposit	16,289.13	16,289.13
<b>Total</b>	<b>230,289.13</b>	<b>230,289.13</b>

Norrhydro Llc, a subsidiary of Norrhydro Group Plc, mainly sells its trade receivables. Credit loss on sold trade receivables is limited to EUR 1 million.

<b>OFF-BALANCE SHEET LIABILITIES, VAT. 0 %</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Leasing liabilities payable in the next financial period	226,886.80	234,759.96
Leasing liabilities payable later	322,764.87	499,002.40
<b>Leasing liabilities, total (VAT. 0 %)</b>	<b>549,651.67</b>	<b>733,762.36</b>
Residual value liabilities from leasing contracts	49,143.74	72,549.03
Rents payable in the next financial period	1,173,620.85	683,530.77
Rents payable later	11,652,882.72	12,386,019.26
<b>Rental liabilities, total (VAT. 0 %)</b>	<b>12,826,503.57</b>	<b>13,069,550.03</b>

In 2021, Norrhydro Oy, a subsidiary of Norrhydro Group Plc, has entered into a 15-year lease agreement for the production facility and its land built in Rovaniemi. The rental liability began in August 2022. Lease agreement is covered by bank guarantee where Norrhydro Plc has given counter guarantee, amounting to EUR 491,573.15. The total liability under the lease agreement is EUR 12,810,288.84.



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

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

**DEFINITION OF RELATED PARTIES:**

The company's related parties include the following entities and individuals:

Subsidiaries: Norrhydro Oyj ja Motiomax Oy and NH Norrdigi Oy ((a wholly owned subsidiary of Norrhydro Oy)

Board members: Juhani Kangas, Pekka Helle, Yrjö Trög, Tapio Lehti and Antto Trög

Executive management team members: Yrjö Trög, Anniina Piira-Wendeler, Johanna Kaikkonen, Carl Mattson, Mikko Väitalo, Heidi Sederholm and Verna Sipilä

Close family members: spouses and dependent children of the board members and executive management team

On 31 December 2024, the company's related parties owned 5,865,140 shares, which is 52.9 per cent of the company's shares and votes (57.6 per cent on 31 December 2023). 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 with the rights is 61,000 shares. The stock option program is targeted for key employees who are responsible for the development of the company's business. The implementation of the option plan is conditional on business growth and profitability as well as the successful launch of the digital business on the market.

For the acquisition of the shares, Norrhydro Oy has granted key personnel a 5-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 five years after its disbursement. The loan is secured by the acquired shares. The loan terms were modified during the financial year by extending the repayment period by two years. All other loan terms remain unchanged.

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 to share subscription. The related parties that have subscribed for the 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 of the 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 to implement a share-based incentive plan for key employees in order to encourage and commit them. The purpose of the scheme is to combine the objectives of the company's shareholders and key employees in order to increase the company's value in the 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 fee is paid in shares and in cash. The earnings concerns financial periods 2024–2026.

During the financial year, CEO Yrjö Trög sold 100,000 shares of the Company, owned by his controlled company Economica Yrittyspalvelut Oy, to Triton Seasafety Oy, a company controlled by CTO Carl Mattson, for €150,000. The transaction was carried out on market terms, based on the stock exchange price, and did not include any special conditions. Both parties are considered related parties to the Company. The transaction had no impact on the Company's governance or voting rights.

<b>TRANSACTIONS WITH RELATED PARTIES DURING THE FINANCIAL PERIOD</b>	<b>1 jan. -31 Dec. 2024</b>	<b>1 jan. -31 Dec. 2023</b>
Purchases from related parties	0.00	42,000
Loan receivables from related parties	35,460	37,850
Liabilities to related parties	200,000	100,000
Salaries and fees paid to related parties	891,190	979,957

<b>AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL PERIOD</b>	<b>2024</b>	<b>2023</b>
Salaried employees on average	43	49
Employees on average	117	123
<b>Total</b>	<b>160</b>	<b>172</b>

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



**PARENT COMPANY INCOME STATEMENT**

	1 Jan.-31 Dec. 2024	1 Jan.-31 Dec. 2023
<b>TURNOVER</b>	<b>420,000.00</b>	<b>420,000.00</b>
<b>Personnel expenses</b>		
Salaries and fees	-108 352,40	-84,600.00
Indirect employee expenses		
Pension expenses	-52 410,76	-49,870.32
Other indirect employee expenses	-3 075,80	-3,258.43
	<b>-163 838,96</b>	<b>-137,728.75</b>
<b>Other operating expenses</b>	<b>-277 078,72</b>	<b>-215,892.51</b>
<b>OPERATING PROFIT</b>	<b>-20 917,68</b>	<b>66,378.74</b>
<b>Financial income and expenses</b>		
Other interest and financial income, from others	49.58	8,502.37
Interest and other financial expenses, to others	-346,774.46	-223,070.22
	<b>-346,724.88</b>	<b>-214,567.85</b>
<b>PROFIT (LOSS) BEFORE ACCOUNTING TRANSFERS AND TAXES</b>	<b>-367,642.56</b>	<b>-148,189.11</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-367,642.56</b>	<b>-148,189.11</b>

Parent company financial statements 2024





**PARENT COMPANY BALANCE SHEET**

<b>ASSETS</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
<b>FIXED ASSETS</b>		
<b>Investments</b>		
Holdings in Group undertakings	14,645,136.50	14,247,581.30
Total investments	14,645,136.50	14,247,581.30
<b>FIXED ASSETS, TOTAL</b>	<b>14,645,136.50</b>	<b>14,247,581.30</b>
<b>CURRENT ASSETS</b>		
<b>Receivables</b>		
Long-term Group loan receivables	200,000.00	200,000.00
Short-term receivables	0.00	28,400.00
Group receivables	2,607,940.68	1,890,340.68
Accrued income and prepaid expenses	39,373.04	41,479.65
<b>Total short-term receivables</b>	<b>2,647,313.72</b>	<b>1,960,220.33</b>
Cash and cash equivalents	217,067.16	1,377,182.65
<b>TOTAL CURRENT ASSETS</b>	<b>3,064,380.88</b>	<b>3,537,402.98</b>
<b>ASSETS, TOTAL</b>	<b>17,709,517.38</b>	<b>17,784,984.28</b>

<b>LIABILITIES</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
<b>EQUITY</b>		
Share capital	4,252,200.00	4,252,200.00
<b>Other reserves</b>		
Invested unrestricted equity reserve	10 216 588.76	9,824,908.76
Profit/loss from previous financial periods	594 619.05	742,808.16
Profit/loss for the financial period	-367,642.56	-148,189.11
<b>TOTAL EQUITY</b>	<b>14,695,765.25</b>	<b>14,671,727.81</b>
<b>CURRENT LIABILITIES</b>		
<b>Long-term</b>		
Convertible bond	1,500,000.00	1,400,000.00
Loans from financial institutions	0.00	1,312,498.00
<b>Long-term liabilities, total</b>	<b>1,500,000.00</b>	<b>2,712,498.00</b>
<b>Short-term</b>		
Loans from financial institutions	1,473,202.11	343,752.00
Accounts payable	35,712.29	29,704.94
Other payables	4,837.73	10,701.78
Accruals and deferred income	0.00	16,599.75
<b>Short-term liabilities, total</b>	<b>1,513,752.13</b>	<b>400,758.47</b>
<b>CURRENT LIABILITIES, TOTAL</b>	<b>3,013,752.13</b>	<b>3,113,256.47</b>
<b>LIABILITIES, TOTAL</b>	<b>17,709,517.38</b>	<b>17,784,984.28</b>

PARENT COMPANY NOTES

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

Geographical breakdown of turnover	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Domestic sales	420,000.00	420,000.00
<b>Total turnover</b>	<b>420,000.00</b>	<b>420,000.00</b>
Remuneration to the members of the Board of Directors and the CEO	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Remuneration to the Board of Directors	108,352.40	84,600.00
Auditor fees	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Auditing services	31,700.00	18,316.00
<b>Total</b>	<b>31,700.00</b>	<b>18,316.00</b>
Financial income and expenses	1 Jan. - 31 Dec. 2024	1 Jan. - 31 Dec. 2023
Interest and other financial income	49.58	8,502.37
Interest expenses and other financial expenses vähennys (-)	-346,774.46	-223,070.22
<b>Total</b>	<b>-346,724.88</b>	<b>-214,567.85</b>

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

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

Company name and form	Registered office	Ownership share	Equity		Profit/loss	
			2024	2023	2024	2023
Norrhydro Oy	Rovaniemi	100 %	7,819,108.84	8,644,303.91	-825,195.07	-1,170,382.03
NH NorrDigi Oy (Through Norrhydro Oy)	Rovaniemi	100 %	333,874.69	384,464.64	-50,589.95	-77,066.99
Motiimax Oy	Rovaniemi	100 %	89,451.34	87,678.44	1,772.90	-2,747.13
Norrhydro Hydraulic System Shangzhou CO. Ltd		49 %				

Book value of subsidiary shares	31 Dec. 2024	31 Dec. 2023
Norrhydro Oy	13,832,728.18	8,832,728.18
Changes during the financial year	0.00	5,000,000.00
Norrhydro Oy	13,832,728.18	13,832,728.18
Motiimax Oy	414,853.12	414,853.12
Changes during the financial year	397,555.20	0.00
Motiimax Oy	812,408.32	414,853.12
<b>Total</b>	<b>14,645,136.50</b>	<b>14,247,581.30</b>

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

NOTES TO THE LIABILITIES ON THE BALANCE SHEET OF THE PARENT COMPANY, CHAPTER 2, SECTION 5 OF THE ACCOUNTING ORDINANCE

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

Itemisation of equity 2023	Share capital	Invested unrestricted equity reserve	Retained earnings	Total equity
<b>Shareholders' equity at beginning of period</b>	<b>4,252,200.00</b>	<b>10,151,957.90</b>	<b>742,808.16</b>	<b>15,146,966.06</b>
Return of equity		-327,049.14		
Profit for the financial period			-148,189.11	
<b>Equity at end of period</b>	<b>4,252,200.00</b>	<b>9,824,908.76</b>	<b>267,569.91</b>	<b>14,671,727.81</b>

<u>Calculation of distributable assets in equity of the parent company</u>	<u>31 Dec. 2024</u>	<u>31 Dec. 2023</u>
Invested unrestricted equity reserve	10,216,588.76	9,824,908.76
Retained earnings	594,619.05	742,808.16
Profit for the financial period (profit+/-loss-)	-367,642.56	-148,189.11
<b>Distributable funds, total</b>	<b>10,443,565.25</b>	<b>10,419,527.81</b>



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

**LIABILITIES AND GUARANTEES BY BALANCE SHEET ITEM AND TYPE OF GUARANTEE**

<b>Liabilities included in the balance sheet</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Long-term financial institution loans	0.00	1,312,498.00
Bond	1,500,000.00	1,400,000.00
Short-term borrowings from financial institutions	1,473,202.11	343,752.00
<b>Total</b>	<b>2,973,202.11</b>	<b>3,056,250.00</b>

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

**PLEDGES AND CONTINGENT LIABILITIES PROVIDED**

<b>Guarantees</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
For and on behalf of subsidiary Norrhydro Oy	3,510,659.28	1,356,191.97
<b>Total</b>	<b>3,510,659.8</b>	<b>1,356,191.97</b>

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

<b>Cash deposits</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
For and on behalf of subsidiary Norrhydro Oy	24,000.00	24,000.00
<b>Total</b>	<b>24,000.00</b>	<b>24,000.00</b>

<b>Business mortgages</b>	<b>31 Dec. 2024</b>	<b>31 Dec. 2023</b>
Business mortgages	2,600,000.00	2,600,000.00
Business mortgages, free held by the financier	400,000.00	400,000.00
<b>Total</b>	<b>3,000,000.00</b>	<b>3,000,000.00</b>



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

The financial statements and the Board of Directors' report have been signed electronically 10 March 2025 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.

KPMG Oy  
Audit firm

Juha Väärälä  
APA

## To the Annual General Meeting of Norrhydro Group Oyj

# Auditor's Report

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of Norrhydro Group Oyj (business identity code 2144656-2) for the year ended 31 December 2024. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group and the balance sheets, the income statements and notes for the parent company.

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.

#### 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 the Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 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 the financial statements.

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 company 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.

— Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 or 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. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

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 compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

11.3.2025

**KPMG OY AB**  
Authorised Public Accountants

**Juha Väärälä**  
Authorised Public Accountant (KHT)

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

Journal		Electronic
General ledger		Electronic
Accounts receivable		Electronic
Accounts payable		Printed / Electronic
Payroll accounting		Printed
Financial statements		Separately bound
Balance sheet breakdowns		Separately bound
Note information breakdowns		Separately bound
	<b>Voucher type</b>	<b>Archiving method</b>
Bank vouchers Nordea	460	Printed / Electronic
Sales ledger vouchers	131	Printed / Electronic
Purchase ledger vouchers	232	Printed / Electronic
Purchase ledger vouchers	231	Printed / Electronic
Memo vouchers	460	Printed / Electronic
Pay slips	310	Printed / Electronic
VAT receipts	210	Printed / Electronic
Bank transfers	241	Printed / Electronic

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

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

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







# NORR HYDRO

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