



Loihde Plc
ANNUAL REPORT
2025

LOIHDE

Table of contents

| | |
|--|----|
| Report of the Board of Directors | 1 |
| Financial Statements | 15 |
| Consolidated income statement | 15 |
| Consolidated balance sheet | 16 |
| Consolidated statement of changes in equity | 18 |
| Consolidated cash flow statement | 19 |
| Notes to the consolidated financial statements | 20 |
| Parent company's income statement | 49 |
| Parent company's balance sheet | 50 |
| Parent company's cash flow statement | 51 |
| Accounting policies for the parent company's financial statements | 52 |
| Notes to the parent company's financial statements | 53 |
| Signatures of the Financial Statements | 59 |
| Auditor's report | 60 |
| Corporate Governance Statement | 62 |
| Remuneration report | 73 |

Loihde Plc

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**Report of the
Board of Directors
and Financial
Statements**

Report of the Board of Directors 2025

Loihde enables business continuity and helps its customers to gain a sustainable competitive edge through data, AI and digitalisation, to harness the potential of the cloud and to protect themselves against both physical and cyber threats.

Loihde is one of Finland's leading service providers of enterprise security solutions and the only one that offers both physical security and cyber security services. As the world becomes more connected, the protection of the physical environment also relies more and more heavily on digital solutions. Loihde stands out in the market with its comprehensive security solutions, which are based on the company's diverse expertise in cybersecurity, network and security technology.

As a versatile expert in data, artificial intelligence and digital solutions, Loihde creates value for customers with smart and user-friendly digital services and data solutions that are secure, reliable and constantly evolving.

More than 800 experts and more than 20 offices around Finland ensure Loihde's strong expertise and customer-oriented service capability.

Group structure and business areas

Loihde Plc is an expert organisation specialising in digital development and security solutions that enables business continuity for its customers.

The Group has three business areas: Data, Digital & AI; Cyber, Cloud & Connect; and Security Solutions. The three business areas form one reportable operating segment.

The legal structure of the Group does not fully reflect the operational business structure. In 2025, Loihde Group consisted of:

- the parent company Loihde Plc
- Loihde Advance Ltd
- Loihde Factor Ltd
- Loihde Cloudon Ltd
- Loihde Trust Ltd
- Loihde Properties Ltd

The Data & AI business unit and the Digital Services business unit were combined into a single business unit, Data, Digital & AI, on 1 April 2025. In connection with this combination, Loihde Factor Ltd merged with Loihde Advance Ltd on 31 December 2025.

Financial targets for the strategy period 2024–2027

Loihde Group aims to achieve an average annual revenue growth of approximately 10%, including potential acquisitions. The revenue target for the end of the strategy period, i.e. for 2027, is at least EUR 200 million.

In terms of profitability, the target is to achieve an adjusted EBITDA margin of 15% by the end of the strategy period.

The target return on investment (ROI) is 10% and net debt/EBITDA between 0–2x.

Outlook for 2026

In 2026, Loihde expects the Group's revenue and adjusted EBITDA to grow or to be on par with the previous year.

In November 2025, Loihde signed an agreement on acquiring the entire share capital of BLC Turva Oy. The processing of the acquisition has yet to be completed by the Finnish Competition and Consumer Authority, which is why it has not been taken into consideration in the financial guidance issued at this time. Loihde will update the guidance once the FCCA has approved the transaction.

Material events during the financial year

The Security Solutions business area has continued to grow well, both in terms of continuous services and project deliveries. Loihde won several new customers in the manufacturing and retail, among others, and signed significant, multi-year framework agreements on security technology with public sector organizations. Loihde's strong IT, cyber security and network expertise, and its ability to deliver total security solutions, give a clear competitive advantage as physical security is increasingly digital. The demand for security solutions delivered as a service is also growing steadily, as security technology becomes more diverse and customers want a strong partner to be responsible for the maintenance of the service and the monitoring of operational reliability.

In Cyber, Cloud and Connect, revenue was at the same level as a year ago. The continuous services, such as the Cyber Security Operations Centre CSOC and the Network Operations Centre NOC, continued to grow, and we signed large contracts for the delivery of network management solutions, the largest of which was an agreement with the City of Turku worth approximately EUR 9.5 million. By contrast, the resale of network devices was weak for the whole year. In identity and access management (IAM) consulting, the good growth that has continued for several years has slowed down, but the market opportunities remain positive.

The IT consulting market continued to be difficult, and the revenue of Data, Digital and AI decreased from the comparison period. As the general economic situation is uncertain, companies are cautious about launching development investments, and the oversupply in the sector was reflected in intensified price competition. The invoice rate improved towards the end of the year, and Loihde's position as a partner for its most important customers has strengthened, especially in the financial and manufacturing sectors.

Strategically important continuing services grew during the year as planned, accounting for 28 per cent of the Group's revenue.

Loihde's profitability strengthened significantly during the financial year. In order to improve competitiveness and productivity, the company continuously develops its processes and operating methods, for example, by utilising artificial intelligence solutions. At the beginning of the year, the company also implemented structural changes that involved personnel reductions.

At the beginning of November, Loihde agreed on a strategically significant acquisition when it signed an agreement to acquire the entire share of BLC Turva Oy. With the acquisition, Loihde will grow into Finland's largest security technology service provider and strengthen its position as a leading expert in the comprehensive security of companies. The transaction is expected to generate significant annual cost synergy benefits of approximately EUR 3 million. The implementation of the acquisition is subject to the approval of the Finnish Competition and Consumer Authority, and this process is still ongoing.

Financial performance

The Group's full-year revenue for 2025 amounted to EUR 144.4 (139.7) million. Revenue increased by 3% year-on-year.

Revenue from the Security Solutions business increased by 8% and amounted to EUR 82.9 (76.8) million. Revenue from the Cyber, Cloud & Connect business decreased by -1% and amounted to EUR 31.1 (31.3) million. Revenue from the Data, Digital & AI business decreased by -4% and amounted to EUR 30.4 (31.6) million.

Revenue from continuous services increased by 9% to EUR 40.1 (36.9) million, corresponding to 27.8% (26.4%) of total consolidated revenue. At the end of the financial year, the annualised contract backlog for continuous services amounted to EUR 41.9 (38.7) million.

EBITDA was EUR 11.0 (9.9) million, or 7.6% (7.1%) of revenue. Adjusted EBITDA was EUR 12.5 (11.0) million, or 8.6% (7.9%) of revenue.

Operating profit (EBIT) was EUR 3.0 (-7.8) million, or 2.1% (-5.6%) of revenue, and adjusted operating profit (EBIT) was EUR 4.5 (3.1) million, or 3.1% (2.2%) of revenue. Operating profit (EBIT) for the corresponding period in the previous year was reduced by a goodwill impairment of EUR 9.9 million.

Personnel expenses totalled EUR 65.0 (66.4) million, or 45.0% (47.5%) of revenue. Other operating expenses amounted to EUR 14.3 (15.3) million, or 9.9% (11.0%) of revenue.

The Group's planned depreciation, amortisation and impairment totalled EUR 8.0 (7.9) million.

The Group's profit for the period was EUR 2.3 (-8.1) million, and adjusted profit was EUR 3.6 (2.7) million. Basic earnings per share (EPS) were EUR 0.41 (-1.41) and diluted EPS were EUR 0.41 (-1.40).

Key Figures

| JANUARY–DECEMBER, EUR 1,000 | 1–12 2025 | 1–12 2024 | Change % |
|---|-----------|-----------|----------|
| Revenue, EUR 1,000 | 144,370 | 139,702 | 3% |
| - Security Solutions | 82,858 | 76,766 | 8% |
| - Cyber, Cloud & Connect | 31,079 | 31,335 | -1% |
| - Data, Digital & AI | 30,384 | 31,629 | -4% |
| - Other (incl. eliminations) | 49 | -28 | 276% |
| EBITDA | 10,982 | 9,923 | 11% |
| Adjusted EBITDA, EUR 1,000 ¹ | 12,472 | 10,986 | 14% |
| Adjusted EBITDA, % | 8.6% | 7.9% | |
| EBITA, EUR 1,000 | 3,665 | 2,999 | 22% |
| Adjusted EBITA, EUR 1,000 ¹ | 5,155 | 4,062 | 27% |
| Adjusted EBITA, % | 3.6% | 2.9% | |
| Operating profit (EBIT), EUR 1,000 | 3,022 | -7,837 | 139% |
| Adjusted operating profit (EBIT), EUR 1,000 ¹ | 4,512 | 3,125 | 44% |
| Profit/loss for the period, EUR 1,000 | 2,338 | -8,083 | 129% |
| Adjusted profit/loss for the period, EUR 1,000 ¹ | 3,596 | 2,667 | 35% |
| Equity-to-assets ratio, % | 65.2% | 66.7% | |
| Earnings per share (EPS), EUR, basic (undiluted) ² | 0.41 | -1.41 | 129% |
| Earnings per share (EPS), EUR, diluted ² | 0.41 | -1.40 | 129% |
| Return on investment (ROI), % | 3.6% | -6.9% | |
| Adjusted return on investment (ROI), % ¹ | 5.1% | 3.6% | |
| Net debt without lease liability/EBITDA | -1.11 | -1.17 | |
| Net debt without lease liability/adjusted EBITDA | -0.98 | -1.05 | |
| Net debt/EBITDA | 0.12 | 0.09 | |
| Net debt/adjusted EBITDA | 0.10 | 0.09 | |
| Average number of employees | 779 | 826 | -6% |

¹ The adjusted EBITDA, the adjusted operating profit (EBIT) and the adjusted profit for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations, writedowns and other adjustments from the respective reported figure.

² The parent company's treasury shares (13,194 shares on average in January–December 2025 and 25,846 shares on average in January–December 2024) are excluded from the total number of shares.

Financial position, financing and investments

The Group's balance sheet total at the end of the financial year was EUR 130.4 (130.1) million. Goodwill on the balance sheet amounted to EUR 54.0 (54.0) million.

The equity-to-assets ratio at the end of the financial year was 65.2% (66.7%). Return on investment (ROI) was 3.6% (-6.9%) and adjusted ROI was 5.1% (3.6%). The Group's return on equity was 2.7% (-8.6%).

Cash flow from operating activities was EUR 11.6 (8.0) million.

The Group's investments totalled EUR 7.5 (8.6) million. The most significant investments were in right-of-use assets, which included equipment used for continuous services and leased premises.

Loihde Plc paid a dividend of EUR 0.75 per share for 2024 in accordance with the resolution of the Annual General Meeting (AGM). The dividend record date was 12 May 2025 and the payment date 19 May 2025. The total amount of dividends was approximately EUR 4.3 (5.7) million.

Research and development

The Group's direct costs related to R&D and product development totalled EUR 1.1 (1.0) million. This corresponds to 0.8% (0.7%) of revenue.

Shares and shareholders

The number of shares outstanding from the parent company Loihde Plc was 5,757,230 at the end of the financial year and 5,737,296 on average in January–December (5,723,427 at the end of the financial year 2024 and 5,729,953 on average in January–December 2024). The average number of outstanding shares from July to December was 5,746,457 (July to December 2024: 5,727,501). Each share entitles its holder to one vote at the AGM.

| | 31 Dec. 2025 | 31 Dec. 2024 |
|--|---------------------|---------------------|
| Number of shares | 5,757,230 | 5,760,383 |
| Treasury shares held by the parent company | 0 | 36,956 |
| Treasury shares held by subsidiaries | 400 | 400 |
| Shares outstanding from the Group | 5,756,830 | 5,723,027 |
| Market value, EUR million | 67.6 | 68.7 |
| Number of shareholders | 23,286 | 24,073 |
| Number of nominee-registered shares | 5,702 | 4,295 |

Overview of trading on Nasdaq First North Growth Market Helsinki 1 January–31 December 2025

| | Number of shares exchanged | Total value, EUR | Highest, EUR | Lowest, EUR | Weighted average price, EUR | Latest, EUR |
|--------|-----------------------------------|-------------------------|---------------------|--------------------|------------------------------------|--------------------|
| LOIHDE | 432,818 | 5,076,500 | 13.00 | 10.65 | 11.73 | 11.75 |

The share buyback programme initiated by the company on 27 June 2024 ended on 14 March 2025. During the buyback programme, the company acquired 58,776 treasury shares, which were cancelled on 10 April 2025 in accordance with the decision of the company's Board of Directors on 25 March 2025.

Major shareholders

| | Shareholder | Number of shares | % of the share capital |
|----|---|------------------|------------------------|
| 1 | Finnish Industry Investment Ltd | 275,000 | 4.78 |
| 2 | Bellurum Oy | 210,576 | 3.66 |
| 3 | Lakiasiaintoimisto Asiakasturva Oy | 124,669 | 2.17 |
| 4 | Sijoitusrahasto Visio Allocator | 100,000 | 1.74 |
| 5 | Tenendum Oy | 79,000 | 1.37 |
| 6 | LocalTapiola Mutual Life Insurance Company | 75,000 | 1.30 |
| 7 | LocalTapiola General Mutual Insurance Company | 75,000 | 1.30 |
| 8 | Oy Fincorp Ab | 74,689 | 1.30 |
| 9 | City of Vaasa | 70,400 | 1.22 |
| 10 | Hotcom Ltd | 67,800 | 1.19 |
| | 10 largest shareholders, in total | 1,152,834 | 20.03% |

The list of major shareholders is available on the company's website at loihde.com.

Share-based incentive schemes

During the financial year, the company issued a total of 55,623 new shares in relation to share-based incentive schemes.

Bonus shares under the share-based incentive scheme for the CEO

Loihde issued 6,000 new shares in January and 3,000 new shares in December for the payment of bonus shares under the CEO's conditional Restricted Share Plan (RSP). The RSP for the CEO covers the years 2024–2026. The main terms of the RSP include the continued employment of the CEO, subject to certain conditions, at the time of payment of the bonus. The number of bonus shares to be transferred is also affected by the number of shares acquired by the CEO at market conditions.

Bonus shares under the 2022–2024 share-based incentive scheme for the personnel

In March, Loihde carried out a directed share issue without payment in relation to the payment of matching shares and bonus shares for the personnel incentive scheme vesting period that began in 2022. A total of 8,241 new shares were transferred to incentive scheme participants in the share issue.

Bonus shares under the long-term incentive scheme (LTI) for the management and key personnel 2022–2024

In March, Loihde also carried out a directed share issue without payment to pay bonuses to the management and key employees for the vesting period that began in 2022. A total of 7,546 shares were transferred in the share issue in accordance with the terms and conditions and performance criteria of the incentive scheme.

Savings shares under the Employee Share Savings Plan (ESSP) 2024

For savings shares subscriptions under the ESSP that began in 2024, the company issued 8,406 new shares in March and 8,397 new shares in June. The new shares were savings shares subscribed for with the savings accumulated by ESSP participants between 1 December 2024 and 30 May 2025.

Employee Share Savings Plan (ESSP) 2025

On 29 April 2025, the Board of Directors of Loihde Plc decided to continue the ESSP that started the year before with a new savings plan. The aim of the ESSP is to encourage employees to acquire and own Loihde shares. The ESSP is also intended to align the interests of the shareholders and the employees and to increase employee motivation and long-term commitment to the company.

During the financial year 2025, two share issues have been carried out in connection with the ESSP, in which the company has transferred shares to the participants corresponding to their savings accumulated between 1 June and 30 November 2025. The company issued 6,842 shares in September and 7,191 shares in December for the subscription of savings shares.

Loihde Plc's share-based incentive schemes are described on the company's website at <https://www.loihde.com/en/investors/governance/remuneration/>.

Personnel, management and corporate governance

The number of employees converted into full-time equivalents (FTE) averaged 779 during the financial year (826 in 2024) and stood at 765 (819) at the end of the financial year. Potential part-time employment has also been taken into account in calculating the average number of employees.

As skilled and committed personnel is one of the key factors enabling Loihde's success, the company focuses on fostering positive corporate culture and employee satisfaction, sustainable modes of operation and continuous competence development. Job satisfaction is assessed by continuously collecting feedback through pulse surveys and discussions.

During the review period, the members of the Group's Leadership Team were Group CEO Samu Konttinen; EVP, Security Solutions Marko Järvinen; EVP, Data, Digital & AI Juha Meronen; EVP, Cyber, Cloud & Connect Jarno Mäki; CFO Pirjo Suhonen; CPO Tuuli Stenbäck; CMO Jere Teutari; and EVP, Business Development Katja Ahola until 30 November 2025.

The Board of Directors of Loihde Plc consisted of Marko Kauppi (Chair), Juha Murtopuro, Jari Niska, Anni Ronkainen, Matti Vikkula, Christian Wetterstrand and, from 8 May 2025, Tuulia Kuoppamäki (née Holkkola).

Auditor

The company's auditor is the audit firm Ernst & Young Oy, with Maria Onnisekka, auditor approved by the Finnish Central Chamber of Commerce, as the principal auditor.

Related party transactions

Loihde Group's related parties include subsidiaries, affiliated companies and joint ventures, as well as the Group's Board of Directors, CEO and Leadership Team and companies in their control. The list of subsidiaries can be found in the section Group structure and business areas.

Loihde Plc has granted loans to Group companies, which totalled EUR 0.2 million at the end of the financial year. The loan period is a maximum of three years. The loans are repaid according to plan and the interest is paid once a year or half-yearly. As a rule, the loan interest rate is tied to a fixed interest rate or a calculated interest rate. The loans are

collateral-free. In addition, the company has granted a total of EUR 1.7 million as collateral for its subsidiaries' liabilities.

In connection with its share-based incentive scheme, the company has in 2019–2022 granted related party loans under market terms to its employees. The loans have been repaid during the financial year 2025.

Annual General Meeting

Loihde Plc's Annual General Meeting (AGM) was held in Seinäjoki on 8 May 2025. The AGM confirmed the company's financial statements for the financial year 2024 and discharged the persons responsible for accounts and operations from liability.

The AGM resolved to distribute a dividend of EUR 0.75 per share based on the profit for 2024. The dividend record date was 12 May 2025 and the payment date 19 May 2025.

In addition, the AGM authorised the Board of Directors to decide on the distribution of a potential additional dividend in one or more instalments in such a way that the total amount of the additional dividend to be distributed does not exceed EUR 0.75 per share. The authorisation was valid until 31 December 2025. In November, the Board of Directors decided not to use the authorisation to ensure the company's stable financial position during the integration of the BLC Turva acquisition.

The AGM adopted the Remuneration Policy for Governing Bodies and the Remuneration Report 2024.

The AGM confirmed the number of Board members as seven, re-elected the current Board members Marko Kauppi, Juha Murtopuro, Jari Niska, Anni Ronkainen, Matti Vikkula and Christian Wetterstrand, and elected Tuulia Holkkola as a new Board member. Marko Kauppi was elected as Chair of the Board and Jari Niska as Vice-Chair.

The AGM decided that the Chair of the Board shall be paid an annual fee of EUR 55,000, the Vice-Chair an annual fee of EUR 40,000 and the members an annual fee of EUR 27,400. The AGM further decided that the Chair of a committee shall be paid an annual fee of EUR 7,000 and the members an annual fee of EUR 3,500.

The audit firm Ernst & Young Oy was elected as the company's auditor, with Maria Onniselkä, an auditor approved by the Finnish Central Chamber of Commerce, as the auditor with principal responsibility.

The AGM authorised the Board of Directors to decide on a share buyback programme, where at most 350,000 of the company's shares would be acquired, in one or more instalments, using the company's unrestricted equity. The authorisation entitles the Board of Directors to decide on the acquisition of shares also otherwise than in proportion to the shareholdings of the shareholders (directed acquisition). The authorisation is valid until the end of the next AGM, but until 30 June 2026 at the latest.

The AGM authorised the Board of Directors to decide on the issue of a maximum of 570,000 shares. The authorisation concerns issuing new shares as well as transferring treasury shares held by the company. The shares can be used for financing acquisitions or restructuring, or for other purposes in the way and to the extent decided by the Board of Directors, and as part of the personnel's incentive schemes, a maximum of 100,000 shares. The share issue authorisation is valid until the end of the next AGM, but until 30 June 2026 at the latest.

Extraordinary General Meeting

The Extraordinary General Meeting (EGM) held in Seinäjoki on 4 December 2025 authorised the Board of Directors to decide on the issuance of a maximum of 692,500 shares in accordance with the proposal of the Board of Directors.

Based on the authorisation, a maximum of 644,000 shares may be issued for subscription to Savonlinnan BLC-Osuuskunta as consideration for the shares in BLC Turva Oy in accordance with the share purchase agreement between the company and Savonlinnan BLC-Osuuskunta on 5 November 2025. Shares may also be issued for subscription as part of the personnel's incentive schemes, for which the maximum issuance is 48,500 shares. The authorisation entitles the Board of Directors to decide on all other terms of the share issue. The authorisation is valid until the end of the next AGM, but until 30 June 2026 at the latest. The authorisation revoked the previous authorisation granted by the AGM to the Board of Directors on 8 May 2025 to the extent that no share issue decisions had been made within the framework of the authorisation before the Extraordinary General Meeting.

Significant legal matters

In December 2021, Loihde Trust Ltd won a public tender organised by Finnish Customs. During the delivery project, a disagreement arose between Loihde and Customs regarding the functionalities included in the agreement, and Customs terminated the delivery agreement in October 2023. In Loihde's view, the termination of the contract by Customs is unfounded, and on 21 March 2024, Loihde Trust Ltd brought legal action against Customs, claiming approximately EUR 1.9 million in damages from Customs. Customs has filed a counterclaim against Loihde Trust Ltd, in which they are seeking damages of approximately EUR 2.2 million from Loihde. Loihde considers the counterclaim to be unfounded and has not made any provisions in relation to it. The dispute is still pending.

Market review

Uncertainty in the Finnish economy and a weakened willingness of companies to invest is reflected in the IT consultancy in particular. The security business is less affected by economic fluctuations, as there is no desire to compromise on security even in more difficult times. In addition, the uncertain geopolitical situation increases the awareness of and preparedness for cyber threats and other security threats. The slowdown in the construction sector has reduced the demand for locking solutions, which has increased price competition also in security technology solutions, where Loihde's strong market position is primarily based on expertise and quality of service.

Customer demand for the development of digital solutions has remained high, but in an uncertain market situation, development projects may be postponed to a later date. At the same time, the oversupply of IT consultancy relative to demand has increased price competition. There is a wide variation between sectors, and demand for digital development has remained strong in sectors such as manufacturing, finance and energy. There is also variation between service areas. Therefore, we do not see this as a longer-term market change but believe that the positive digitalisation trend will continue.

With the growth of digitalisation, the secure development of systems and applications and comprehensive cyber security solutions are increasingly critical aspects of total security for companies. There is also an increased need for cyber security services since cybercrime is becoming increasingly professional and corporate IT environments are becoming increasingly complex, and this has increased the significance of, for example, identity and access management. Cyber security and secure network connections are also increasingly linked to the protection of the physical environment, including video surveillance, access control and locking solutions. According to our survey, almost every other company has merged its security organisation and is managing security as a whole.

The blurring of the boundary between the physical and digital worlds creates demand for companies like Loihde – companies that have the ability to help their customers not only develop new digital services and leverage data but also anticipate and solve the security threats related to these.

The most significant megatrend in IT today is artificial intelligence (AI), and its use is growing rapidly, especially with the emergence of large language models. In addition to AI solutions delivered to customers, AI plays an important role in IT industry work itself, such as programming, analytics and cyber security. The interest in AI is also reflected in data solutions, as high-quality data and data management are prerequisites for effective AI solutions.

Cloud transformation, i.e. organisations transferring from using their own servers to using cloud or hybrid environments, has been under way for several years and continues to be strong. The benefits of cloud technologies, such as cost-efficiency, information security and scalability, are driving this major transition.

The competition for skilled employees has eased with the change in the IT market situation, but there is still competition for experienced professionals, particularly in certain service areas.

Strategy

Loihde's comprehensive portfolio of security, data, digitalisation and cloud technologies is well aligned with global market trends. As a result of the global situation and technological development, security in both the physical and cyber world has become an even more topical issue, and the use of data is growing rapidly, driven by, for example, efforts in artificial intelligence. Businesses are modernising their networks, and more and more companies are seeking the benefits of cloud technologies. Developing and deploying digital services is essential for all companies that want to remain competitive.

Around the customer needs related to these, Loihde has formed five complementary and interlinked service areas, which also serve as a basis for the company's business units:

1) Data & AI, 2) Digital Services, 3) Cyber Security, 4) Cloud & Connect, 5) Security Solutions

Each service area focuses on delivering in-depth expertise and an excellent customer experience. Together, they can deliver comprehensive service packages and act as a total security and digitalisation partner for customers. The common mission of everyone at Loihde is to enable the continuity of the customers' business.

During the strategy period 2024–2027, Loihde aims to grow faster than the market and achieve a significant improvement in profitability.

Loihde will focus in particular on continuous services. The aim is for continuous services to grow faster than Loihde's other offering and represent 30% of revenue at the end of the strategy period.

To clarify the total offering, customer communication and employer brand, Loihde is now using a single, common Loihde brand, instead of the earlier network model with several sub-brands. Synergies will also be sought through jointly produced support functions.

Risks and uncertainties

The prevailing market uncertainty may reduce companies' ability and willingness to make investments or lead to such investments being postponed. It may also have negative effects on customers' ability to pay. Increased costs may affect Loihde's profitability. The uncertain global political situation has contributed to increasing the risk level through the

aforementioned indirect effects, but it has also increased the need for cyber security services and physical security services.

A significant portion of Loihde's business consists of projects executed for customers. Mismatch problems in project resource allocation, failures in project pricing or execution or project delays may impair the company's profitability. Unfavourable terms and conditions of customer or supplier agreements or disputes arising with regard to their content may have negative impacts on the company's profit or may generate unexpected additional costs. Other customer-related risks include the loss of one or more key customers, a considerable decrease of purchases or customers' financial problems.

Loihde is a service and expert company with business relying highly on skilled personnel. The company's profit and the implementation of the company's strategy may be impaired significantly if the company cannot recruit and retain skilled experts and continuously develop their competence according to the customer needs at each particular moment. In Loihde's business areas, the competition for talent has eased due to the change in the market situation, but there is still competition for experienced experts in certain service areas in particular, which may lead to wage inflation and create pressure related to increases in personnel costs.

As a security sector company, Loihde is subject to high expectations regarding the security and continuity of its services. A data breach, a data protection violation or the realisation of another security risk in the company's or a customer's environment may have significant direct and indirect negative effects.

Loihde consists of several companies and corporate acquisitions are also possible in the future. Failure in integrating companies and building synergy may complicate the attainment of Loihde's strategic targets and decrease the commitment of the management and personnel of Group companies. Potential corporate acquisitions may also lead to unforeseen risks and hidden responsibilities, for which it has been impossible to make preparations.

Events after the financial year

On 13 January 2026, the Finnish Competition and Consumer Authority decided to initiate further proceedings regarding Loihde's proposed acquisition of BLC Turva.

On 12 February 2026, the company's Board of Directors decided to issue 7,432 shares for the payment of rewards under the long-term incentive scheme 2023–2025 for the management and key personnel. On 24 March 2026, the Board of Directors decided to issue 6,584 shares to deliver the savings shares that are part of its Employee Share Savings Plan (ESSP).

On 23 February 2026, the Boards of Directors of Loihde Trust Ltd and Loihde Cloudon Ltd approved a merger plan for the merger of Loihde Cloudon Ltd into its sister company Loihde Trust Ltd. The planned registration date for the completion of the merger is 31 August 2026.

Proposal on the use of the profit for the period

The Board of Directors proposes to the AGM that a dividend of EUR 1.00 per share be distributed from the parent company's distributable funds (EUR 79,026,004.16), of which the profit for the financial year is EUR 395,536.08. Based on the situation on the date of publication of the Report of the Board of Directors, the dividend corresponds to EUR 5,764,662 in total. No material changes have taken place in the company's financial position after the end of the financial year.

Calculation formulas

EBITDA:

Operating profit + depreciation, amortisation and impairment

Adjustments:

The adjusted EBITDA, the adjusted operating profit (EBIT) and the adjusted profit for the period are calculated by excluding capital gains/losses arising from the disposal of properties, fixed asset shares and businesses, insurance and other compensations and other adjustments from the respective reported figure.

Return on equity % (ROE):

$$\frac{\text{Profit/loss before appropriations - income taxes from actual operations} \times 100}{\text{Equity (average) + minority interest (average)}}$$

The divisor used is the average of the value at the beginning and end of the period.

Return on investment % (ROI):

$$\frac{\text{Net result + taxes + finance expenses} \times 100}{\text{Equity (average) + interest-bearing liabilities}}$$

The divisor used is the average of the value at the beginning and end of the period.

Equity-to-assets ratio:

$$\frac{\text{Equity + minority interest} \times 100}{\text{Balance sheet total - advances received}}$$

The values of the balance sheet date are used in the divisor and the dividend.

Investments:

Capital expenditure for the period; divestments of assets not excluded.

Reconciliation calculations for alternative performance measures

Loihde Plc discloses alternative performance measures to provide a better picture of the operational development of business operations and to improve comparability between reporting periods. The alternative performance measures used by Loihde Plc are EBITDA, adjusted EBITDA, adjusted EBITA, adjusted operating profit (EBIT) and adjusted profit for the period.

Alternative performance measures published quarterly

| EBITDA AND ADJUSTED EBITDA | | | | |
|---|--------------|--------------|---------------|---------------|
| EUR 1,000 | 10–12 2025 | 10–12 2024 | 1–12 2025 | 1–12 2024 |
| Operating profit (EBIT) | 3,304 | -8,403 | 3,022 | -7,837 |
| Depreciation, amortisation and impairment | 2,027 | 2 009 | 7,960 | 7,860 |
| Impairment of goodwill | - | 9 900 | - | 9,900 |
| EBITDA | 5,330 | 3,506 | 10,982 | 9,923 |
| Gains from the disposal of fixed assets | 0 | -47 | 0 | -48 |
| Restructuring expenses | 76 | 283 | 1,053 | 726 |
| Other non-recurring operating expenses | 22 | 158 | 437 | 385 |
| Foreign exchange differences | - | 0 | - | -1 |
| ADJUSTED EBITDA | 5,428 | 3,899 | 12,472 | 10,986 |

Alternative performance measures published twice a year

| ADJUSTED EBITA | | |
|--|--------------|--------------|
| EUR 1,000 | 1–12 2025 | 1–12 2024 |
| Operating profit (EBIT) | 3,022 | -7,837 |
| Amortisation and impairment of intangible assets | 643 | 936 |
| Impairment of goodwill | - | 9,900 |
| EBITA | 3,665 | 2,999 |
| Gains from the disposal of fixed assets | 0 | -48 |
| Restructuring expenses | 1,053 | 726 |
| Other non-recurring operating expenses | 437 | 385 |
| Foreign exchange differences | 0 | -1 |
| ADJUSTED EBITA | 5,155 | 4,062 |

| ADJUSTED OPERATING PROFIT (EBIT) | | |
|---|-------------|-------------|
| EUR 1,000 | 1–12 2025 | 1–12 2024 |
| Operating profit (EBIT) | 3,022 | -7,837 |
| Gains from the disposal of fixed assets | - | -48 |
| Impairment of goodwill | - | 9,900 |
| Restructuring expenses | 1,053 | 726 |
| Other non-recurring operating expenses | 437 | 385 |
| Foreign exchange differences | 0 | -1 |
| ADJUSTED OPERATING PROFIT (EBIT) | 4512 | 3125 |

| ADJUSTED PROFIT/LOSS FOR THE PERIOD | | |
|--|--------------|--------------|
| EUR 1,000 | 1–12 2025 | 1–12 2024 |
| Profit/loss for the period | 2,338 | -8,083 |
| Gains from the disposal of fixed assets | - | -48 |
| Impairment of goodwill | - | 9,900 |
| Restructuring expenses | 1,053 | 726 |
| Other non-recurring operating expenses | 437 | 385 |
| Tax effects of adjustment items | -232 | -212 |
| Foreign exchange differences | - | 0 |
| ADJUSTED PROFIT/LOSS FOR THE PERIOD | 3,596 | 2,667 |

Consolidated comprehensive income statement

EUR 1,000

Note

1 Jan. 2025-
31.12.2025

1 Jan. 2024 -
31.12.2024

| | Note | 1 Jan. 2025- 31.12.2025 | 1 Jan. 2024 - 31.12.2024 |
|--|----------|------------------------------------|-------------------------------------|
| REVENUE | 2. | 144,370 | 139,702 |
| Other operating income | 3.1. | 182 | 257 |
| Production for own use | | 89 | 47 |
| Use of materials and services | 3.2. | -54,338 | -48,416 |
| Employee benefit expenses | 3.5. | -65,019 | -66,354 |
| Depreciation, amortisation and impairment | 6-9 | -7,960 | -7,860 |
| Impairment of goodwill | 9.3.-9.5 | | -9,900 |
| Other operating expenses | 3.3. | -14,303 | -15,312 |
| OPERATING PROFIT (EBIT) | | 3,022 | -7,837 |
| Finance income and expenses | | | |
| Finance income | 3.6. | 529 | 608 |
| Finance expenses | 3.6. | -584 | -537 |
| Total finance income and expenses | | -55 | 71 |
| PROFIT/LOSS BEFORE TAXES | | 2,967 | -7,766 |
| Income taxes | 4. | -629 | -317 |
| Profit/loss | | 2,338 | -8,083 |
| PROFIT/LOSS FOR THE PERIOD | | 2,338 | -8,083 |
| Other comprehensive income: | | 1 Jan. 2025- 31.12.2025 | 1 Jan. 2024 - 31.12.2024 |
| Items not subsequently reclassified to profit or loss | | | |
| Revaluation of defined benefit plans | | 6 | 47 |
| | | 6 | 47 |
| Items that may subsequently be reclassified to profit or loss | | | |
| Translation differences from foreign units | | | 14 |
| | | | 14 |
| Other comprehensive income | | 6 | 61 |
| TOTAL COMPREHENSIVE INCOME | | 2,344 | -8,022 |
| Profit/loss attributable to: | | | |
| Owners of the parent company | | 2,338 | -8,083 |
| Non-controlling interests | | | |
| | | 2,338 | -8,083 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent company | | 2,344 | -8,022 |
| Non-controlling interests | | | |
| | | 2,344 | -8,022 |
| EUR | | | |
| Earnings per share | | | |
| Earnings per share, basic | 5. | 0.41 | -1.41 |
| Earnings per share, diluted | 5. | 0.41 | -1.41 |

Consolidated balance sheet

EUR 1,000

ASSETS

| | Note | 31.12.2025 | 31.12.2024 |
|---|------|----------------|----------------|
| NON-CURRENT ASSETS | | | |
| Tangible property, plant and equipment | 6. | 4,849 | 4,721 |
| Investment properties | 7. | 2,791 | 3,007 |
| Right-of-use assets | 8. | 12,784 | 12,013 |
| Goodwill | 9. | 53,970 | 53,970 |
| Intangible assets | 9. | 907 | 1,416 |
| Other financial assets | 10. | 17 | 17 |
| Receivables | 11. | 226 | 126 |
| Deferred tax assets | 12. | 1,333 | 1,426 |
| NON-CURRENT ASSETS | | 76,879 | 76,697 |
| CURRENT ASSETS | | | |
| Inventories | 13. | 12,500 | 14,664 |
| Trade and other receivables | 14. | 19,464 | 16,065 |
| Assets based on customer contracts | 15. | 5,030 | 5,881 |
| Prepayments and accrued income | 16. | 4,095 | 4,954 |
| Current tax assets | 17. | 280 | 290 |
| Financial assets at fair value through profit or loss | 18. | 4,604 | 4,099 |
| Cash and cash equivalents | 19. | 7,572 | 7,479 |
| CURRENT ASSETS | | 53,546 | 53,432 |
| ASSETS | | 130,425 | 130,129 |

EUR 1,000

EQUITY AND LIABILITIES

| | Note | 31.12.2025 | 31.12.2024 |
|--|------|----------------|----------------|
| Owners of the parent company | | | |
| Share capital | 20. | 1,504 | 1,504 |
| Reserve fund | 20. | 8,132 | 8,132 |
| Reserve for invested unrestricted equity | 20. | 49,798 | 49,689 |
| Retained earnings | 20. | 25,571 | 27,393 |
| Owners of the parent company | | 85,006 | 86,719 |
| Non-controlling interests | 20. | | |
| EQUITY | | 85,006 | 86,719 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 21. | 7,990 | 7,651 |
| Liabilities from customer contracts | 22. | 145 | 67 |
| Pension liabilities | 22. | | 14 |
| Deferred tax liabilities | 12. | 343 | 444 |
| NON-CURRENT LIABILITIES | | 8,478 | 8,175 |
| CURRENT LIABILITIES | | | |
| Lease liabilities | 23. | 5,452 | 4,874 |
| Trade and other payables | 24. | 11,824 | 11,018 |
| Liabilities from customer contracts | 24. | 6,315 | 5,221 |
| Current tax liabilities | 24. | 341 | 362 |
| Accrued expenses and deferred income | 24. | 13,008 | 13,761 |
| CURRENT LIABILITIES | | 36,941 | 35,235 |
| LIABILITIES | | 45,419 | 43,411 |
| EQUITY AND LIABILITIES | | 130,425 | 130,129 |

Consolidated statement of changes in equity

| EUR EUR | Share capital | Reserve for invested unrestricted equity | Reserve fund | Translation differences | Retained earnings | Retained earnings (loss) | Total | Total equity |
|---|---------------|--|--------------|-------------------------|-------------------|--------------------------|---------------|---------------|
| EQUITY 1 JAN. 2025 | 1,504 | 49,689 | 8,132 | | 27,393 | 27,393 | 86,719 | 86,719 |
| Comprehensive income | | | | | | | | |
| Profit/loss for the period | | | | | 2,338 | 2,338 | 2,338 | 2,338 |
| Other comprehensive income: | | | | | | | | |
| Revaluation of defined benefit plans | | | | | 6 | 6 | 6 | 6 |
| Translation differences | | | | | | | | |
| TOTAL COMPREHENSIVE INCOME | | | | | 2,344 | 2,344 | 2,344 | 2,344 |
| Transactions with owners | | | | | | | | |
| Distribution of dividends, distribution of assets | | | | | -4,299 | -4,299 | -4,299 | -4,299 |
| Repurchase of shares | | -257 | | | | | -257 | -257 |
| Share-based payments | | | | | 131 | 131 | | 131 |
| Share issue | | 366 | | | | | 366 | 366 |
| Total transactions with owners | | 109 | | | -4,166 | -4,166 | -4,057 | -4,057 |
| TOTAL EQUITY 31 DEC. 2025 | 1,504 | 49,798 | 8,132 | | 25,571 | 25,571 | 85,006 | 85,006 |

| EUR EUR | Share capital | Reserve for invested unrestricted equity | Reserve fund | Translation differences | Retained earnings | Retained earnings (loss) | Total | Total equity |
|---|---------------|--|--------------|-------------------------|-------------------|--------------------------|----------------|----------------|
| EQUITY 1 JAN. 2024 | 1,504 | 50,152 | 8,132 | -4 | 40,993 | 40,993 | 100,778 | 100,778 |
| Comprehensive income | | | | | | | | |
| Profit/loss for the period | | | | | -8,083 | -8,083 | -8,083 | -8,083 |
| Other comprehensive income: | | | | | | | | |
| Revaluation of defined benefit plans | | | | | 47 | 47 | 47 | 47 |
| Translation differences | | | | 4 | 10 | 10 | 14 | 14 |
| TOTAL COMPREHENSIVE INCOME | | | | 4 | -8,026 | -8,026 | -8,022 | -8,022 |
| Transactions with owners | | | | | | | | |
| Distribution of dividends, distribution of assets | | | | | -5,731 | -5,731 | -5,731 | -5,731 |
| Repurchase of shares | | -900 | | | | | -900 | -900 |
| Cancellation of treasury shares | | | | | | | | |
| Share-based payments | | | | | 158 | 158 | 158 | 158 |
| Share issue | | 437 | | | | | 437 | 437 |
| Total transactions with owners | | -463 | | | -5,574 | -5,574 | -6,037 | -6,037 |
| TOTAL EQUITY 31 DEC. 2024 | 1,504 | 49,689 | 8,132 | | 27,393 | 27,393 | 86,719 | 86,719 |

Consolidated cash flow statement, indirect

| EUR 1,000 | Note | 1 Jan. 2025- 31.12.2025 | 1 Jan. 2024 - 31.12.2024 |
|---|-----------|----------------------------|-----------------------------|
| Cash flow from operating activities | | | |
| PROFIT/LOSS FOR THE PERIOD | | 2,338 | -8,083 |
| Adjustments: | | | |
| Depreciation | 6.-9 | 7,960 | 17,760 |
| Unrealised changes in value and exchange gains and losses | | -235 | -297 |
| Capital gains or losses from tangible and intangible assets and companies | | -16 | -2 |
| Finance income and expenses | | 290 | 226 |
| Income taxes | 4.2.-4.3. | 629 | 317 |
| Other adjustments* | | 131 | 156 |
| Total adjustments | | 8,759 | 18,160 |
| Change in working capital | | | |
| Change in inventories | | 1,620 | -2,068 |
| Increase/decrease in current non-interest-bearing receivables | | -1,614 | 4,036 |
| Increase/decrease in current non-interest-bearing liabilities | | 1,355 | -3,748 |
| Change in provisions | | -7 | -3 |
| Total change in working capital | | 1,354 | -1,782 |
| Interest and other financial items paid | | -529 | -431 |
| Interest and other financial items received | | 102 | 201 |
| Dividends received | | 13 | 12 |
| Other financial items | | -42 | -63 |
| Taxes paid | | -394 | -12 |
| Cash flow from operating activities | | 11,601 | 8,002 |
| Cash flow from investing activities | | | |
| Investments in tangible and intangible assets | | -1,505 | -1,489 |
| Proceeds from sale of tangible and intangible assets | | 16 | 138 |
| Sale of subsidiary, net of cash disposed of | | | -60 |
| Proceeds from sale of other investments | | -105 | 61 |
| Cash flow from investing activities | | -1,593 | -1,351 |
| Cash flow from financing activities | | | |
| Share issue against payment | | 350 | 589 |
| Repurchase of shares | | -257 | -900 |
| Repayments of short-term loans | | | -14 |
| Repayments of long-term loans | | | -4 |
| Repayments of lease liabilities | | -5,712 | -5,541 |
| Dividends paid | 20.1.1. | -4,296 | -5,731 |
| Cash flow from financing activities | | -9,915 | -11,601 |
| Change in cash and cash equivalents | | 93 | -4,950 |
| Cash and cash equivalents, opening balance | | 7,479 | 12,436 |
| Change in cash and cash equivalents | | 93 | -4,950 |
| Foreign exchange differences on cash and cash equivalents | | | -7 |
| Impact of currency exchange rate changes | | | -7 |
| Cash and cash equivalents | | 7,572 | 7,479 |

*) Other adjustments include the adjustment of the accruals of share-based reward payments and acquisition costs to cash flow from investing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS 2025

1.1. Basic information about the Group

Loihde Group is an expert organisation specialising in digital development and security solutions that enables business continuity for its customers. The Group has three business areas: Security Solutions; Cyber, Cloud & Connect; and Data, Digital & AI. The three business areas form one reportable operating segment.

Loihde Group's parent company Loihde Plc is a Finnish public limited liability company with its registered office in Seinäjoki and its registered address at Silmukkatie 6, 65100 Vaasa. Loihde Plc's shares are listed on Nasdaq First North Growth Market Finland. A copy of the consolidated financial statements can be obtained from Loihde's website at www.loihde.com/en/investors/.

The Board of Directors of Loihde Plc has approved these consolidated financial statements for publication on 24 March 2026. According to the Finnish Limited Liability Companies Act, shareholders have the possibility to approve, reject or amend the financial statements at the General Meeting that follows their publication.

Loihde Group consists of the parent company Loihde Plc and its subsidiaries. Information on the group structure is presented below. Information on the group's other related parties is presented in Note 28.

| Group structure | 31.12.2025 Group's ownership, % | 31.12.2025 Parent company's ownership, % | 31.12.2024 Group's ownership, % | 31.12.2024 Parent company's ownership, % |
|------------------------------|---------------------------------------|--|---------------------------------------|--|
| Group companies | | | | |
| Loihde Trust Ltd, Vaasa | 100.00 | 100.00 | 100.00 | 100.00 |
| Loihde Advance Ltd, Helsinki | 100.00 | 100.00 | 100.00 | 100.00 |
| Loihde Factor Ltd, Oulu *) | 0.00 | 0.00 | 100.00 | 100.00 |
| Loihde Properties Ltd, Vaasa | 100.00 | 100.00 | 100.00 | 100.00 |
| Loihde Cloudon Ltd, Espoo | 100.00 | 100.00 | 100.00 | 100.00 |

*) Loihde Factor Ltd merged with Loihde Advance Ltd on 31 December 2025

1.2. Significant changes during the financial year

Changes in group structure

During the financial year 1 January – 31 December 2025, the following changes occurred in the group structure:

The Data & AI business unit and the Digital Services business unit were combined into the Data, Digital & AI business unit on 1 April 2025. In connection with this combination, Loihde Factor Ltd merged with Loihde Advance Ltd on 31 December 2025.

In November 2025, Loihde signed an agreement on acquiring the entire share capital of BLC Turva Ltd. The completion of the acquisition requires the approval of the Finnish Competition and Consumer Authority, and the matter is still pending.

During the financial year 1 January – 31 December 2024, the following changes occurred in the group structure:

Hämeen Lukko Oy merged with its sister company Loihde Trust Ltd on 29 February 2024.

Loihde Trust Ltd acquired the alarm transmission business of Vakka-Suomen Puhelin Oy on 31 May 2024.

Loihde Advance Ltd sold the entire share capital of its subsidiary Loihde Advisory AB, registered in Sweden, for the purpose of dissolution on 22 November 2024. In August 2023, Loihde Advisory AB sold all of its business operations to Witted Megacorp Ltd and did not engage in any business activities in the financial year 2024.

1.3. Basis of preparing the consolidated financial statements

Accounting policies

The Consolidated Financial Statements of Loihde Plc have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations (IFRIC), as in force on 31 December 2025 and adopted by the European Union. The notes to the financial statements also comply with Finnish accounting and company legislation.

The Consolidated Financial Statements have been prepared on the basis of initial acquisition costs, unless otherwise stated in the accounting policies. The Consolidated Financial Statements are presented in thousands of euros, which may result in rounding differences.

Comparative data are presented in brackets after the data for the current financial year.

Scope of the consolidated financial statements

The Consolidated Financial Statements include all the group companies in which Loihde has a controlling interest (subsidiaries). Control arises when the group owns more than half of the voting rights or otherwise has control of the company. Control means the right to determine the financial and operating policies of the company to benefit from its activities. Acquired subsidiaries are consolidated in the Consolidated Financial Statements from the date of acquisition and cease to be consolidated when Loihde loses control of the company.

The financial statements of the subsidiaries are adjusted, if necessary, to reflect the accounting policies of the group. All intra-group transactions, receivables and liabilities, as well as income and expenses from transactions between group companies are eliminated when preparing the Consolidated Financial Statements.

The acquisition method has been applied when eliminating mutual shareholdings. The consideration transferred and the identifiable assets of the acquired company and liabilities assumed have been measured at fair value at the time of acquisition. Acquisition-related expenses are recognised as an expense.

Non-controlling interests in subsidiaries are presented in the consolidated balance sheet as part of equity, separately from the capital attributable to the shareholders. Non-controlling interest in the profit for the period is disclosed separately in the consolidated statement of comprehensive income. Loihde Group has no non-controlling interests.

Segment reporting

Loihde Plc has one reportable segment. The reported segment consists of the group, and the segment figures are consistent with those of Loihde Group, see further details in Note 2. Revenue from contracts with customers.

Exchange rates and foreign group companies

Items included in the financial statements of group companies are measured in the currency of the main economic environment in which the company operates (functional currency). The Consolidated Financial Statements are presented in euros, the parent company's functional and reporting currency. During the comparison period, Loihde Group had a subsidiary abroad, in Sweden, with a functional currency other than the euro.

In the Consolidated Financial Statements, the income statements of foreign subsidiaries are translated into euros using the average exchange rate for the financial year and the balance sheets using the closing rate of exchange. The average exchange rate difference arising from the different exchange rates in comprehensive income and the balance sheet is recognised in other comprehensive income. Translation differences arising from the consolidation of foreign subsidiaries and translation differences on equity accumulated after the acquisition are recognised in other comprehensive income. Foreign currency income and expenses from monetary items included in the net investments of a foreign unit are considered in other comprehensive income and recognised in the comprehensive income statement when the foreign unit is disposed of.

Transactions in foreign currency are translated into the functional currency at the exchange rate on the date of the transaction. Monetary items are translated into the functional currency using the exchange rate at the end of the reporting period. Non-monetary items are valued at the exchange rate on the date of the transaction.

Foreign exchange gains and losses related to normal business operations are presented in the income statement under the corresponding items above operating profit. Foreign exchange gains and losses related to financial items are presented in the income statement under finance expenses.

Impact of the global situation on business

Market uncertainty may reduce companies' willingness to invest and ability to pay. Increased costs may affect Loihde's profitability. The uncertainty of the global political situation has contributed to increasing the risk level through the aforementioned indirect impacts and, on the other hand, increased the need for cyber security and physical security services. The company's Board of Directors and management monitor the development of the general economic situation and update their estimates as situations change. The company's management has also assessed the possible impacts of climate risks on accounting estimates and judgements. The management has estimated that climate-related issues do not currently have a significant impact on the items presented in the financial statements. The management monitors changes in legislation and updates the assessments and discretionary decisions as necessary.

1.4. Key assessments requiring management discretion and discretionary decisions

The preparation of Consolidated Financial Statements in accordance with IFRS requires management to make estimates and discretion-based solutions that affect the amounts of income, expenses, assets and liabilities presented in the Financial Statements and related notes. Actual results may differ from these estimates.

The application of the accounting policies of the Consolidated Financial Statements also requires various estimates from the management. The main items requiring management discretion and estimates are presented in the following notes:

- Revenue from contracts with customers (Note 2.1.4.)
- Share-based payments (Note 3.5.3.)
- Lease agreements (Note 8.1.2.)
- Impairment testing (Note 9.5.)
- Deferred tax assets and liabilities (Note 12.1.)
- Expected credit losses (Note 25.1.1.)
- Business combinations (Note 26.2.)

1.5. New or amended IFRS

Loihde Group applies new and amended standards and interpretations as they enter into force. Standards and amendments to standards that are applied from 1 January 2026 or later are not expected to have an effect on the information in Loihde Plc's Consolidated Financial Statements.

The following new standards and amendments to standards will enter into force for financial years beginning on 1 January 2026 or later. Only the most relevant changes for Loihde Group are included in the summary below.

New and amended standards applicable in future financial periods

* = This regulation has not been adopted for application in the EU by 31 December 2025.

Presentation and Disclosure in Financial Statements - New IFRS 18*

(Applicable for financial periods beginning on or after 1 January 2027, earlier application is allowed)

The standard replaces the current IAS 1 Presentation of Financial Statements and amends several other international financial reporting standards, such as IAS 7 Statement of Cash Flows and IAS 8 Accounting Policies, Changes in Accounting Estimates. The standard includes:

- new required totals, subtotals and line items in the statement of profit or loss (income statement);
- new requirements for the disclosure of management-defined performance measures; and
- new principles for aggregation and disaggregation of the information to be presented.

The company is examining the impact of IFRS 18 on the Consolidated Financial Statements. The implementation project is still ongoing, so the impacts of the standard are not yet presented in the financial statements for 2025.

NOTES TO THE INCOME STATEMENT**2. REVENUE FROM CONTRACTS WITH CUSTOMERS****2.1. Accounting policies****2.1.1. Segment information**

An operating segment is a part of the group that conducts business activities from which it can generate income and incur expenses, and for which separate financial information is available.

Loihde Group has three business areas: Security Solutions; Cyber, Cloud & Connect; and Data, Digital & AI. The three business areas form one reportable operating segment that provides business continuity services for customers. The presentation of a single operating segment is based on Loihde's business model, nature of operations, product portfolio and governance structure. The figures for the reportable segment are consistent with those of the group.

Loihde's chief operational decision-maker is the Group CEO.

Sales revenue from one customer group exceeds 10% of the group's total revenue and amounted to approximately EUR 16.2 million for the financial year 2025 (EUR 15.5 million in the financial year 2024).

2.1.2. Income recognition principles

Income from sales contracts is recognised when the goods and services are transferred to the control of the customer in proportion to the amount of consideration the group expects to be entitled to in return for the goods or services. Recognition as income takes place at a point in time or over time.

Loihde primarily acts as the principal of the products sold, as it typically manages the products and services transferred to the customer. However, for some services, Loihde acts as an agent on behalf of third parties. These services are described in more detail in the next section.

2.1.3. Revenue recognition

Loihde Group provides customers with business continuity services in the following areas and ways:

- through solutions and services related to the customers' digital environment, cloud environment, data, analytics and AI,
- through services related to the security of the customers' digital environment, cloud environment and data, such as network, cyber security and access management solutions and services,
- through solutions related to the security of people, objects and buildings, such as video surveillance, access control, fire detection, fire alarm and nurse call systems as well as locking and door and gate automation solutions.

Loihde Group's revenue mainly consists of the following revenue streams:

Hourly-based services and projects, fixed-price projects, continuous services, licensed products, product sales and installation services.

Loihde Group recognises revenue from different revenue streams mainly over time. At one point in time, revenue is recognised separately for equipment and supplies sold and for their installations, as well as for licensed products, over which the customer obtains control at a point in time.

Projects based on hourly fees are recognised as revenue on a monthly basis according to the hours worked.

In fixed-price projects, revenue is recognised over time based on percentage of completion either based on the actual costs or hours recorded relative to the estimated total costs or total working hours.

Loihde also supplies its customers with third-party licensed products, where Loihde acts as an agent and recognises only a portion of the margin received as revenue.

By contrast, in continuous service agreements, Loihde provides customers with a service package, which means that any licensed products and equipment used in the services and their installation, as well as any start-up fees of the services are considered a performance obligation and the service package is recognised over time on a gross basis. In these contracts, the customer simultaneously receives and consumes the benefits as Loihde supplies the service.

If Loihde provides services to the customer before the customer pays consideration or payment falls due, the contract is presented as a contractual asset, excluding amounts that are recorded as trade receivables. If Loihde receives advance payments, they are recognised as a liability based on customer contracts and the revenue is recognised when the services have been delivered.

2.1.4. Significant solutions based on discretion

When revenue recognition is based on revenue recognition according to the percentage of completion, the outcome of the contract is estimated regularly and reliably. Revenue recognition based on percentage of completion is based on estimates of the expected probable sales income and expenses from the project, as well as a reliable measurement of the percentage of completion of the project.

The estimates made are reviewed on each reporting date and any changes are recognised through profit or loss in the period in which the change is first known and can be assessed. If it is probable that the total expenditure necessary to complete the project will exceed the total revenue, the expected loss is immediately recognised as an expense. Due to the estimates included in the revenue recognition of percentage of completion contracts, actual income and expenses will generally differ from the estimates.

Loihde's management also assesses whether Loihde is acting as an agent or principal when selling third-party licensed products. Loihde considers itself to be acting as an agent for third-party licensed products when they are distinguishable and when management considers that Loihde has no principal responsibility toward the end customer.

2.2. Breakdown of sales revenue

Revenue by business

| EUR 1,000 | 2025 | 2024 |
|----------------------------|----------------|----------------|
| Security solutions | 82,858 | 76,766 |
| Cyber, Cloud & Connect | 31,079 | 31,335 |
| Data, Digital & AI | 30,384 | 31,629 |
| Other (incl. eliminations) | 49 | -28 |
| Total | 144,370 | 139,702 |

Revenue by market

| EUR 1,000 | 2025 | 2024 |
|-----------------|----------------|----------------|
| Finland | 143,706 | 138,459 |
| Other countries | 664 | 1,243 |
| Total | 144,370 | 139,702 |

Revenue has been divided into geographical markets by the location of the customers.

2.3. Contractual amounts recognised on the balance sheet

2.3.1. Contractual assets recorded in the balance sheet

| EUR 1,000 | 2025 | 2024 |
|---|---------------|---------------|
| Trade receivables, Note 14 | 19,432 | 16,025 |
| Assets based on customer contracts (current), Note 15 | 5,030 | 6,425 |
| Total | 24,462 | 22,450 |

2.3.2. Contractual liabilities recorded in the balance sheet

| EUR 1,000 | 2025 | 2024 |
|--|--------------|--------------|
| Liabilities based on customer contracts (non-current), Note 22 | 145 | 67 |
| Liabilities based on customer contracts (current), Note 24 | 6,315 | 5,221 |
| Total | 6,460 | 5,287 |

2.4. Unfulfilled long-term customer contracts

Transaction price allocated to the remaining performance obligations

| EUR 1,000 | 2025 | 2024 |
|--|-------|-------|
| Transaction price allocated to partly or fully outstanding long-term fixed-price contracts | 5,363 | 7,630 |

Management expects that 99% (EUR 5,303,000) of the transaction price allocated to outstanding performance obligations on 31 December 2025 will be recognised as income in the next financial year and the remaining 1% (EUR 60,000) after that.

Loihde Group applies the practical expedient tool to concerning presenting the transaction price allocated to the outstanding performance obligations on the reporting date. This practical expedient may be applied when the group's performance obligations that are outstanding at the reporting date are generally part of a contract with an initial expected duration of at most one year, or the sales revenue to be recognised corresponds to the value of the performance produced by the group for the customer by the time of review.

3 OTHER INCOME AND EXPENSE ITEMS

3.1. Other operating income

3.1.1. Accounting policies

Other operating income includes, e.g. sales gains from fixed assets and business transactions and contributions received. Government grants are recognised through profit or loss in the periods in which the expenses to which they relate are recorded when it is reasonably certain that the conditions of the grants will be met and the grants will be received. Government grants related to the acquisition of property, plant and equipment are deducted from the acquisition cost of the asset. The impact on profit or loss is recognised as decreased depreciation of the acquired asset. During the financial year 2025, Loihde Group's subsidiaries have not received grants from Business Finland.

3.1.2. Other operating income

| EUR 1,000 | 2025 | 2024 |
|---|------------|------------|
| Gains from disposal of property, plant and equipment and from business transactions | 16 | 3 |
| Grants received | 2 | 60 |
| Rental income | 7 | 9 |
| Other income | 157 | 184 |
| Total | 182 | 257 |

3.2. Use of materials and services

3.2.1. Accounting policies

Purchases consist of equipment and supplies included in customer contracts, and licences, when Loihde Group does not act as an agent. External services consist mainly of subcontracting. The valuation of inventories is described in more detail in Note 13. Inventories.

3.2.2. Use of materials and services

| EUR 1,000 | 2025 | 2024 |
|---------------------------------------|----------------|----------------|
| Purchases during the financial period | -42,284 | -42,619 |
| Change in inventories | -2,164 | 2,068 |
| External services | -9,890 | -7,865 |
| Total | -54,338 | -48,416 |

3.3. Other operating expenses

3.3.1. Accounting policies

Other operating expenses include the acquisition costs of goods and services other than those sold and produced.

3.3.2. Other operating expenses

| EUR 1,000 | 2025 | 2024 |
|--|----------------|----------------|
| Voluntary indirect employee costs | -1,746 | -2,085 |
| Rents and other office costs ¹⁾ | -1,201 | -1,927 |
| IT hardware and software costs ¹⁾ | -3,426 | -3,347 |
| Vehicle costs ¹⁾ | -1,361 | -1,608 |
| Travel and entertainment expenses | -2,035 | -2,007 |
| Administrative expenses | -2,980 | -2,591 |
| Acquisition-related costs | -330 | |
| Change in expected credit losses (ECL) | -76 | -60 |
| Other fixed costs | -1,147 | -1,688 |
| Total | -14,303 | -15,312 |

Other operating expenses include amounts recognised for expected credit losses. Further information on expected credit is presented in Note 25.1. Credit risk.

¹⁾ The lessee's expenses are specified in Note 8.1. Leases, liabilities in the lessee's income statement.

3.4. Auditor's fees

| EUR 1,000 | 2025 | 2024 |
|------------------------------------|-------------|-------------|
| Audit services, current audit firm | -123 | -136 |
| Other services, current audit firm | -19 | -15 |
| Total | -142 | -151 |

3.5. Employee benefit expenses

3.5.1. Accounting policies

Wages, salaries and fringe benefits, annual leave and bonuses are included in current employee benefits and recorded in the period in which the work was performed. Loihde's personnel is covered by an incentive scheme based on the achievement of the company's common and partly personal objectives. Share-based payments are described below in section 3.5.3.

Pension plans are classified as defined benefit or defined contribution plans. In defined contribution plans, the group makes fixed payments to a separate unit. The group has no legal or constructive obligation to pay further contributions if the beneficiary is unable to pay the pension benefits in question. All arrangements that do not meet these conditions are defined benefit pension plans.

Loihde Group's current pension arrangements are mainly defined contribution plans and their contributions are recognised as expenses in the income statement for the period to which the charge relates. The number of defined benefit pension plans in the group is not significant.

3.5.2. Employee benefit expenses

| EUR 1,000 | 2025 | 2024 |
|--|----------------|----------------|
| Wages and salaries excluding share-based bonuses | -53,821 | -55,170 |
| Share-based bonus deferrals | -131 | -153 |
| Pension expenses, defined contribution plan | -9,508 | -9,677 |
| Pension expenses, defined benefit plans | 7 | 3 |
| Other social security expenses | -1,566 | -1,356 |
| Total | -65,019 | -66,354 |

| Average number of employees | 2025 | 2024 |
|-----------------------------|------------|------------|
| Security solutions | 372 | 367 |
| Cyber, Cloud & Connect | 150 | 158 |
| Data, Digital & AI | 202 | 236 |
| Other | 55 | 65 |
| Total | 779 | 826 |

Information on the management's employee benefits is presented in Note 28. Related party transactions. Information on share-based incentive schemes is presented in section 3.5.3. Share-based payments.

3.5.3. Share-based payments

Accounting policies

Share-based incentive schemes are measured at the fair value on the vesting date based on the gross number of shares issued and recognised as an expense in the income statement during the period in which the conditions are met (vesting period) and an equivalent adjustment to equity (retained earnings). The withholding tax is partly paid by the company, and the participants will therefore receive the shares free of tax in this respect. The net payment feature is applied and share-based payments are fully classified as equity-settled share-based transactions as they would have been without the net payment feature. The bonuses under the incentive schemes are primarily paid in a combination of company shares and cash, where the cash component is intended to cover the taxes and tax-like charges arising from the bonus.

On each reporting date, the group reviews its estimate of share-based payments to be realised. The impact of the revision of previous estimates is recognised as personnel expenses and in equity.

The dilution effect of outstanding share bonuses is shown as an additional share dilution in the calculation of earnings per share adjusted by the dilutive effect.

Description of share-based payment plans

More detailed information on the share-based plans is presented in a table after the text section.

Share-based incentive scheme for the personnel 2022

The Board of Directors of Loihde Plc launched a new share-based incentive scheme for all employees (Employee Matching Share Plan 2022). The incentive scheme consists of an employee share issue from 14 to 22 June 2022 and a related matching share scheme.

After the vesting period ending at the end of 2024, the participants in the scheme will receive matching shares as a bonus. The gross number of matching shares is one share for each three shares subscribed for in the share issue. The matching shares will be paid to the employees primarily on a net basis and the amount equivalent to the proportion of withholding tax is paid in cash. To receive additional shares, the employee must hold the shares purchased in the employee share issue until the end of the commitment period and also be employed by Loihde Group at the end of the vesting period.

Long-term incentive scheme (LTI) for the management and key personnel 2021–2023

On 3 March 2021, the company's Board of Directors decided on a performance-based long-term incentive scheme aimed at the Group's Leadership Team and selected key employees. The scheme consists of three-year vesting periods (2021–2023, 2022–2024 and 2023–2025) starting annually, each of which requires separate approval by the Board of Directors. The criteria for the payment of the bonus are revenue and EBITDA targets set by the Board of Directors for the vesting period in question. A prerequisite of the bonus is that the key employee's employment relationship has not been terminated or ended by the employee in question or by the company before the end of the vesting period. The share bonuses based on the first vesting period, 2021–2023, were paid in spring 2024.

On 25 November 2021, the Board of Directors of Loihde Plc decided to continue the share-based long-term incentive scheme (LTI) for the group's senior management and selected key employees with a new vesting period for 2022–2024. During the vesting period 2022–2024, a maximum of 25 people are covered by the incentive scheme. The bonuses for the vesting period 2022–2024 were paid in spring 2025.

On 29 November 2022, the Board of Directors of Loihde Plc decided to continue the share-based long-term incentive scheme (LTI) for the group's senior management and selected key employees with a new vesting period for 2023–2025. During the vesting period 2023–2025, a maximum of 27 people are covered by the incentive scheme. Potential bonuses for the vesting period 2023–2025 will be paid in spring 2026.

Long-term incentive scheme (LTI) for the management and key personnel 2024

On 28 November 2023, the company's Board of Directors decided on a performance-based long-term incentive scheme (LTI) aimed at the group's Leadership Team and selected key employees. The LTI has one vesting period, 2024–2026. The criteria for the payment of the bonus are the EBITDA target set by the Board of Directors for the vesting period and the development of total shareholder return (TSR). A prerequisite of the bonus under the incentive scheme is that the key employee's employment relationship has not been terminated or ended by the employee in question or by the company before the end of the vesting period. Potential bonuses for the vesting period 2024–2026 will be paid in spring 2027.

Long-term incentive scheme (LTI) for the management and key personnel 2025

On 12 February 2025, the Board of Directors of Loihde Plc decided to launch a new share-based long-term incentive scheme (LTI 2025) for the Group's senior management and selected key employees. The scheme has one three-year vesting period, running from 2025 to 2027. The criteria for the payment of the bonus are the EBITDA target set by the Board of Directors for the vesting period and the development of total shareholder return (TSR). A prerequisite of the bonus under the incentive scheme is that the key employee's employment relationship has not been terminated or ended by the employee in question or by the company before the end of the vesting period. Potential bonuses for the vesting period 2025–2027 will be paid in spring 2028.

The share-based incentive scheme for the Board of Directors

In 2020–2023, the Annual General Meeting (AGM) has decided on long-term share-based incentive schemes for the members of the Board of Directors and related share issues. The subscription price is based on the volume-weighted average share price over a predetermined period, with a 10% discount applied.

Details of outstanding shares and changes during the financial year are set out in the table below.

Employee Share Savings Plan (ESSP) 2023

On 25 May 2023, Loihde's Board of Directors decided to establish an Employee Share Savings Plan (ESSP) for the employees of Loihde Plc and its subsidiaries. The ESSP gives employees the opportunity to save a portion of their salaries and invest those savings in Loihde's shares. The ESSP consists of annually commencing plan periods, each one comprising of an approximately one-year savings period and a holding period following the savings period. The savings are used to buy shares in Loihde four times a year. As a reward for their commitment, Loihde grants the participating employees a gross reward of one (1) matching share for every two (2) savings shares acquired with their savings. Additionally, the participants have the opportunity to earn half (0.5) or one (1) performance-based matching share (gross) for every two (2) savings shares acquired with their savings, based on the achievement of the performance criterion. The performance criterion is the group's EBITDA margin for the financial year 2025. Continuity of employment and holding of acquired savings shares for the duration of the holding period are the prerequisites for receiving the bonus.

Employee Share Savings Plan (ESSP) 2024

On 29 April 2024, the Board of Directors of Loihde Plc decided to continue the ESSP that started the year before with a new savings plan. The ESSP consists of a one-year savings period and a holding period following the savings period. The ESSP is offered to all Loihde employees. The employees will have the opportunity to save a portion of their salaries and invest those savings in Loihde's shares. The savings are used to buy shares in Loihde four times a year. As a reward for their commitment, Loihde grants the participating employees a gross reward of one (1) matching share for every two (2) savings shares acquired with their savings. Additionally, the participants have the opportunity to earn half (0.5) or one (1) performance-based matching share (gross) for every two (2) savings shares acquired with their savings, based on the achievement of the performance criterion. The performance criterion is the group's EBITDA for the financial years 2024–2026. Continuity of employment and holding of acquired savings shares for the duration of the holding period are the prerequisites for receiving the bonus.

Employee Share Savings Plan (ESSP) 2025

On 29 April 2025, the Board of Directors of Loihde Plc decided to continue the ESSP that started the year before with a new savings plan. The ESSP consists of a one-year savings period and a holding period following the savings period. The ESSP is offered to all Loihde employees. The employees will have the opportunity to save a portion of their salaries and invest those savings in Loihde's shares. The savings are used to buy shares in Loihde four times a year. As a reward for their commitment, Loihde grants the participating employees a gross reward of one (1) matching share for every two (2) savings shares acquired with their savings. Additionally, the participants have the opportunity to earn half (0.5) or one (1) performance-based matching share (gross) for every two (2) savings shares acquired with their savings, based on the achievement of the performance criterion. The earning criterion is the Group's EBITDA for the financial years 2025–2027. Continuity of employment and holding of acquired savings shares for the duration of the holding period are the prerequisites for receiving the bonus.

Share-based incentive scheme for the CEO 2024

On 26 February 2024, Loihde Plc's Board of Directors decided to launch a new long-term Restricted Share Plan (RSP) for the CEO. It is the purpose of the RSP to align the objectives of the owners and the CEO in order to increase Loihde's value and implement the company's business strategy in the long term as well as to commit the CEO to the company. The RSP for the CEO has one three-year vesting period, covering the years 2024–2026. The main terms of the RSP include the continued employment of the CEO, subject to certain conditions, at the time of payment of the bonus. The number of bonus shares to be transferred is also affected by the number of shares acquired by the CEO at market conditions.

EUR 1,000

| Scheme | Personnel share scheme 2022 | Long-term incentive scheme | | | | Board of Directors share-based incentive scheme | | Employee Share Savings Plan (ESSP) | | | | | | CEO incentive share plan 2024 | | Total | |
|---|-----------------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|---|--|--|---|---|---|---|---|---|-------------------------------------|-------------------------------------|------------------|
| | | Matching vesting period 2022-2024 | LTI 2022 | LTI 2023 | LTI 2024 | LTI 2025 | Board of Director incentive system 2022-2024 | Board of Director incentive system 2023-2025 | ESSP 2023 additional shares | ESSP 2023 performance based additional shares | ESSP 2024 additional shares | ESSP 2024 performance based additional shares | ESSP 2025 additional shares | ESSP 2025 performance based additional shares | CEO incentive 1. | | CEO incentive 2. |
| Instrument | | | | | | | | | | | | | | | | | |
| Maximum number of shares | 16,736 | 63,864 | 102,000 | 107,600 | 108,790 | 916 | 960 | -62,500 | | -71,500 | | | -39,900 | | 12,000 | | 586,766 |
| First date of issue | 6.7.2022 | 5.7.2022 | 8.5.2023 | 31.5.2024 | 8.5.2025 | 22.6.2022 | 21.6.2023 | 21.9.2023 | 21.9.2023 | 12.9.2024 | 12.9.2024 | 24.9.2025 | 24.9.2025 | 26.2.2024 | 26.2.2024 | 26.2.2024 | |
| Vesting period begins | 6.7.2022 | 1.1.2022 | 1.1.2023 | 1.1.2024 | 1.1.2025 | | | 1.7.2023 | 1.7.2023 | 1.7.2024 | 1.7.2024 | 1.7.2025 | 1.7.2025 | 26.2.2024 | 26.2.2024 | 26.2.2024 | |
| Vesting period ends | 31.12.2024 | 31.12.2024 | 31.12.2025 | 31.12.2026 | 31.12.2027 | 31.12.2024 | 31.12.2025 | 31.5.2024 | 31.5.2024 | 31.5.2025 | 31.5.2025 | 31.5.2026 | 31.5.2026 | | | | |
| Release date | 31.12.2024 | 31.12.2024 | 31.12.2025 | 31.12.2026 | 31.12.2027 | 30.6.2025 | 30.6.2026 | 31.5.2026 | 31.5.2026 | 31.5.2027 | 31.5.2027 | 31.5.2028 | 31.5.2028 | 15.12.2024 | 16.12.2025 | | |
| Performance criteria | | Revenue & EBITDA | Revenue & EBITDA | TSR & EBITDA | TSR & EBITDA | | | | EBITDA | | EBITDA | | EBITDA | | | | |
| Ownership and employment obligation | | Employment obligation | Employment obligation | Employment obligation | Employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | Ownership and employment obligation | |
| Maximum period of validity, years | 2.5 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 | 0.8 | 0.8 | 1.8 | |
| Remaining maturity, years | 0.0 | 0.0 | 0.0 | 1.0 | 2.0 | 0.0 | 0.5 | 0.4 | 0.4 | 1.4 | 1.4 | 2.4 | 2.4 | 0.0 | 0.0 | 0.0 | |
| Persons at the end of the financial year | 0 | 0 | 15 | 25 | 23 | 0 | 2 | 116 | 116 | 142 | 142 | 123 | 123 | 0 | 0 | 0 | |
| Implementation method | Share and cash | Share and cash | Share and cash | Share and cash | Share and cash | Share | Share | Share and cash | Share and cash | Share and cash | Share and cash | Share and cash | Share and cash | Share and cash | Share and cash | Share and cash | |
| Changes during the financial year | | | | | | | | | | | | | | | | | |
| | Matching vesting period 2022-2024 | LTI 2022 | LTI 2023 | LTI 2024 | LTI 2025 | Board of Director incentive system 2022-2024 | Board of Director incentive system 2023-2025 | ESSP 2023 additional shares | ESSP 2023 performance based additional shares | ESSP 2024 additional shares | ESSP 2024 performance based additional shares | ESSP 2025 additional shares | ESSP 2025 performance based additional shares | CEO incentive 1. | CEO incentive 2. | | Total |
| 1.1. | | | | | | | | | | | | | | | | | |
| Shares outstanding at the beginning of the financial year | 13,841 | 50,373 | 84,300 | 102,274 | | 0 | 278 | 15,025 | 15,025 | 9,941 | 9,941 | | | 6,000 | 6,000 | | 312,997 |
| Changes during the financial year | | | | | | | | | | | | | | | | | |
| Granted during the period | | | | | 99,964 | | | | | 8,402 | 8,402 | 6,996 | 6,996 | | | | 130,758 |
| Lost during the period | 1,305 | 38,119 | 20,000 | 13,600 | 9,500 | | | 2,055 | 2,055 | 1,436 | 1,476 | | | | | | 89,546 |
| Paid during the period | 12,536 | 12,254 | | | | | | | | 82 | 41 | | | 6,000 | 6,000 | | 36,913 |
| 31 Dec. | | | | | | | | | | | | | | | | | |
| Shares outstanding at the end of the financial year | 0 | 0 | 64,300 | 88,674 | 90,464 | 0 | 278 | 12,970 | 12,970 | 16,825 | 16,825 | 6,996 | 6,996 | 0 | 0 | | 317,297 |

Determination of fair value

The key parameters of the fair value of share bonuses granted during the financial year are presented in the table below.

| | 2025 | 2024 |
|--|-------|-------|
| Share price at the time of issue | 12.46 | 12.39 |
| Share price at the end of the financial year | 11.75 | 12.00 |
| Expected dividends ^{*)} | 0.76 | 0.81 |
| Fair value of the share bonus at the time of issue | 11.70 | 11.58 |

^{*)} The expected dividend includes the cumulative expected dividend for the entire vesting period.

Impact of share-based payment schemes on performance and financial position

| EUR 1,000 | 2025 | 2024 |
|--|------|------|
| Costs for the financial year, share-based payments, result | -131 | -153 |
| Costs for the financial year, share-based payments, equity | 131 | 158 |

Key estimates and assumptions requiring management discretion

The number of shares to be issued is estimated in connection with each financial statement. The assessment considers changes in Loihde's earnings estimates, attrition of employees covered by share-based incentive schemes and other factors affecting the number of shares to be issued.

3.6. Finance income and expenses

3.6.1. Accounting policies

Finance income and expenses are recognised in the period in which they arise.

3.6.2. Finance income and expenses

| EUR 1,000 | 2025 | 2024 |
|---|-------------|-------------|
| Finance income | | |
| Income from assets at amortised cost | 34 | 21 |
| Income from assets at fair value through profit or loss | 401 | 390 |
| Other interest income | 81 | 181 |
| Other finance income | 13 | 17 |
| Total | 529 | 608 |
| Finance expenses | | |
| Expenses for liabilities at amortised cost | -13 | -36 |
| Losses from assets at fair value through profit or loss | | -5 |
| Other interest expenses | -529 | -465 |
| Other finance expenses | -43 | -31 |
| Total | -584 | -537 |
| Net finance income and expenses | -55 | 71 |
| Other exchange differences included in the income statement, by line | | |
| Revenue | | 5 |
| Use of materials and services | 5 | -8 |
| Other operating expenses | | -1 |
| Total | 5 | -3 |

4. INCOME TAXES

4.1. Accounting policies

Tax based on the taxable income for the period

Income taxes consist of current income tax and deferred taxes. The tax based on current taxable income is calculated based on the regulations of each country and the applicable tax rate. The current income tax and deferred taxes are recognised through profit or loss, except in so far as it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

4.2. Income taxes in the income statement

| EUR 1,000 | 2025 | 2024 |
|---|-------------|-------------|
| Taxes on ordinary activities based on the taxable income for the financial year | -636 | -472 |
| Taxes from previous financial years | -2 | 130 |
| Deferred taxes | 9 | 25 |
| Total | -629 | -317 |
| Effective tax rate -% | -21.2 % | 4.1 % |

| 4.3. Tax rate reconciliation | 2025 | 2024 |
|--|-------------|-------------|
| EUR 1,000 | | |
| Profit before taxes | 2,967 | -7,766 |
| Taxes calculated at the Finnish tax rate of 20% (2024:20%) | -593 | 1,553 |
| Deviating tax rates of foreign subsidiaries | | 0 |
| Non-taxable income | 2 | 4 |
| Non-deductible expenses | -45 | -46 |
| Losses for the financial year not recognised in income taxes | 9 | -6 |
| Taxes from previous financial years | -2 | 130 |
| Impairment of goodwill | | -1,980 |
| Other taxes | | 28 |
| Taxes in the income statement | -629 | -317 |

4.4. Additional information related to taxes recognised through profit or loss

Income tax related to each other item of comprehensive profit

| EUR 1,000 | 2025 | 2024 |
|---|------|------|
| Items not subsequently reclassified to profit or loss | -7 | -59 |
| Recognised deferred taxes | 1 | 12 |
| Items that may be reclassified subsequently to profit or loss | | 14 |

Deferred tax assets and liabilities, see Note 12.

Deferred taxes recognised directly in equity, see Note 12.2.

5. EARNINGS PER SHARE

5.1. Accounting policies

Basic earnings per share are calculated by dividing the profit or loss for the financial year attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year.

The company's treasury shares are deducted from the total number of outstanding shares when calculating the weighted average number of outstanding shares. The calculation of diluted earnings per share takes into account the impact of the share-based incentive schemes when it decreases the earnings per share or increases the loss per share.

5.2. Earnings per share

| EUR 1,000 | 2025 | 2024 |
|---|-------|--------|
| Profit for the financial year attributable to owners of the parent company | 2,338 | -8,083 |
| Weighted average undiluted number of shares during the financial year, 1,000 shares | 5,737 | 5,730 |
| Earnings per share (EPS), EUR/share, basic | 0.41 | -1.41 |
| Weighted average diluted number of shares during the financial year, 1,000 shares | 5,767 | 5,730 |
| Earnings per share, EUR/share, diluted | 0.41 | -1.41 |

NOTES TO THE BALANCE SHEET

Non-current assets

6. TANGIBLE ASSETS

6.1. Accounting policies

Tangible property, plant and equipment is valued at the original acquisition cost less accumulated depreciation and impairment.

Land is not depreciated. The acquisition cost of other asset items is allocated as straight-line depreciation over the estimated useful life of the asset.

The residual values and useful lives of fixed assets are reviewed in each financial statement and, if necessary, adjusted, if necessary, to reflect changes in the expected economic benefits. Capital gains and losses on the disposal of property, plant and equipment are included in other operating income or other operating expenses.

Depreciation times

| | |
|------------------------------------|-------------|
| Buildings and structures | 15–25 years |
| Machinery and equipment | 3–5 years |
| Other tangible assets and networks | 3–10 years |

6.2. Tangible assets

| 2025 | Land areas in own use | Buildings and structures in own use | Machinery and equipment in own use | Other tangible assets networks | Advance payments and in progress procurement | Total |
|---|-----------------------------|---|---|---|--|----------------|
| EUR 1,000 | | | | | | |
| Acquisition cost, 1 Jan. | 815 | 5,054 | 10,265 | 623 | 151 | 16,907 |
| Other increases | | 89 | 1,206 | | 27 | 1,321 |
| Reclassifications | | 35 | | | -35 | |
| Acquisition cost, 31 Dec. | 815 | 5,178 | 11,471 | 623 | 143 | 18,229 |
| Accumulated depreciation and impairment, 1 Jan. | | -3,491 | -8,339 | -356 | | -12,187 |
| Depreciation for the financial year | | -202 | -897 | -94 | | -1,193 |
| Accumulated depreciation and impairment, 31 Dec. | | -3,693 | -9,237 | -449 | | -13,380 |
| Book value, 1 Jan. | 815 | 1,563 | 1,925 | 267 | 151 | 4,721 |
| Book value, 31 Dec. | 815 | 1,484 | 2,234 | 174 | 143 | 4,849 |

| 2024 | Land areas in own use | Buildings and structures in own use | Machinery and equipment in own use | Other tangible assets assets networks | Advance payments and in progress procurement | Total |
|---|-----------------------|-------------------------------------|------------------------------------|---------------------------------------|--|----------------|
| EUR 1,000 | | | | | | |
| Acquisition cost, 1 Jan. | 1,591 | 6,100 | 9,350 | 478 | 241 | 17,760 |
| Other increases | 7 | 174 | 933 | 121 | 32 | 1,268 |
| Other decreases and disposals | | | -19 | | -122 | -140 |
| Reclassifications | -784 | -1,220 | | 24 | | -1,980 |
| Foreign exchange differences | | | 0 | | | 0 |
| Acquisition cost, 31 Dec. | 815 | 5,054 | 10,265 | 623 | 151 | 16,907 |
| Accumulated depreciation and impairment, 1 Jan. | | -4,439 | -7,653 | -265 | | -12,356 |
| Change due to reclassification | | | | 0 | | 0 |
| Other decreases and disposals, accumulated depreciation | | | 4 | | | 4 |
| Accumulated depreciation on transfers | | 1,105 | | -1 | | 1,104 |
| Depreciation for the financial year | | -157 | -684 | -90 | | -932 |
| Impairment | | | -7 | | | -7 |
| Foreign exchange differences | | | 0 | | | 0 |
| Accumulated depreciation and impairment, 31 Dec. | | -3,491 | -8,339 | -356 | | -12,187 |
| Book value, 1 Jan. | 1,591 | 1,661 | 1,697 | 213 | 241 | 5,404 |
| Book value, 31 Dec. | 815 | 1,563 | 1,925 | 267 | 151 | 4,721 |

7. INVESTMENT PROPERTIES

7.1. Accounting policies

Investment properties are mainly office buildings that generate long-term rental income and are not used by the group. Investment properties are valued at original acquisition cost less depreciation and possible impairment losses.

Leased plots of land have also been classified as investment properties, accounting for EUR 76,000 (2024: EUR 73,000) of the book value at the end of the financial year.

Depreciation times

Investment properties 15–25 years

7.2. Investment properties

| EUR 1,000 | 2025 | 2024 |
|---|---------------|---------------|
| Acquisition cost, 1 Jan. | 11,061 | 9,032 |
| Additions | 50 | 24 |
| Transfers between other asset items | 14 | 2,004 |
| Acquisition cost, 31 Dec. | 11,125 | 11,061 |
| Accumulated depreciation and impairment, 1 Jan. | -8,054 | -6,651 |
| Depreciation for the financial year | -268 | -298 |
| Accumulated depreciation and impairment | -12 | -1,105 |
| Accumulated depreciation and impairment, 31 Dec. | -8,333 | -8,054 |
| Book value, 1 Jan. | 3,007 | 2,381 |
| Book value, 31 Dec. | 2,791 | 3,007 |

7.3. Rental arrangements

Investment properties have been leased with operating lease agreements according to which the rent is paid monthly. Some contracts include increases based on the consumer price index, but there are no other variable rents depending on indices or prices. The group may obtain bank guarantees for the lease period if it is considered necessary to reduce credit risk. Although the group is exposed to changes in residual value as existing leases expire, it generally enters into new operational lease agreements and therefore does not realise the potential decrease in the residual value at the end of these agreements. The expected residual values are considered in the fair values of the properties.

The minimum rents for investment properties are as follows:

EUR 1,000

| | |
|-------------------------|-----|
| After 0-1 years | 739 |
| After 1-2 years | 146 |
| After 2-3 years | 104 |
| After 3-4 years | 104 |
| After 4-5 years | 104 |
| After more than 5 years | 260 |

Notes on contractual obligations relating to the purchase, construction or development of investment properties, or their repairs, maintenance or improvements are disclosed in Note 27. Contingent liabilities and assets, and commitments.

7.4. Fair value of an investment property measured at acquisition cost

| EUR 1,000 | Book value | | Fair value | |
|--|--------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| Investment properties | 2,791 | 3,007 | 3,738 | 3,547 |
| Book value/fair value 31 December | 2,791 | 3,007 | 3,738 | 3,547 |

The estimate of the fair value is based on the market value used in the review of the fair value at the end of the financial year or the present value of future cash flows.

7.5. Amounts from investment property recognised in profit or loss

| EUR 1,000 | 2025 | 2024 |
|---|------------|------------|
| Rental income from operational leases | 867 | 825 |
| Direct management costs for properties generating rental income | -649 | -684 |
| Impact on profit or loss 31 Dec. | 218 | 140 |

8. LEASE AGREEMENTS

8.1. Group as a lessee

8.1.1. Accounting policies

Loihde Group's leases consist mainly of premises, land, vehicles and IT equipment, as well as technical equipment included in business service contracts. Leases of premises are contracts of indefinite duration or fixed-term contracts and other contracts are fixed-term contracts. The lease term is defined as the period during which the lease cannot be cancelled. The lease term is extended to include the period included in any renewal or termination option, if it is reasonably certain that the group will exercise the renewal option, and not exercise the termination option.

Loihde measures lease liabilities by discounting the cash flows of the lease agreements at the incremental borrowing rate on the inception date of the lease. Right-of-use assets are valued at the acquisition cost less accumulated depreciation and impairment. Depreciation on right-of-use assets is recognised as an expense in the income statement. In addition, the book value of a right-of-use asset is adjusted to reflect the value of the lease liability if the value of the lease liability is redefined during the lease term.

The initial nominal value of the lease liability is the present value of the payments to be made during the lease term. Lease payments include the amount of the fixed payment and the variable rental payments based on price changes and payments resulting from penalties for lease termination. Some leases on premises involve index terms that are not considered in the lease liabilities until they are realised. Loihde measures the lease liability in subsequent periods using the effective interest method. The lease liability is redefined if future lease payments change due to an index increase or price change or if rents payable under the residual value guarantee are subject to change. In addition, changes in the estimates of the option to buy, continue or terminate the underlying item may lead to reassessment of the lease liability. Lease payments are discounted using the group's incremental borrowing rate as interest rates are not available for lease agreements. The group's incremental borrowing rate is determined based on financial offers received and market conditions, and it is reviewed at least annually.

The maturity breakdown of lease liabilities is presented in Note 25. Management of financial risks and capital.

Loihde applies the exceptions of the standard concerning short-term and low-value leases. A short-term lease is a contract with a lease term of 12 months or less.

Low-value assets include IT equipment in own use and company bicycles.

Low-value and short-term leases are not recognised in the balance sheet, but payments from these agreements are recognised as expenses on a straight-line basis. In leases for premises, Loihde does not separate service components from lease components. Loihde does not distinguish service components from lease liabilities.

8.1.2. Key solutions based on discretion

The key management discretion relates to leases valid until further notice, in which Loihde's management assesses the length of the lease term, which can have a material effect on the recognised amount of the right-of-use asset and the lease liability, as well as the related depreciation and interest expenses.

Management discretion is also relevant for determining the incremental borrowing rate used to calculate the present value of lease payments.

8.1.3. Lessee's right-of-use assets

| 2025 | Land areas use-right-of- | Buildings and buildings structures use-right-of- | Machinery and equipment use-right-of- | Total |
|---|--------------------------|--|---------------------------------------|----------------|
| EUR 1,000 | | | | |
| Acquisition cost, 1 Jan. | 126 | 8,262 | 14,570 | 22,958 |
| Increase/decrease due to revaluation | -47 | 766 | -108 | 611 |
| Increases | 41 | 714 | 5,264 | 6,018 |
| Decreases | -30 | -103 | -3,317 | -3,450 |
| Reclassifications | -14 | | | -14 |
| Acquisition cost, 31 Dec. | 76 | 9,639 | 16,409 | 26,123 |
| Accumulated depreciation and impairment, 1 Jan. | -63 | -4,406 | -6,476 | -10,945 |
| Depreciation for the financial year | -13 | -1,835 | -4,008 | -5,856 |
| Accumulated depreciation and impairment | 42 | 103 | 3,317 | 3,461 |
| Accumulated depreciation and impairment, 31 Dec. | -34 | -6,138 | -7,167 | -13,339 |
| Book value, 1 Jan. | 63 | 3,856 | 8,093 | 12,013 |
| Book value, 31 Dec. | 41 | 3,501 | 9,241 | 12,784 |

| 2024 | Land areas use-right-of- | Buildings and buildings structures use-right-of- | Machinery and equipment use-right-of- | Total |
|---|--------------------------|--|---------------------------------------|----------------|
| EUR 1,000 | | | | |
| Acquisition cost, 1 Jan. | 124 | 7,414 | 12,014 | 19,552 |
| Increase/decrease due to revaluation | 3 | 841 | -68 | 776 |
| Additions | | 1,540 | 5,482 | 7,022 |
| Disposals | | -1,533 | -2,859 | -4,391 |
| Reclassifications | | -1 | | -1 |
| Acquisition cost, 31 Dec. | 126 | 8,262 | 14,570 | 22,958 |
| Accumulated depreciation and impairment, 1 Jan. | -46 | -4,000 | -5,604 | -9,650 |
| Depreciation for the financial year | -17 | -1,939 | -3,731 | -5,687 |
| Accumulated depreciation and impairment | | 1,533 | 2,859 | 4,391 |
| Foreign exchange differences | | | | |
| Accumulated depreciation and impairment, 31 Dec. | -63 | -4,406 | -6,476 | -10,945 |
| Book value, 1 Jan. | 78 | 3,414 | 6,410 | 9,902 |
| Book value, 31 Dec. | 63 | 3,856 | 8,093 | 12,013 |

8.1.4. Comprehensive income statement and cash flow statement items of the lessee

| EUR 1,000 | 2025 | 2024 |
|--|-------------|-------------|
| Interest expenses on lease liabilities | -504 | -391 |
| Rental expenses for low-value leases | -241 | -355 |
| Total | -744 | -746 |

Outgoing cash flow from leases for the financial year 2024 totalled EUR 5,712,000 (2024: EUR 5,541,000).

8.1.5. Liabilities recognised in the balance sheet from leases

| Group as a lessee | 2025 | 2024 |
|-------------------------------|---------------|---------------|
| EUR 1,000 | | |
| Non-current lease liabilities | 7,990 | 7,651 |
| Current lease liabilities | 5,452 | 4,874 |
| Total | 13,443 | 12,525 |

8.2. Group as lessor

8.2.1. Accounting policies

Loihde Group acts as a lessor through its real estate subsidiary. The group leases properties it owns to enterprises. Leases in which the group acts as a lessor are classified as operating leases. Leased properties are included in the balance sheet under investment properties or tangible assets depending on their nature and are depreciated over their useful life. Properties where the group's own use is less than 5% of the area available for rent are considered investment properties. Rental income is recognised in the income statement on a straight-line basis over the lease term. The group's role as a lessor is of minor importance.

8.2.2. Lessor's operating leases

Items recorded in the income statement

| | Fixed rental income | Variable rental income | 2025 Total |
|--------------------------|---------------------------|------------------------------|---------------|
| EUR 1,000 | | | |
| Buildings and structures | 541 | 139 | 680 |
| Investment properties | 708 | 159 | 867 |
| Total | 1,250 | 297 | 1,547 |

| | Fixed rental income | Variable rental income | 2024 Total |
|--------------------------|---------------------------|------------------------------|---------------|
| EUR 1,000 | | | |
| Buildings and structures | 540 | 144 | 684 |
| Investment properties | 692 | 133 | 825 |
| Total | 1,231 | 277 | 1,509 |

8.2.3. Receivables recognised in the balance sheet from leases

Group as lessor

| EUR 1,000 | 2025 | 2024 |
|--|-----------|-----------|
| Short-term lease receivables, operating leases | 31 | 62 |
| Total | 31 | 62 |

9. GOODWILL AND OTHER INTANGIBLE ASSETS

9.1. Accounting policies

An intangible asset is initially recognised at acquisition cost when the cost can be measured reliably and it is expected that the intangible asset will generate economic benefits for the group. Intangible assets with a known or estimated limited useful life are recognised on a straight-line basis as an expense in the income statement over their useful life.

Depreciation times

| | |
|------------------------------|------------|
| Development expenditure | 3–5 years |
| Intellectual property rights | 3–5 years |
| Other intangible assets | 3–10 years |
| Customer relationships | 3–5 years |

9.1.1. Goodwill and other intangible assets acquired in a business combination

The accounting policies for goodwill acquired in a business combination are described in Note 26. Business combinations.

Other intangible assets acquired in connection with acquisitions are recognised in the balance sheet separately from goodwill if they meet the definition of an intangible asset; they are distinguishable or based on contracts or legal rights. Intangible assets recognised in connection with acquisitions mainly consist of the value of customer contracts and related customer relationships.

The value of customer contracts and related customer relationships is determined by the estimated cash flows based on the expected retention and duration of customer relationships.

9.1.2. R&D costs

Loihde records research-related costs as an expense for the research period. Development costs arising from the design of new products or services are generally recognised as an expense during the development period.

The group may receive development costs in connection with acquisitions that are related to projects launched before the acquisition, which are handled as intangible assets to be capitalised. They are capitalised as intangible assets for the duration of the project if the requirements of IAS 38 are met.

Depreciation is recognised on the capitalised asset from the moment it is ready for use. Commodity that is not yet ready annually for impairment. Capitalised development costs are after initial recognition measured at acquisition cost less accumulated depreciation and impairment. The useful life of capitalised development costs is 3–5 years, during which capitalised costs are recognised as straight-line costs.

9.1.3. Cloud computing arrangements

In April 2021, the IFRS Interpretations Committee (IFRIC) issued an agenda decision concerning so-called SaaS arrangements and their implementation, configuration and customisation and purchasing services. The accounting treatment of cloud computing arrangements is dependent on whether the cloud-based software is classified as an intangible asset or a service contract. Arrangements where the company does not control the software in question are treated as service contracts that give the company the right to use the application software of the cloud service provider during the contract period. The continuing licence fees for the application software, as well as the configuration or customisation costs related to the software, are recognised as other operating expenses when the services are received. Any prepayments to the cloud service provider for customisation of software that are not distinguishable are recognised as an expense during the term of the contract. Cloud computing arrangements are of minor importance to the group.

9.1.4. Intangible rights and other intangible assets

Intangible rights and other intangible assets mainly include software with a limited useful life.

9.2. Goodwill and intangible assets

| | Development costs | Intangible rights | Other Intangible assets without customer relationships | Customer relationships | Total Intangible assets | Goodwill | Total |
|--|-------------------|-------------------|--|------------------------|-------------------------|---------------|----------------|
| 2025 | | | | | | | |
| EUR 1,000 | | | | | | | |
| Acquisition cost, 1 Jan. | 597 | 1,551 | 3,052 | 2,972 | 8,173 | 63,867 | 72,039 |
| Other increases/decreases | 134 | | | | 134 | | 134 |
| Acquisition cost, 31 Dec. | 731 | 1,551 | 3,052 | 2,972 | 8,306 | 63,867 | 72,173 |
| Accumulated depreciation, 1 Jan. | -498 | -1,547 | -2,750 | -1,962 | -6,756 | -9,896 | -16,652 |
| Depreciation for the financial year | -78 | -4 | -178 | -383 | -643 | | -643 |
| Accumulated depreciation, 31 Dec. | -576 | -1,551 | -2,928 | -2,345 | -7,399 | -9,896 | -17,295 |
| Book value, 1 Jan. | 100 | 4 | 303 | 1,010 | 1,416 | 53,970 | 55,387 |
| Book value, 31 Dec. | 155 | 0 | 125 | 627 | 907 | 53,970 | 54,878 |

During the financial year, the group recorded a total of EUR 932,000 in R&D expenditure.

| | Development costs | Intangible rights | Other Intangible assets without customer relationships | Customer relationships | Total Intangible assets | Goodwill | Total |
|---|-------------------|-------------------|--|------------------------|-------------------------|---------------|----------------|
| 2024 | | | | | | | |
| EUR 1,000 | | | | | | | |
| Acquisition cost, 1 Jan. | 551 | 1,551 | 3,071 | 2,788 | 7,961 | 63,881 | 71,842 |
| Acquisition of a subsidiary | | | | | | -14 | -14 |
| Other increases/decreases | 47 | | 5 | 184 | 236 | | 236 |
| Transfers between other asset items | | | -24 | | -24 | | -24 |
| Acquisition cost, 31 Dec. | 597 | 1,551 | 3,052 | 2,972 | 8,173 | 63,867 | 72,039 |
| Accumulated depreciation, 1 Jan. | -369 | -1,542 | -2,483 | -1,427 | -5,820 | | -5,820 |
| Accumulated depreciation from the acquisition of a subsidiary | | | | | | 5 | 5 |
| Depreciation for the financial year | -129 | -5 | -268 | -534 | -936 | | -936 |
| Impairment | | | | | | -9,900 | -9,900 |
| Accumulated depreciation and impairment | | | 1 | | 1 | -1 | |
| Accumulated depreciation, 31 Dec. | -498 | -1,547 | -2,750 | -1,962 | -6,756 | -9,896 | -16,652 |
| Book value, 1 Jan. | 182 | 9 | 588 | 1,361 | 2,140 | 63,881 | 66,021 |
| Book value, 31 Dec. | 100 | 4 | 303 | 1,010 | 1,416 | 53,970 | 55,387 |

During the financial year, the group recorded a total of EUR 990,000 in R&D expenditure.

9.3. Impairment of goodwill and tangible and intangible assets

On each reporting date, the group assesses whether there are any indications that an asset item has been impaired.

If there are any such indications, the recoverable amount of the asset item is estimated.

In addition, the recoverable amount of goodwill and intangible assets in progress is estimated annually, regardless of whether there are indications of impairment. If the book value of an asset item is greater than its recoverable amount, it has been impaired. The recoverable amount is the fair value of the asset item less costs from selling or value in use, if higher. The value in use refers to the estimated future net cash flows from the asset or cash-generating unit that are discounted to their current value.

An impairment loss is recognised in the income statement.

An impairment loss is only reversed if there has been a change in the estimates used to determine the recoverable amount of the asset after the last recorded impairment loss.

However, the impairment loss may not be reversed in excess of what the asset's book value including depreciation would be without the recognition of the impairment loss. An impairment loss recognised for goodwill is not reversed in subsequent financial periods.

9.4. Allocation of goodwill acquired in Loihde Group's business combination to cash-generating units

Goodwill arising from business combinations is recognised and measured at the time of acquisition in accordance with the principles outlined above. Goodwill is not depreciated. Instead, it is tested for impairment at least annually and whenever there is any indication of impairment. For the purpose of impairment testing, goodwill is allocated to two cash-generating units, which are:

- IT consulting, covering the business areas Data, Digital & AI, and
- Security and corporate network services, covering the business areas Security Solutions and Cyber, Cloud & Connect.

If the recoverable amount of a cash-generating unit is less than the book value of the unit, the impairment loss is first allocated to goodwill and then to other assets of the unit. If goodwill has been impaired, it will not be reversed in future periods. Goodwill is measured at acquisition cost less accumulated impairment.

Goodwill

| EUR 1,000 | 31 Dec. 2025 | 31 Dec. 2024 |
|---|---------------|---------------|
| IT consulting | 28,877 | 28,877 |
| Security and corporate network services | 25,093 | 25,093 |
| Total | 53,970 | 53,970 |

9.5. Impairment testing

The recoverable amount in impairment testing is the fair value of the asset item less the costs of disposal or value in use, if higher. For goodwill testing, Loihde has used the value-in-use method. The key assumptions used in the value-in-use calculations are the EBITDA and the discount rate.

Impairment testing is carried out annually during the last quarter of the year, using the company's established practice.

Impairment testing is also performed immediately if there are indications of possible impairment.

The cash flow projections used in the testing of recoverable amounts are based on budgets and business plans approved by the Board of Directors. A 4-year scenario has been used for the cash flow projections. The budgets and business plans used are based on management's view of market and business development and historical performance. The cash flow growth rate used after the budget and business plan period is 1.5% (31 Dec. 2024: 1.5%).

The company uses the weighted average cost of capital (WACC) as the discount rate for impairment testing.

The pre-tax WACC used in the calculations is shown below:

| | 31 Dec. 2025 | 31 Dec. 2024 |
|---|--------------|--------------|
| IT consulting | 13.06 % | 12.82 % |
| Security and corporate network services | 10.71 % | 11.13 % |

The impairment test carried out showed that the recoverable amounts of the Security and corporate network services exceed the corresponding book values and that there is no need to write down goodwill. In the comparative period 2024, Loihde recognised an impairment of EUR 9.9 million on the goodwill of IT consulting.

Sensitivity

The impairment testing for IT consulting remains sensitive to changes and impairment could arise if

- the pre-tax WACC would increase from the current level of 13.06% to 15.84%
- growth in the planning period 2026–2029 would remain at the level of 1% or
- the long-term EBITDA margin (EBITDA %) would remain at the level of 11.7%.

10. OTHER FINANCIAL ASSETS

| EUR 1,000 | 2025 | 2024 |
|---------------------------|-----------|-----------|
| Other shares and holdings | 17 | 17 |
| Total | 17 | 17 |

11. NON-CURRENT RECEIVABLES

| EUR 1,000 | 2025 | 2024 |
|-------------------|------------|------------|
| Other receivables | 226 | 126 |
| Total | 226 | 126 |

Other receivables are paid security deposits, mainly rental deposits, and additional costs of obtaining a contract, which are accrued over the term of the sales contract.

12. DEFERRED TAX ASSETS AND LIABILITIES

12.1. Accounting policies

Deferred taxes are calculated on all temporary differences between the book value and taxable value using the tax rates accepted on the closing date. However, no deferred tax liability is recognised for taxable temporary differences where a deferred the initial recognition of goodwill, or if it arises from the initial recognition of an asset or liability, in the absence of a business combination and the tax liability would at the balance arise from transaction does not affect the accounting result or taxable profit (or loss) at the time of the transaction. A deferred tax asset is recognised up to the amount corresponding to the likely taxable income arising in the future against which the difference can be offset.

The most significant temporary differences arise from customer contracts, business combinations, items measured at fair value through the income statement, property, plant and equipment and intangible assets.

The book value of deferred tax assets is reassessed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise all or part of the deferred tax assets. Unrecognised deferred tax assets are reassessed on each reporting date and recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recognised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred tax assets and liabilities against each other based on taxable income for the period and the deferred taxes relate to the same taxation authority. Tax assets and tax liabilities based on current taxable income are offset when the company has a legally enforceable right of set-off against each other and intends either to settle the liability on a net basis or to realise the asset and settle the liability simultaneously.

12.2. Deferred tax assets and liabilities

| 2025 | | Recognised in the income statement | Recognised in other compre- hensive income | Business combinations | 31 Dec. |
|--|---------------|---|--|--------------------------|--------------|
| EUR 1,000 | 1 Jan. | | | | |
| Deferred tax assets | | | | | |
| On customer contracts | 57 | -28 | | | 28 |
| On depreciation not deducted for tax purposes | 704 | 32 | | | 736 |
| On cloud computing arrangements | 459 | -89 | | | 370 |
| On group consolidation and elimination | 207 | -7 | -1 | | 198 |
| Total | 1,426 | -92 | -1 | | 1,333 |
| Deferred tax liabilities | | | | | |
| Measurement at fair value | 319 | -129 | | | 191 |
| On items measured at fair value through the income statement | 104 | 47 | | | 151 |
| On group consolidation and elimination | 20 | -19 | | | 1 |
| Total | 444 | -101 | | | 343 |
| Deferred tax assets, net | 982 | 9 | -1 | | 989 |

| 2024 | | Recognised in the income statement | Recognised in other compre- hensive income | Business combinations | 31 Dec. |
|--|---------------|---|--|--------------------------|--------------|
| EUR 1,000 | 1 Jan. | | | | |
| Deferred tax assets | | | | | |
| On customer contracts | 159 | -102 | | | 57 |
| On depreciation not deducted for tax purposes | 676 | 28 | | | 704 |
| On cloud computing arrangements | 388 | 71 | | | 459 |
| On group consolidation and elimination | 240 | -22 | -12 | | 207 |
| Total | 1,463 | -25 | -12 | | 1,426 |
| Deferred tax liabilities | | | | | |
| Measurement at fair value | 373 | -54 | | | 319 |
| On items measured at fair value through the income statement | 44 | 60 | | | 104 |
| On group consolidation and elimination | 40 | -20 | | | 20 |
| Total | 458 | -14 | | | 444 |
| Deferred tax assets, net | 1,005 | -11 | -12 | | 982 |

NOTES TO THE BALANCE SHEET

Current assets

13. INVENTORIES

13.1. Accounting policies

The acquisition cost of inventories is mainly determined using the FIFO method (first in-first out) or, for a small proportion of inventories, the weighted average price method.

Inventories are measured either at acquisition cost or a lower net realisable value, which is the selling price in the ordinary course of business, less the estimated costs necessary to realise the sale. The acquisition cost of materials and supplies includes, in addition to the purchase price, the costs related to percentage of completion projects in progress by the balance sheet date, such as material costs, installation work and subcontracting purchases.

13.2. Inventories

| EUR 1,000 | 2025 | 2024 |
|---------------------------|---------------|---------------|
| Materials and supplies | 12,500 | 14,664 |
| Inventories, total | 12,500 | 14,664 |

During the financial year, an impairment of EUR 210,000 (184,000) was recognised on inventories. No impairments were reversed during the financial year (2024: no reversals).

14. SALES RECEIVABLES AND OTHER CURRENT RECEIVABLES

14.1. Accounting policies

Receivables arising from products sold to or services produced for customers in the ordinary course of business are classified as sales receivables. They normally fall due within 30 days and are therefore classified as current. Sales receivables are initially measured at the consideration amount to which the entity expects to be entitled, in exchange for the delivery of the promised goods or services to the customer. Due to the nature of current sales receivables, their book value is assumed to be the same as their fair value.

14.2. Sales receivables and other current receivables

| EUR 1,000 | 2025 | 2024 |
|--|---------------|---------------|
| Sales receivables | 19,432 | 16,025 |
| Expected credit losses | -38 | -57 |
| Loan receivables | | 7 |
| Other receivables | 69 | 90 |
| Sales and other receivables total | 19,464 | 16,065 |

The determination of expected credit losses is described in Note 25.1 Credit risk, which also presents the age distribution of sales receivables.

15. ASSETS BASED ON CUSTOMER CONTRACTS

15.1. Accounting policies

The invoicing schedule in Loihde Group may differ from the schedule of income recognition. When income is recognised before the customer is invoiced, Loihde recognises an asset item based on contracts in the balance sheet.

15.2. Assets based on customer contracts

| EUR 1,000 | 2025 | 2024 |
|------------------------------------|-------|-------|
| Assets based on customer contracts | 5,030 | 5,881 |

16. ACCRUED INCOME

Current

| EUR 1,000 | 2025 | 2024 |
|--|--------------|--------------|
| Accrued income on purchases | 3,557 | 4,716 |
| Receivables arising from employee benefits | 5 | 1 |
| Other accrued income | 533 | 237 |
| Total | 4,095 | 4,954 |

17. CURRENT TAX ASSETS

| EUR 1,000 | 2025 | 2024 |
|--|------|------|
| Tax allocation based on the profit/loss for the financial year | 280 | 290 |

18. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

| EUR 1,000 | 2025 Fair value | Profit+/ Loss | 2024 Fair value | Profit+/ Loss |
|---|-----------------------|------------------|-----------------------|------------------|
| Shares and holdings in listed companies | 45 | 38 | 31 | 23 |
| Shares in mutual funds | 4,559 | 719 | 4,068 | 498 |
| Total | 4,604 | 757 | 4,099 | 522 |

The fair values of investments measured at fair value through profit or loss are based on the price quoted in an active market (classified at level 1 of the fair value hierarchy).

Changes in fair value are recognised under financial income or expenses.

19. CASH AND CASH EQUIVALENTS

| EUR 1,000 | 2025 | 2024 |
|---------------------------|-------|-------|
| Cash and cash equivalents | 7,572 | 7,479 |

Cash and cash equivalents in the cash flow statement consist of cash and cash equivalents on the balance sheet.

NOTES TO THE BALANCE SHEET

20. EQUITY

20.1. Basic information

Loihde Plc's shares are listed on the Nasdaq First North Growth Market Helsinki.
Loihde Plc has one share class. All shares have equal voting rights, dividend rights and rights to company assets.
The shares do not have any par value. All issued shares have been paid for in full.
According to Loihde Plc's Articles of Association, the company has no minimum and maximum capital.

20.1.1. *Shares and changes in equity*

| EUR 1,000 | Share capital | Reserve for invested unrestricted equity | Reserve fund | Translation differences | Retained earnings | Total equity |
|---|------------------|---|-----------------|----------------------------|----------------------|-----------------|
| 1.1.2025 | 1,504 | 49,689 | 8,132 | | 27,393 | 86,719 |
| Comprehensive income for the financial year | | | | | 2,338 | 2,338 |
| Revaluation of defined benefit plans | | | | | 6 | 6 |
| Distribution of dividends, distribution of assets | | | | | -4,299 | -4,299 |
| Repurchase of shares | | -257 | | | | -257 |
| Profits from share-based payments | | | | | 131 | 131 |
| Share issue | | 366 | | | | 366 |
| Other changes | | | | | 2 | 2 |
| 31 Dec. 2025 | 1,504 | 49,798 | 8,132 | | 25,571 | 85,006 |
| 1.1.2024 | 1,504 | 50,152 | 8,132 | -4 | 40,993 | 100,778 |
| Comprehensive income for the financial year | | | | | -8,083 | -8,083 |
| Revaluation of defined benefit plans | | | | | 47 | 47 |
| Translation differences | | | | 4 | 10 | 14 |
| Distribution of dividends, distribution of assets | | | | | -5,731 | -5,731 |
| Repurchase of shares | | -900 | | | | -900 |
| Profits from share-based payments | | | | | 158 | 158 |
| Share issue | | 437 | | | | 437 |
| 31 Dec. 2024 | 1,504 | 49,689 | 8,132 | 0 | 27,393 | 86,719 |

| | Number of shares, all shares | Number of shares, outstanding from the parent company |
|---------------------------------|---------------------------------------|--|
| 1.1.2025 | 5,760,383 | 5,723,427 |
| Repurchase of shares | 0 | -21,820 |
| Cancellation of treasury shares | -58,776 | 0 |
| Share issue | 55,623 | 55,623 |
| 31 Dec. 2025 | 5,757,230 | 5,757,230 |
| 1.1.2024 | 5,761,707 | 5,738,513 |
| Repurchase of shares | 0 | -72,885 |
| Cancellation of treasury shares | -59,123 | 0 |
| Share issue | 57,799 | 57,799 |
| 31 Dec. 2024 | 5,760,383 | 5,723,427 |

20.1.2. Transactions related to shares

Transactions related to shares from 1 January to 31 December 2025

Share issues from 1 January to 31 December 2025

The AGM in the spring authorised the Board of Directors to decide on the issue of a maximum of 570,000 shares. The authorisation concerns issuing new shares as well as transferring treasury shares held by the company. The shares can be used for financing acquisitions or restructuring, or for other purposes in the way decided by the Board of Directors, and as part of the personnel's incentive schemes, a maximum of 100,000 shares. The share issue authorisation is valid until the close of the next AGM, but until 30 June 2026 at the latest.

The Extraordinary General Meeting held in Seinäjoki on 4 December 2025 authorised the Board of Directors to decide on the issuance of a maximum of 692,500 new shares by issuing shares as proposed by the Board of Directors. Under the authorisation, a maximum of 644,000 shares may be subscribed by Savonlinnan BLC-Osuuskunta as consideration for the shares in BLC Turva Oy in accordance with the deed of sale signed between the company and Savonlinnan BLC-Osuuskunta, dated 5 November 2025. Shares may also be issued for subscription as part of the personnel's incentive schemes, for which the maximum issuance is 48,500 shares. The authorisation entitles the Board of Directors to decide on all other terms of the share issue. The authorisation is valid until the close of the next Annual General Meeting, but until 30 June 2026 at the latest. The authorisation revoked the share issue authorisation granted to the Board of Directors by the Annual General Meeting on 8 May 2025 to the extent that no share issue decisions have been made before the Extraordinary General Meeting within the framework of the authorisation.

The company issued a total of 55,623 new shares during the financial year as follows:

Loihde issued 6,000 new shares in January and 3,000 new shares in December for the payment of bonus shares under the CEO's conditional Restricted Share Plan (RSP).

In March, Loihde carried out a directed share issue without payment in relation to the payment of matching shares and bonus shares for the personnel incentive scheme vesting period that began in 2022. A total of 8,241 new shares were transferred to incentive scheme participants in the share issue.

In March, Loihde carried out a directed share issue without payment to pay bonuses to the management and key employees for the vesting period that began in 2022. A total of 7,546 shares were transferred in the share issue in accordance with the terms and conditions and performance criteria of the incentive scheme.

For savings shares subscriptions under the ESSP that began in 2024, the company issued 8,406 new shares in March and 8,397 new shares in June. The new shares were savings shares subscribed for with the savings accumulated by ESSP participants between 1 December 2024 and 30 May 2025.

During the financial year 2025, two share issues have been carried out in connection with the ESSP, in which the company has transferred shares to the participants corresponding to their savings accumulated between 1 June and 30 November 2025. The company issued 6,842 shares in September and 7,191 shares in December for the subscription of savings shares.

The incentive schemes and their terms and conditions are described in more detail in Note 3.5.3. Share-based payments.

Transactions related to treasury shares from 1 January to 31 December 2025

The Annual General Meeting resolved to authorise the Board of Directors to decide on the repurchase of a maximum of 350,000 of the company's own shares in one or more instalments with the company's unrestricted equity. The authorisation authorises the Board of Directors to decide on the purchase also pro rate to shares held by shareholders (directed acquisition). The authorisation is valid until the close of the next AGM, but until 30 June 2026 at the latest.

The share buyback programme initiated by the company on 27 June 2024 ended on 14 March 2025. During the programme, the company acquired 58,776 treasury shares, which were cancelled by the decision of the Board of Directors of the company on 25 March 2025 on 10 April 2025.

On 31 December 2025, the subsidiaries held 400 shares in the parent company (0.0% of all shares). The parent company did not hold treasury shares on 31 December 2025.

Share-related transactions 1 January-31 December 2024

Share issues 1 January-31 December 2024

The company has issued 57,799 shares as part of incentive schemes, by authorisation of the AGM.

Transactions related to treasury shares from 1 January to 31 December 2024

The company has acquired a total of 36,956 treasury shares under the authorisation of the Annual General Meeting. On 31 December 2024, the subsidiaries held 400 shares in the parent company (0.0% of all shares). The parent company held 36,956 treasury shares on 31 December 2024.

20.2. Reserve fund

The reserve fund includes the portion reclassified from invested unrestricted equity according to the Articles of Association or resolution of the Annual General Meeting.

20.3. Reserve for invested unrestricted equity

In accordance with the Companies Act, the reserve for invested unrestricted equity includes the subscription price of shareholders' investments in the company, unless the company has expressly decided otherwise.

20.4. Translation differences

Translation differences include the conversion of the financial statements of a foreign subsidiary into the functional currency of the parent company.

20.5. Dividends

The AGM resolved to distribute a dividend of EUR 0.75 per share based on the profit for 2024. The dividend record date was 12 May 2025 and the payment date 19 May 2025.

The Board of Directors' dividend proposal for the financial year 2025 is disclosed in the parent company's financial statements under Other notes.

NOTES TO THE BALANCE SHEET

Non-current liabilities

21. INTEREST-BEARING FINANCIAL LIABILITIES

| EUR 1,000 | 2025 | 2024 |
|---|--------------|--------------|
| Lease liabilities | 7,990 | 7,651 |
| Total interest-bearing liabilities | 7,990 | 7,651 |

Lease liabilities are presented in Note 8. Lease agreements.

22. NON-INTEREST-BEARING LIABILITIES

| EUR 1,000 | 2025 | 2024 |
|---|--------------|--------------|
| Liabilities from customer contracts | 145 | 67 |
| Pension liabilities, defined benefit plans | | 14 |
| Deferred tax liability, detailed in Note 12.2. | 343 | 444 |
| Total non-interest-bearing liabilities | 488 | 524 |
| Total non-current liabilities | 8,478 | 8,175 |

Contractual liabilities refer to the obligation to deliver goods or services to a customer from whom the group has received consideration (or who is required to pay consideration).
A contractual liability is recognised when Loihde has received payment or the payment falls due but income has not yet been recognised.
Contractual liabilities are recognised as revenue when the group's performance is in accordance with the contract.

NOTES TO THE BALANCE SHEET

Current liabilities

23. INTEREST-BEARING FINANCIAL LIABILITIES

| EUR 1,000 | 2025 | 2024 |
|---|--------------|--------------|
| Lease liabilities | 5,452 | 4,874 |
| Total interest-bearing liabilities | 5,452 | 4,874 |

Lease liabilities are presented in Note 8. Lease agreements.

24. NON-INTEREST-BEARING LIABILITIES

| EUR 1,000 | 2025 | 2024 |
|--|---------------|---------------|
| Trade and other payables | | |
| Trade payables | 6,344 | 6,527 |
| Other current liabilities | 5,480 | 4,490 |
| Total | 11,824 | 11,018 |
| Liabilities from customer contracts | 6,315 | 5,221 |

| | | |
|--|---------------|---------------|
| Current tax liabilities | | |
| Tax allocation based on the profit/loss for the financial year | 341 | 362 |
| Accrued expenses and deferred income | | |
| Liabilities arising from employee benefits | 11,620 | 11,838 |
| Accrued expenses and deferred income on purchases | 1,328 | 1,923 |
| Other accrued expenses and deferred income | 60 | |
| Total accrued expenses and deferred income | 13,008 | 13,761 |
| Total non-interest-bearing liabilities | 31,489 | 30,361 |
| Total current liabilities | 36,941 | 35,235 |

Trade payables are unsecured and usually payable within 30 days of being recorded. The book values of trade payables and other non-interest-bearing liabilities are assumed to correspond to their fair values due to their short-term nature.

Other current liabilities consist mainly of VAT liabilities and liabilities related to employer contributions.

Contractual liabilities refer to the obligation to deliver goods or services to a customer from whom the group has received consideration (or who is required to pay consideration).

A contractual liability is recognised when Loihde has received payment or the payment falls due but income has not yet been recognised. Contractual liabilities are recognised as revenue when the group's performance is in accordance with the contract.

25. MANAGEMENT OF FINANCIAL RISK AND CAPITAL

The purpose of Loihde's financial risk management is reduce the impact of factors due to changes in the financial market on the company's profit, operations and balance sheet structure. Financial risks are mainly caused by credit risk related to counterparties, liquidity risk and fluctuations in market interest rates and exchange rates.

The CEO, management and ultimately the Board of Directors are responsible for risk management.

Loihde's Group financial management estimates the Group's financial risks and the measures the Group intends to use to hedge against potential risks. The Group's financial administration also supports the subsidiaries in managing their financing and financial risks.

Subsidiaries provide the Group's financial administration with up-to-date information on their financial position and credit risk.

25.1. Credit risk

Loihde's credit risk is related to customers from which the Group has outstanding receivables or with which long-term agreements have been concluded. Credit risk may materialise if the customer is unable to perform their contractual obligations.

Loihde only trades with identified, creditworthy parties. The balances of receivables are monitored and receivables are collected actively.

25.1.1. Expected credit losses

Loihde estimates the amount of sales receivables and the credit loss risk quarterly in connection with reporting.

Loihde's credit losses have historically been low, thus the expected credit loss is estimated according to the general model on a risk basis.

The following factors are used for the assessment:

- Information on matters affecting the customer's and industry's finances
- Amount and duration of overdues
- Customer's financial position and payment behaviour
- Separate collateral received

A credit loss provision is recognised based on the total risk for overdue sales receivables using a case-by-case consideration. As a rule, if a sales receivable is overdue for more than 90 days and there is no collateral for it, it is recognised as a credit loss provision.

Contractual assets are based on uninvoiced work in progress and have similar risk characteristics to sales receivables from similar types of contracts. For this reason, Loihde's management has assumed that non-overdue sales receivables have a loss ratio that is reasonably close to the loss ratio of contractual assets.

Reducing items for expected credit losses are presented in the balance sheet as a deduction from the sales receivables' gross book value. The amount of expected credit losses is recognised in profit or loss as a change in the credit loss provision in other operating expenses.

Loihde derecognises sales receivables from the balance sheet as final credit losses when debt collection has proven unsuccessful.

A final credit loss entry is made, for example, when the debt collection partner makes a credit loss recommendation or the debtor applies for bankruptcy or a payment plan cannot be agreed upon with a bankrupt or insolvent customer.

The age distribution of sales receivables and the amount of the credit loss provision are presented below.

25.1.2. Maturity breakdown of sales receivables

| | 2025 | 2024 |
|------------------------------|---------------|---------------|
| EUR 1,000 | | |
| Not yet due | 18,089 | 15,274 |
| 1-30 days overdue | 1,163 | 699 |
| 31-60 days overdue | 197 | 73 |
| 61-90 days overdue | 15 | -3 |
| Overdue by more than 90 days | -31 | -18 |
| Total | 19,432 | 16,025 |
| Credit loss provisions | -38 | -57 |
| Total | 19,394 | 15,968 |

25.1.3. Credit risk of other financial assets

Cash and cash equivalents are invested in financially sound banks and financial institutions and the company does not consider them to involve material credit risk. Funds invested in equity and fixed income funds are managed by reliable asset managers and are diversified across several market-quoted instruments so the company does not consider them to include material credit risk.

Loihde has granted credits to its employees for payment of the share subscription price related to the share-based incentive scheme for the personnel. They are secured by shares subscribed for in the share-based incentive scheme and the company does not consider them to include material credit risk.

25.2. Liquidity risks

Loihde's liquidity risk is related to material changes occurring in the operating environment with a significant impact on Loihde's profitability and cash flow. Loihde makes monthly business estimates related to profitability and reviews its financial situation through the cash flow statement.

The financing of Loihde's subsidiaries is mainly handled through intra-group loans. In addition, the parent company uses credit facilities for its short-term financing needs.

25.2.1. Sources of financing

| EUR 1,000 | 2025 | 2024 |
|--------------------------|---------------|---------------|
| Financial securities | 4,604 | 4,099 |
| Cash in hand and at bank | 7,572 | 7,479 |
| Total | 12,176 | 11,578 |

Credit facilities

| EUR 1,000 | 2025 | 2024 |
|-------------------------|--------------|--------------|
| Unused overdraft limits | 7,000 | 7,000 |
| Total | 7,000 | 7,000 |

25.2.2. Maturities of financial liabilities

The following tables describe the agreement-based undiscounted maturity breakdown of remaining financial liabilities on the balance sheet date.

| 2025 | Contract-based | | | | | | Over 4 years |
|-------------------|----------------|---------------------|---------------|--------------|--------------|--------------|-----------------|
| | Book value | cash flows total | 2026 | 2027 | 2028 | 2029 | |
| EUR 1,000 | | | | | | | |
| Lease liabilities | 13,443 | 14,125 | 5,863 | 4,387 | 2,472 | 1,211 | 192 |
| Trade payables | 6,344 | 6,344 | 6,344 | | | | |
| Total | 19,787 | 20,469 | 12,208 | 4,387 | 2,472 | 1,211 | 192 |

| 2024 | Contract-based | | | | | | Over 4 years |
|-------------------|----------------|---------------------|---------------|--------------|--------------|--------------|-----------------|
| | Book value | cash flows total | 2025 | 2026 | 2027 | 2028 | |
| EUR 1,000 | | | | | | | |
| Lease liabilities | 12,525 | 13,342 | 5,316 | 3,798 | 2,457 | 1,276 | 496 |
| Trade payables | 6,527 | 6,527 | 6,527 | | | | |
| Total | 19,052 | 19,869 | 11,843 | 3,798 | 2,457 | 1,276 | 496 |

25.3. Market risks

25.3.1. Foreign exchange rate risk

A significant part of the group's purchases and sales and other monetary items are denominated in euros. Therefore, the Group is not significantly exposed to foreign exchange rate risk. Loihde has divested the shares of its Swedish subsidiary in the comparative period and business already in the financial year preceding comparative period. Hence, there is no significant transaction or translation risk related to the Swedish krona.

25.3.2. Interest rate risk, equity and financial market risk

In its activities, Loihde is exposed to interest rate risks and equity and financial market risks through the valuation of its investment portfolio. Changes in the macroeconomic environment or the general situation on the financial markets may have a negative impact on the value of the portfolio. Loihde follows the principles of the asset management strategy adopted by the Board of Directors.

Loihde has no interest-bearing financial liabilities on the balance sheet date (2024: no interest-bearing financial liabilities).

25.4. Capital management

The purpose of Loihde's capital management is to ensure return on the capital invested by the shareholders and to ensure normal business conditions and increase shareholder value in the long term.

The equity capital in the consolidated balance sheet is managed as capital and its structure can be affected by, e.g. income financing, dividend distributions and share issues. Loihde's Board of Directors monitors the Group's equity ratio and the development of the balance sheet on a quarterly basis. On 31 December 2025, Loihde's equity ratio was 65.2% (2024: 66.7%).

25.5. Fair values of financial assets and liabilities

A financial instrument is any contract that generates financial assets for one party and a financial liability or equity instrument for the other party.

The book values and fair values of financial assets and liabilities are estimated to be equivalent.

25.5.1. Financial assets

Financial assets are derecognised when the right to cash flows of a financial asset ceases to exist or an item included in financial assets has been transferred out of the group and the associated risks have been transferred out of the group.

The expected credit loss on trade receivables is recognised in accordance with IFRS 9. The amount of the expected credit loss is updated quarterly to reflect the change in the credit risk. Loihde's credit losses relative to the amount of trade receivables have historically been minor, so the expected credit loss is assessed on a risk basis according to the general model. Credit losses are presented under other operating expenses in the income statement.

The credit risk of financial assets, the management of credit risk and the determination of the expected credit loss from trade receivables are described in Note 25.1. Credit risk.

Financial assets are initially recognised at fair value. Trade receivables are initially recognised at transaction price and subsequently at amortised cost less expected credit losses.

Investments in quoted shares and equity and fixed income funds are measured at fair value through profit or loss.

They are recognised at fair value in the balance sheet and net changes in fair value are recognised in the income statement.

25.5.2. Financial liabilities

Financial liabilities are initially recognised at fair value less transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

A financial liability is classified as current when it will be settled within 12 months of the balance sheet date, or if the group has no unconditional right to defer the payment of the liability over 12 months from the balance sheet date.

A financial liability is derecognised from the balance sheet when it is settled, cancelled or it expires.

25.5.3. Financial assets and liabilities by valuation group

EUR 1,000

Financial assets

Financial assets recognised at amortised cost

Non-current

| | Fair value hierarchy | 2025 | 2024 |
|-------------------------------|----------------------|------|------|
| Other financial assets | 2 | 17 | 17 |
| Other non-current receivables | 2 | 226 | 126 |

Current

| | | | |
|--------------------------------------|---|--------|--------|
| Sales receivables | | 19,394 | 15,968 |
| Current interest-bearing receivables | 2 | | 7 |
| Other current receivables | 2 | 69 | 90 |
| Cash and cash equivalents | | 7,572 | 7,479 |

Total 27,280 23,688

Financial assets recognised at fair value through profit or loss

| | | | |
|-------------|---|-------|-------|
| Investments | 1 | 4,604 | 4,099 |
|-------------|---|-------|-------|

Total 4,604 4,099

Total financial assets 31,884 27,787

Financial liabilities

Financial liabilities recognised at amortised cost

Non-current

| | | | |
|-------------------|--|-------|-------|
| Lease liabilities | | 7,990 | 7,651 |
|-------------------|--|-------|-------|

Current financial liabilities

| | | | |
|-------------------|--|-------|-------|
| Lease liabilities | | 5,452 | 4,874 |
| Trade payables | | 6,344 | 6,527 |

Total 19,787 19,052

Total financial liabilities 19,787 19,052

The book values and fair values of financial assets and liabilities are estimated to be equivalent.

25.6. Financial assets and liabilities

25.6.1. Trade and other receivables

Trade and other receivables are recognised at amortised cost.

The original book value of the receivables corresponds to their fair value, since the effect of discounting is not material considering the maturity of the receivables.

25.6.2. Financial assets at fair value through profit or loss

Loihde measures its investments in quoted shares and equity and fixed income funds at fair value through profit or loss.

They are recognised at fair value in the balance sheet and net changes in fair value are recognised in the income statement.

25.6.3. Trade and other payables

Trade and other payables are recognised at amortised cost. The original book value of trade and other payables corresponds to their fair value, since the effect of discounting is not material considering the maturity of the liabilities.

25.6.4. Hierarchy levels

The levels of the fair value hierarchy reflect the extent to which the valuation technique is based on observable data.

Level 1: Fair values are based on quoted (unadjusted) prices of identical assets or liabilities in an active market.

Level 2: The fair values of level 2 instruments are substantially based on inputs other than quoted prices, but nevertheless on information that can be observed, directly or indirectly, for the asset or liability in question.

Level 3: If one or more of the significant factors are not based on observable market data, the instrument is included in level 3.

26. BUSINESS COMBINATIONS

26.1. Accounting policies

Acquired subsidiaries are consolidated in the consolidated financial statements from the date when Loihde acquires control of the company. Business combinations are treated using the acquisition method in accordance with IFRS 3.

The consideration given in business combinations is measured at fair value determined at the acquisition date as the sum of the fair values of the assets transferred from the group and the liabilities arising for the earlier owners of the acquired target considering the possible non-controlling interests in the acquisition target.

Goodwill is recognised in the amount by which the acquisition cost exceeds the net value of the acquired assets and liabilities at the time of acquisition. Goodwill is considered to include acquired labour, future customers, a wider range of products and services, and a strengthened market position.

The determination of the fair value of acquired net assets is based on the fair value of a similar asset item, the estimated expected cash flows from the acquired asset items, or an estimate of the payments needed to meet the obligation. The determination of the fair value of the additional purchase price is based on estimates concerning the parameters of the additional purchase price's terms over a period of time specified in the terms. Deferred taxes are measured in accordance with the principles of IAS 12.

Acquisition-related expenses are recognised in other operating expenses in the income statement.

After initial recognition, goodwill is measured at acquisition cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to the Group's cash-generating unit, which is expected to benefit from the business combination, regardless of whether other assets or liabilities of the acquisition target are allocated to this unit. For more information on goodwill and impairment testing, see Note 9.5 Impairment testing.

Contingent considerations from business combinations are measured at fair value and included in the total consideration. They are subsequently measured in accordance with the requirements of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Changes in the fair value of contingent consideration that do not arise within one year of the acquisition and relate to facts and circumstances that existed at the time of acquisition are recognised in the income statement.

26.2. Key estimates and assumptions requiring management discretion

Net assets acquired in a business combination are measured at fair value, determined based on an estimate of the market value of similar assets or the expected future cash flows of the intangible assets.

Valuation at fair value has required estimates by management.

Management believes that the estimates and assumptions used are sufficiently reliable for determining the fair value.

26.3. Basic information about acquisitions

Acquisitions 2025

In November 2025, Loihde signed an agreement on acquiring the entire share capital of BLC Turva Ltd. The processing of the acquisition has yet to be completed by the Finnish Competition and Consumer Authority.

Acquisitions 2024

Loihde Trust Ltd acquired the alarm transmission business of Vakka-Suomen Puhelin Oy on 31 May 2024. No subsidiaries were acquired during the financial year.

26.4. Consideration paid and cash flow effect of the acquisition

| EUR 1,000 | 2025 | 2024 |
|------------------------------------|------|------------|
| Cash consideration | | 147 |
| Subtract: acquired amounts | | |
| Cash and cash equivalents | | |
| Net cash flow - investments | | 147 |

Acquisition costs are included in other operating expenses in the comprehensive income statement and in the cash flow statement in cash flows from investments.

| EUR 1,000 | 2025 | 2024 |
|-------------------------|------------|------|
| Administrative expenses | 330 | |
| Total | 330 | |

**Fair values of assets acquired and liabilities assumed at the time of acquisition
EUR 1,000**

| | 2025 | 2024 |
|--|------|------------|
| Assets | | |
| Intangible assets | | |
| Customer relationships | | 147 |
| Other intangible assets | | |
| Total intangible assets | | 147 |
| Tangible assets | | |
| Inventories | | |
| Sales receivables | | |
| Deferred tax asset | | |
| Other assets | | |
| Cash and cash equivalents | | |
| Total assets | | 147 |
| Liabilities | | |
| Interest-bearing liabilities | | |
| Deferred tax liability | | |
| Non-interest-bearing liabilities | | |
| Total liabilities | | |
| Acquired identifiable net assets | | 147 |
| Goodwill | | |
| Net assets acquired = total consideration | | 147 |

26.5. Impact of acquisition on revenue and profit

Impact of acquisitions during the financial year and comparative period on the Group's financial position and profit for the financial years 2025 and 2024 is not significant.

27. CONTINGENT LIABILITIES AND ASSETS, AND COMMITMENTS**27.1. Contingent liabilities****27.1.1. Accounting policies**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence of an uncertain future event not wholly within the control of the Group. Contingent liabilities also include obligations that are unlikely to require the fulfilment of a payment obligation or the amount of which cannot be reliably determined. The contingent liability is presented in the notes to the financial statements.

27.1.2. Contingent liabilities

Loihde Group has a contingent liability of EUR 510,000 to the city of Vaasa relating to a land use agreement. A bank guarantee of EUR 612,000 applied for as collateral for it expired on 31 December 2025. The fulfilment of the commitment is conditional on the town plan related to the land use agreement being approved and the building permit obtaining legal validity.

27.2. Commitments, guarantees and contingent liabilities

| EUR 1,000 | 2025 | 2024 |
|--|--------------|--------------|
| Business mortgages | 7,084 | 7,084 |
| Lease guarantees | 318 | 357 |
| Performance and warranty guarantees, drawn | 1,112 | 1,507 |
| Bank guarantees | | 612 |
| Other commitments | 46 | 68 |
| Total | 8,561 | 9,628 |
| EUR 1,000 | 2025 | 2024 |
| VAT return obligation for real estate investments | 99 | 83 |
| TOTAL GUARANTEES AND CONTINGENT LIABILITIES | 8,660 | 9,711 |

The parent company of Loihde Group has provided guarantees for performance and warranty guarantees provided by Group companies and as collateral for a bank guarantee limit. The Group's subsidiaries have provided a guarantee as security for the parent company's overdraft facility.

27.3. Disputes and litigation

In December 2021, Loihde Trust Ltd won a public tender organised by Finnish Customs. During the delivery project, a disagreement arose between Loihde and Customs regarding the functionalities included in the agreement, and Customs terminated the delivery agreement in October 2023. In Loihde's view, the termination of the contract by Customs is unfounded, and on 21 March 2024, Loihde Trust Ltd brought legal action against Customs, claiming approximately EUR 1.9 million in damages from Customs. Customs has filed a counterclaim against Loihde Trust Ltd, in which they are seeking damages of approximately EUR 2.2 million from Loihde. Loihde considers the counterclaim to be unfounded and has not made any provisions in relation to it. The dispute is still pending.

Loihde Group has no other significant open disputes or litigations.

28. RELATED PARTY TRANSACTIONS

The subsidiaries, key management personnel (the members of the Board of Directors, the Group CEO and the members of the Leadership Team) and their close family members and entities in which these persons have either control or joint control constitute Loihde Plc's related parties.

For a list of subsidiaries, see Note 1. Accounting policies

28.1. Salaries and remuneration paid to management

The key employees of Loihde Group consist of the members of the Board of Directors, the Group CEO and the members of the Group Leadership Team. The remuneration of the Nomination Board is also presented in the salaries and remuneration of the management. The amounts shown in the tables are the compensation paid to management during the reporting period.

28.2. Salaries and remuneration of the Board of Directors

| EUR 1,000 | Monetary salary 2025 | Monetary salary 2024 | Share based payments 2025 | Share based payments 2024 |
|---|----------------------|----------------------|---------------------------|---------------------------|
| Kauppi Marko (Chair of the Board since 7 May 2024) | 59 | 39 | | |
| Kotilainen Timo (Chair of the Board until 7 May 2024) | | 22 | | 3 |
| Kuoppamäki Tuulia (since 8 May 2025) | 21 | | | |
| Hagros Kaj (until 7 May 2024) | | 12 | | 1 |
| Murtopuro Juha (since 4 May 2023) | 31 | 31 | | |
| Niska Jari (since 7 May 2024) | 44 | 29 | | |
| Piri Veli-Matti (until 7 May 2024) | | 11 | | 1 |
| Ronkainen Anni (since 4 May 2023) | 34 | 33 | | |
| Vikkula Matti (since 4 May 2023) | 34 | 33 | | |
| Wetterstrand Christian (since 7 May 2024) | 31 | 21 | | |
| Wikman Stefan (until 7 May 2024) | | 11 | | 1 |
| Total | 253 | 242 | | 7 |

The share-based payments included in the salaries and remuneration paid to the Board of Directors derive from the 10% discount on shares sold under the incentive scheme and the commitment shares decided on by the General Meeting.

28.3. Salaries and remuneration paid to other governing bodies

| EUR 1,000 | 2025 | 2024 |
|------------------|-----------|----------|
| Nomination Board | 12 | 8 |
| Total | 12 | 8 |

Salaries and remuneration of the Group CEO

| EUR 1,000 | 2025 | 2024 |
|----------------------------------|------------|------------|
| Samu Konttinen | | |
| Wages, salaries and remuneration | 440 | 328 |
| Share-based payments | 183 | 54 |
| Total | 623 | 382 |

Salaries and remuneration of the Group Leadership Team (excluding the CEO)

| EUR 1,000 | 2025 | 2024 |
|----------------------------------|--------------|--------------|
| Wages, salaries and remuneration | 1,247 | 1,175 |
| Share-based payments | 78 | 100 |
| Total | 1,325 | 1,275 |

Loans granted to members of the Group Leadership Team

| EUR 1,000 | 2025 | 2024 |
|--|------|----------|
| At the beginning of the financial year | 4 | 19 |
| Loan repayments | -4 | -15 |
| Withdrawals of new loans | | |
| At the end of the financial year | | 4 |
| Interest payments received during the financial year | | |

In addition to the above, the group did not have any material related party transactions other than intra-group related party transactions.

28.4. Management pension commitments

The members of the group's Leadership Team have a statutory retirement age. The members of the Leadership Team are not involved in defined-benefit pension plans.

29. EVENTS AFTER THE FINANCIAL YEAR

On 13 January 2026, the Finnish Competition and Consumer Authority decided to initiate further proceedings regarding the acquisition of BLC Turva Oy.

On 12 February 2026, the company's Board of Directors decided to issue 7,432 shares for the payment of rewards under the long-term incentive scheme 2023–2025 for the management and key personnel. In addition, on 24 March 2026, the Board of Directors decided to issue 6,584 shares to grant the savings shares of the Employee Share Savings Plan.

On 23 February 2026, the Boards of Directors of Loihde Trust Ltd and Loihde Cloudon Ltd approved the merger plan for Loihde Cloudon Ltd to merge with its sister company Loihde Trust Ltd. The planned registration date for the completion of the merger is 31 August 2026.

Parent company's income statement (FAS)

| EUR 1,000 | Note | 1 Jan. 2025- 31.12.2025 | 1 Jan. 2024- 31.12.2024 |
|--|------|----------------------------|----------------------------|
| REVENUE | 3 | 23,697 | 11,815 |
| Other operating income | 5 | 15 | 18 |
| Materials and services | 6 | -16,895 | -5,363 |
| Personnel expenses | 7 | -6,345 | -6,315 |
| Depreciation, amortisation and impairment | 8 | -24 | -24 |
| Other operating expenses | | -4,113 | -3,597 |
| OPERATING PROFIT/LOSS (EBIT) | | -3,665 | -3,466 |
| Finance income and expenses | 10 | 178 | -16,885 |
| PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES | | -3,487 | -20,351 |
| Appropriations | 11 | 3,985 | 4,780 |
| Income taxes | 12 | -103 | -310 |
| PROFIT/LOSS FOR THE PERIOD | | 396 | -15,881 |

Parent company's balance sheet (FAS)

EUR 1,000

| | Note | 31.12.2025 | 31.12.2024 |
|--|------|----------------|----------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| | 13 | | |
| Intangible assets | | 21 | 34 |
| Tangible assets | | 230 | 240 |
| Investments | | 85,179 | 84,849 |
| NON-CURRENT ASSETS, TOTAL | | 85,430 | 85,123 |
| CURRENT ASSETS | | | |
| Non-current receivables | 15 | 12 | 883 |
| Current receivables | 16 | 8,801 | 10,524 |
| Financial securities | 17 | 3,844 | 3,559 |
| Cash in hand and at bank | | 6,414 | 4,831 |
| CURRENT ASSETS, TOTAL | | 19,071 | 19,798 |
| ASSETS, TOTAL | | 104,501 | 104,922 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| | 18 | | |
| Share capital | | 1,504 | 1,504 |
| Reserve fund | | 8,132 | 8,132 |
| Reserve for invested unrestricted equity | | 49,798 | 49,689 |
| Retained earnings | | 28,833 | 49,010 |
| Profit/loss for the period | | 396 | -15,881 |
| EQUITY, TOTAL | | 88,663 | 92,455 |
| LIABILITIES | | | |
| Non-current liabilities | 19 | 9,822 | 5,389 |
| Current liabilities | 20 | 6,016 | 7,078 |
| LIABILITIES, TOTAL | | 15,838 | 12,467 |
| EQUITY AND LIABILITIES, TOTAL | | 104,501 | 104,922 |

Parent company's cash flow statement (FAS)

| | 1 Jan. 2025- 31.12.2025 | 1 Jan. 2024- 31.12.2024 |
|---|----------------------------|----------------------------|
| Cash flow from operating activities | | |
| Profit/loss for the period | 396 | -15,881 |
| Adjustments to the profit for the period | -4,037 | 12,438 |
| Cash flow from operating activities before the change in working capital | -3,641 | -3,443 |
| Change in working capital: | | |
| Current receivables increase (-)/decrease (+) | -29 | -3,279 |
| Current liabilities decrease (-)/increase (+) | 345 | 3,840 |
| Cash flow from operating activities before financial items and taxes | -3,325 | -2,882 |
| Dividends received | 12 | 12 |
| Interest and other finance income | 145 | 352 |
| Finance expenses | -157 | -190 |
| Taxes | -310 | -1 |
| Change in consolidated account receivable/liability | 4,701 | 2,085 |
| Cash flow from operating activities | 1,066 | -624 |
| Cash flow from investing activities | | |
| Purchase of shares | | |
| Investments in tangible and intangible assets | | -15 |
| Disposal of shares and repayment of capital | 180 | 84 |
| Investment in investments | -330 | -7 |
| Repayment of loan receivables | 875 | 2,535 |
| Cash flow from investing activities | 725 | 2,597 |
| Cash flow from financing activities | | |
| Share issue against payment | 350 | 589 |
| Repayments of short-term loans | -500 | -500 |
| Group contributions received and paid | 4,780 | 3,694 |
| Repurchase of shares | -257 | -900 |
| Dividends paid and other profit distribution | -4,297 | -5,732 |
| Cash flow from financing activities | 77 | -2,849 |
| Change in cash and cash equivalents according to the statement | 1,867 | -875 |
| Cash and cash equivalents 1 Jan. | 8,390 | 9,266 |
| Cash and cash equivalents 31 Dec.* | 10,258 | 8,390 |
| Change in cash and cash equivalents | 1,867 | -875 |

* In the cash flow statement, financial securities are treated as cash and cash equivalents.

Accounting policies for the parent company's financial statements 2025

Loihde Plc (registered office: Seinäjoki) is the parent company of Loihde Group. Copies of the consolidated financial statements are available at Loihde Plc's office at Silmukkatie 6, 65100 Vaasa, Finland or online at www.loihde.com/en.

1. Accounting principles for the financial statements

The financial statements have been prepared in accordance with the Finnish Accounting Standards (FAS).

2. Valuation principles

2.1. Valuation of non-current assets

Intangible and tangible non-current assets are recognised in the balance sheet at variable acquisition cost less depreciation and amortisation according to plan.

Planned depreciation and amortisation periods are:

| | |
|------------------------------|-------------|
| Intellectual property rights | 5 years |
| Other long-term expenses | 3–10 years |
| Buildings and structures | 15–25 years |
| Machinery and equipment | 3–5 years |

Investments under non-current assets are valued at the lower of the acquisition cost or the probable fair value.

2.2. Items denominated in foreign currency

Income statement items denominated in foreign currency have been converted into the Finnish currency at the average exchange rate of the financial year.

Balance sheet items denominated in foreign currency have been converted into the Finnish currency at the exchange rate of the balance sheet date.

2.3. Valuation of financial securities

Financial securities under current assets are valued at the lower of the acquisition cost or the probable replacement cost.

Impairments or reversals of impairment of investments and financial securities are presented under financial items.

2.4. Pensions

The pension security of the parent company's personnel has been arranged through external pension insurance companies. Pension contributions and expenses allocated to the financial period are based on the calculations made by the insurance company. Pension expenses are recognised as expenses in the year in which they are accrued.

2.5. Comparability of the information of the previous financial period

The financial items for the comparative period include an impairment item of EUR -17.1 million on shares in subsidiaries.

2.6. Deferred tax assets and liabilities

Deferred taxes are not included in the income statement, nor in the balance sheet.

In 2025, the total deferred tax asset not recognised in the balance sheet due to allocation differences amounted to EUR 1,900.

2.7. Revenue recognition

Revenue from sales contracts is recognised as revenue when the products and services have been delivered to the customers in such an extent that the company expects to be entitled to receive the revenue in question in exchange for the products and services. External sales revenue based on hourly fees is recognised as revenue on a monthly basis according to the hours worked.

Notes to the parent company's income statement (FAS)

| | Parent company 2025 | Parent company 2024 |
|--|---------------------------|---------------------------|
| 3 REVENUE | | |
| By business area | | |
| Management services for Group companies | 6,802 | 6,433 |
| Group external service sales | 16,895 | 5,382 |
| Revenue, total | 23,697 | 11,815 |
| By market | | |
| Finland | 23,697 | 11,753 |
| Rest of Europe | | 62 |
| Revenue, total | 23,697 | 11,815 |
| 4. TRANSACTIONS BETWEEN GROUP COMPANIES | | |
| Transactions between group companies are based on the group's internal transfer pricing guidelines, in which the starting point is the arm's length principle. | | |
| Services and products sold to Group companies | 6,802 | 6,433 |
| Services and products bought from and rents received from Group companies during the period | 16,727 | 5,418 |
| Interest income from Group companies | 65 | 151 |
| Interest expenses to Group companies | 128 | 162 |
| Dividend income from Group companies | | |
| Group contributions from Group companies | 4,530 | 6,000 |
| Group contributions to Group companies | 545 | 1,220 |
| 5. OTHER OPERATING INCOME | | |
| Other income | 7 | 9 |
| Rental income | 8 | 9 |
| Other operating income, total | 15 | 18 |
| 6. MATERIALS AND SERVICES | | |
| External services | -16,895 | -5,363 |
| Materials and services, total | -16,895 | -5,363 |
| 7. PERSONNEL EXPENSES | | |
| Wages, salaries and remuneration | -5,400 | -5,366 |
| Pension expenses | -819 | -849 |
| Other social security expenses | -126 | -101 |
| Personnel expenses, total | -6,345 | -6,315 |
| Management salaries and remuneration | | |
| Total CEO and governing bodies | -888 | -640 |
| CEO | -623 | -382 |
| Governing bodies | -265 | -258 |
| The parent company employed employees during the period on average | 55 | 65 |
| of whom | | |
| white-collar employees | 55 | 65 |
| Average number of employees when part-time employment is taken into account | 55 | 65 |
| of whom | | |
| white-collar employees | 55 | 65 |
| 8. DEPRECIATION, AMORTISATION AND IMPAIRMENT | | |
| Depreciation and amortisation on tangible and intangible assets | -24 | -24 |
| Depreciation and amortisation, total | -24 | -24 |

A breakdown of depreciation and amortisation by balance sheet item can be found in Note 13. Non-current assets

9. AUDITOR'S FEES

| | | |
|--|------------|------------|
| Firms of Authorised Public Accountants | | |
| Auditing fees, current audit firm | -40 | -69 |
| Other fees, current audit firm | -19 | -9 |
| Auditor's fees, total | -59 | -78 |

10. FINANCE INCOME AND COSTS

| | | |
|---|------------|----------------|
| Dividend income | | |
| From companies in the same Group | | |
| From others | 12 | 12 |
| Total dividend income | 12 | 12 |
| Other interest and finance income | | |
| From companies in the same Group | 65 | 151 |
| From others | 242 | 253 |
| Other interest and finance income, total | 307 | 403 |
| Impairment of group shares | | -17,108 |
| Impairments and reversals of impairment of financial securities | 14 | 1 |
| Interest expenses and other finance costs | | |
| To companies in the same group | -128 | -162 |
| To others | -27 | -32 |
| Total interest expenses and other finance expenses | -155 | -193 |
| Finance income and costs, total | 178 | -16,885 |

11. APPROPRIATIONS

| | | |
|------------------------------|--------------|--------------|
| Group contribution received | 4,530 | 6,000 |
| Group contribution given | -545 | -1,220 |
| Appropriations, total | 3,985 | 4,780 |

12. INCOME TAXES

| | | |
|---|-------------|-------------|
| Income taxes from the previous financial period | | 0 |
| Income taxes from the financial period | -103 | -310 |
| Income taxes, total | -103 | -310 |

Notes to the parent company's balance sheet

ASSETS

13. NON-CURRENT ASSETS

| Intangible assets | Intangible rights | Other intangible assets | Advance | Total |
|---|-------------------|-------------------------|--------------------------------------|-----------|
| | | | payments and in progress procurement | |
| Acquisition cost, 1 Jan. 2025 | 298 | 763 | | 1,061 |
| Acquisition cost 31 Dec. 2025 | 298 | 763 | | 1,061 |
| Cumulative depreciation and impairment, 1 Jan. 2025 | 298 | 729 | | 1,027 |
| Depreciation for the period | | 13 | | 13 |
| Cumulative depreciation 31 Dec. 2025 | 298 | 742 | | 1,040 |
| Book value 31 Dec. 2025 | | 21 | | 21 |

| Tangible assets | Buildings and Machinery and | | | Total |
|---|-----------------------------|------------|-----------|------------|
| | Land | structures | equipment | |
| Acquisition cost, 1 Jan. 2025 | 87 | 204 | 52 | 343 |
| Acquisition cost 31 Dec. 2025 | 87 | 204 | 52 | 343 |
| Cumulative depreciation and impairment, 1 Jan. 2025 | | 63 | 40 | 103 |
| Depreciation for the period | | 8 | 3 | 11 |
| Cumulative depreciation 31 Dec. 2025 | | 71 | 42 | 114 |
| Book value 31 Dec. 2025 | 87 | 133 | 10 | 230 |

| Investments | Shares | Shares | Shares | Unfinished projects | Total |
|--------------------------------|-----------------|----------------------|----------|---------------------|---------------|
| | Group companies | associated companies | Other | | |
| Book value 1 Jan. 2025 | 84,628 | 221 | | | 84,849 |
| Additions | | | | 330 | 330 |
| Disposals | | | 0 | | 0 |
| Book value 31 Dec. 2025 | 84,628 | 221 | 0 | 330 | 85,179 |

14. GROUP AND PARENT COMPANY OWNERSHIP PERCENTAGES 31 DECEMBER 2025

| | Group's holding ownership, % | Parent company's holding ownership, % |
|--|------------------------------|---------------------------------------|
| Group companies | | |
| Loihde Trust Ltd, Vaasa | 100.00 | 100.00 |
| Loihde Advance Ltd, Helsinki | 100.00 | 100.00 |
| Loihde Factor Ltd, Oulu ¹⁾ | 0.00 | 0.00 |
| Loihde Properties Ltd, Vaasa | 100.00 | 100.00 |
| Loihde Cloudon Ltd, Espoo | 100.00 | 100.00 |
| Associated companies | | |
| Fast. Ab Jakobstads Bottenvikvägen 31, Jakobstad | 25.62 | 25.62 |

¹⁾ Merged with Loihde Advance Ltd on 31 December 2025

CURRENT ASSETS

| 15. NON-CURRENT RECEIVABLES | Parent company 2025 | Parent company 2024 |
|---------------------------------------|---------------------|---------------------|
| Loan receivables from group companies | | 875 |
| Other non-current receivables | 12 | 8 |
| Non-current receivables, total | 12 | 883 |

ASSETS

| | Parent company 2025 | Parent company 2024 |
|---|------------------------|------------------------|
| 16. CURRENT RECEIVABLES | | |
| Sales receivables | 1,914 | 1,880 |
| Sales receivables from companies in the same Group | 127 | 402 |
| Loan receivables | | 7 |
| Loan receivables from companies in the same Group | 200 | 200 |
| Other receivables | 0 | |
| Other receivables from companies in the same Group | 5,072 | 6,810 |
| Prepayments and accrued income | 1,487 | 1,221 |
| Prepayments and accrued income from companies in the same Group | 1 | 4 |
| Current receivables, total | 8,801 | 10,524 |

Breakdown of prepayments and accrued income:

| | | |
|--|--------------|--------------|
| Accrued income on purchases | 238 | 172 |
| Prepayments and accrued income from sales | 1,231 | 1,030 |
| Other | 19 | 19 |
| Prepayments and accrued income, total | 1,487 | 1,221 |

17. FINANCIAL SECURITIES

Financial securities consist of publicly traded shares, fund units and bonds.

| | | |
|-------------------|--------------|--------------|
| Replacement cost | 4,604 | 4,099 |
| Book value | 3,844 | 3,559 |
| Difference | 761 | 540 |

EQUITY AND LIABILITIES

| | Parent company 2025 | Parent company 2024 |
|--|------------------------|------------------------|
| 18. EQUITY | | |
| Share capital 1 Jan. | 1,504 | 1,504 |
| Share capital 31 Dec. | 1,504 | 1,504 |
| Reserve fund 1 Jan. | 8,132 | 8,132 |
| Reserve fund 31 Dec. | 8,132 | 8,132 |
| Reserve for invested unrestricted equity 1 Jan. | 49,689 | 50,152 |
| Transfer from share issue | | |
| Share issue | 366 | 437 |
| Repurchase/sale of shares | -257 | -900 |
| Distribution of assets | | |
| Reserve for invested unrestricted equity 31 Dec. | 49,798 | 49,689 |
| Retained earnings 1 Jan. | 33,129 | 54,742 |
| Profit distribution | -4,299 | -5,732 |
| Other changes in equity | 2 | |
| Retained earnings 31 Dec. | 28,833 | 49,010 |
| Profit for the period | 396 | -15,881 |
| Total equity | 88,663 | 92,455 |

CALCULATION OF DISTRIBUTABLE FUNDS 31 DEC.

| | | |
|--|---------------|---------------|
| Reserve for invested unrestricted equity | 49,798 | 49,689 |
| Retained earnings | 28,833 | 49,010 |
| Profit for the period | 396 | -15,881 |
| Distributable funds, total | 79,026 | 82,818 |

Changes in equity, company shares and treasury shares are described in more detail in Notes 20.1.1.–20.1.2 to the cons. financial statements.

EQUITY AND LIABILITIES

| LIABILITIES | Parent company 2025 | Parent company 2024 |
|---|------------------------|------------------------|
| 19. NON-CURRENT LIABILITIES | | |
| Consolidated account liabilities to companies in the same Group | 9,822 | 5,389 |
| Non-current liabilities, total | 9,822 | 5,389 |
| 20. CURRENT LIABILITIES | | |
| Trade payables | 277 | 295 |
| Trade payables to companies in the same Group | 1,941 | 1,912 |
| Other liabilities | 337 | 362 |
| Other liabilities to companies in the same Group | 545 | 1,220 |
| Loans from companies in the same Group | | 500 |
| Accrued expenses and deferred income | 1,685 | 1,741 |
| Accrued expenses and deferred income to companies in the same Group | 1,231 | 1,048 |
| Current liabilities, total | 6,016 | 7,078 |
| Breakdown of accrued expenses and deferred income: | | |
| Accruals of personnel expenses | 1,542 | 1,391 |
| Unpaid income taxes | 103 | 310 |
| Other | 40 | 40 |
| Total | 1,685 | 1,741 |

Notes to the report of the Board of Directors

Material events during the financial period

More detailed information on the company's financial position and development is included in the Report of the Board of Directors.

Other notes

| | Parent company 2025 | Parent company 2024 |
|---|------------------------|------------------------|
| Collateral | | |
| Debts with a business or property mortgage put up as collateral | | |
| Loans from financial institutions | | |
| Overdraft facilities | | |
| Total limit amount granted | 7,000 | 7,000 |
| Drawn | 0 | 0 |
| Business and property mortgages | | |
| Business and property mortgages put up as collateral | 7,000 | 7,000 |
| Collateral and guarantees given on behalf of companies in the same Group | | |
| Amount of collateral and guarantees provided in use | 1,112 | 2,119 |
| Maximum amount of collateral and guarantees provided | 1,700 | 2,312 |
| Contingent liabilities | | |
| Rental and leasing commitments | | |
| Payable in the next 12 months | 1,161 | 935 |
| Payable later | 2,191 | 2,569 |
| Total | 3,352 | 3,504 |
| Other commitments and collateral | | |
| Total collateral amount granted | 207 | 200 |
| Drawn | 207 | 200 |
| Collateral and contingent liabilities, total | 11,672 | 12,823 |

Proposal on the use of the profit for the period

The Board of Directors proposes to the AGM that a dividend of EUR 1.00 per share be paid from the parent company's distributable funds (EUR 79,026,004.16), of which the profit for the period is EUR 395,536.08. Based on the situation at the time of signing the financial statements, the dividend would correspond to EUR 5,764,662.

No material changes have taken place in the company's financial position after the end of the financial period.

Events after the financial year

On 13 January 2026, the Finnish Competition and Consumer Authority decided to initiate further proceedings regarding the acquisition of BLC Turva Oy.

On 12 February 2026, the company's Board of Directors decided to issue 7,432 shares for the payment of rewards under the long-term incentive scheme 2023–2025 for the management and key personnel. In addition, on 24 March 2026, the Board of Directors decided to issue 6,584 shares to transfer the savings shares of the personnel expenses plan.

On 23 February 2026, the Boards of Directors of Loihde Trust Ltd and Loihde Cloudon Ltd approved the merger plan for Loihde Cloudon Ltd to merge with its sister company Loihde Trust Ltd. The planned registration date for the completion of the merger is 31 August 2026.

Date and signatures of the financial statements and the report of the Board of Directors

The Financial Statements have been signed electronically.

Vaasa, 24 March 2026

Marko Kauppi
Chair

Juha Murtopuro

Jari Niska

Anni Ronkainen

Matti Vikkula

Christian Wetterstrand

Tuulia Kuoppamäki

Samu Kontinen
CEO

Auditor's Report

The Auditor's Report has been signed electronically.

The Auditor's Report has been issued in

Helsinki today, on the date indicated by the electronic signature.

Ernst & Young Oy
Audit firm

Maria Onniselkä
APA



**Shape the future
with confidence**

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AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Loihde Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Loihde Plc (business identity code 0747682-9) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- The consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- The financial statements give a true and fair view of the parent 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 consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and 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 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 on 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 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:



**Shape the future
with confidence**

- 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.
- 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. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in 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 other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 24.3.2026

Ernst & Young Oy
Authorized Public Accountant Firm

Maria Onnisekka
Authorized Public Accountant



Corporate Governance Statement

Loihde Plc's Corporate Governance Statement

Loihde Plc's corporate governance complies with valid legislation, the rules and regulations of the Nasdaq First North Growth Market Finland (First North), the company's Articles of Association and the governance principles confirmed by the company's Board of Directors.

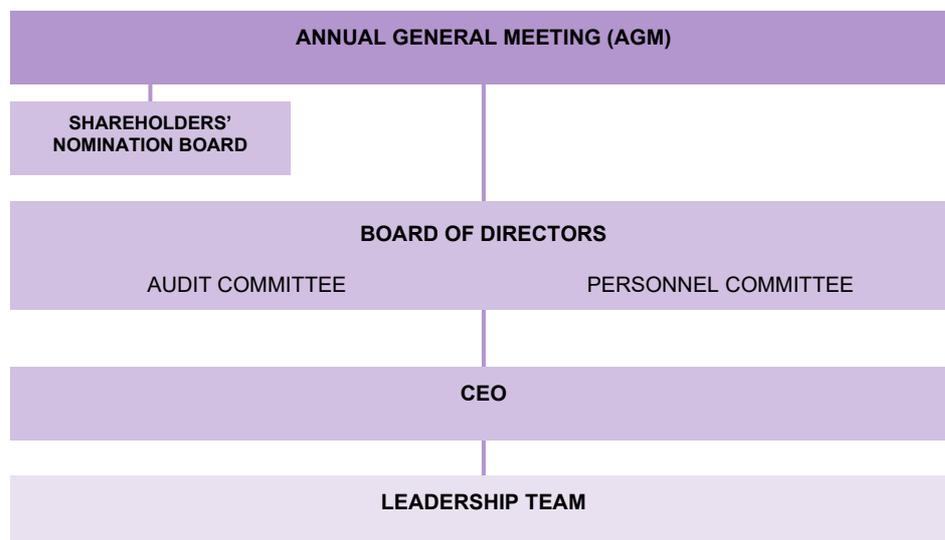
Loihde complies with the Finnish Corporate Governance Code 2025 for listed companies in its entirety (taking into account the transition provision on diversity) as formulated by the Finnish Securities Market Association. The Finnish Corporate Governance Code is publicly available on the Securities Market Association's website <https://www.cgfinland.fi/en>.

Even though compliance with the Finnish Corporate Governance Code is not required of First North companies, Loihde wants to promote good corporate governance and transparency towards shareholders and other stakeholders by complying with its recommendations.

The Corporate Governance Statement is given separately from the company's Report of the Board of Directors.

Loihde's corporate governance structure

In accordance with the Finnish Limited Liability Companies Act and the Articles of Association, the management of the company is divided between the General Meeting, the Board of Directors and the CEO. Shareholders participate in the management and supervision of the company through the decisions made at the General Meetings. In addition to the Articles of Association, the management is regulated by the rules of procedure, which define the central duties of the Board of Directors, the committees and the CEO as well as the meeting policies followed by the company.



General Meeting

The General Meeting is Loihde Plc's highest decision-making body. At the General Meeting, the shareholders' decisions include:

- the adoption of the financial statements and the use of the profit shown on the balance sheet,
- the discharge from liability of the members of the Board of Directors and the CEO,
- the election and remuneration of the members of the Board of Directors,
- the election and remuneration of the auditor,
- changes to the Articles of Association, and
- acquisition and transfer of treasury shares.

The Annual General Meeting (AGM) is held annually before the end of June on a date decided by the Board of Directors and considers matters that according to the Limited Liability Companies Act and the Articles of Association belong to the AGM and other possible proposals mentioned in the notice. An Extraordinary General Meeting is convened if necessary.

A shareholder shall according to the Limited Liability Companies Act have the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting, if he or she so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice.

Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) 2025

Loihde Plc's AGM was held in Seinäjoki on 8 May 2025. 2,011,910 shares, or approximately 35% of all shares, were represented at the meeting. The members of the Board of Directors, the CEO and the auditor were present at the AGM, either in person or through remote access.

On 4 December 2025, an EGM was held, which authorized the Board of Directors to decide on a directed share issue to Savonlinnan BLC-osuuskunta as part of the purchase price of the BLC Turva acquisition and on share issues related to the share-based incentive schemes for the personnel. A total of 2,357,626 shares, or approximately 41% of all shares, were represented at the meeting. Four members of the Board of Directors and the company's CEO were present at the meeting.

Board of Directors

The Board of Directors has overall responsibility for the management of the company and for the proper organisation of its operations. The Board of Directors has adopted written rules of procedure for the management, which define the matters to be dealt with by the Board, its meeting practices and decision-making procedures.

According to the Articles of Association, the company's Board of Directors consists of five to seven ordinary members, which are elected by the General Meeting for one year at a time. The Chair of the Board of Directors is also elected at the General Meeting. The proposal to the General Meeting on the number of members, the members and the Chair of the Board of Directors as well as their remuneration is prepared by the Shareholders' Nomination Board. The majority of the members of the Board of Directors has to be independent of the company, and at least two members have to be independent of the company's major shareholders as well.

The Board of Directors is convened by the Chair on a regular basis, at least six times a year. A quorum of more than half of the members of the Board of Directors must be present at the meetings.

The Board of Directors regularly assesses their operations and working methods through self-evaluation once a year.

Main duties of the Board of Directors

According to the rules of procedure, the main duties of the Board of Directors are, among other things, to:

- approve the long-term targets and strategies of the Group and its business areas,
- approve the business, financial and investment plans of the Group and its business areas for the financial period,
- ensure that the external financial statements of the Group and its companies are duly made as required by law,
- create the necessary organisational structure for the company's operations,
- appoint and discharge the Group CEO, the EVPs of the Group's business areas and the Directors in charge of the Group's administrative support functions, and decide on their remuneration and benefits,
- decide on the general principles for the Group's incentive schemes,
- approve the Group's values and follow their fulfilment,
- organise internal audits, follow external audits and take measures following from these together with the CEO,
- define the acquisition strategy and approve acquisitions,
- decide on significant investments by Group companies, other long-term expense items, transfers of property and funding vehicles,
- decide on significant expansion and reduction of operations, and
- prepare the matters to be dealt with by the General Meeting and see to their execution.

Diversity of the Board of Directors

Diversity is a central principle when Loihde's Board of Directors is elected. It supports the company's business development and achievement of targets. The diversity of know-how, experience and viewpoints among the members of the Board of Directors enables an open and innovative approach to business development, supports an improvement of customer understanding and promotes good governance.

Essential factors for diversity in the Board of Directors are the members having complementary education, know-how and experience from different industries and different development stages of business management, and the personal qualities of the members of the Board of Directors. Diversity is supported by the Board of Directors having a wide age distribution, well-balanced gender representation and member experience from international business environments and different cultures.

The Shareholders' Nomination Board takes the diversity principles into account when planning the composition of the Board of Directors. As a part of the election and evaluation process, they look for representatives of both genders. Persons that are elected to the company's Board of Directors must, in addition to the required qualifications for the role, also have enough time to take on the role. When preparing the composition of the Board of Directors, long-term needs and succession planning is also acknowledged.

In the beginning of 2025, 17% of the board members were women and 83% men (1/6 and 5/6 respectively) and from 8 May 2025, 29% were women and 71% men (2/7 and 5/7).

Members and meetings of the Board of Directors in 2025

The Board of Directors of Loihde Plc consisted of Marko Kauppi (Chair), Juha Murtopuro, Jari Niska, Anni Ronkainen, Matti Vikkula and Christian Wetterstrand and from 8 May 2025, Tuulia Kuoppamäki (former Holkkola).

All members were independent of Loihde and its major shareholders.

The Board of Directors convened 22 times during the year. In 2025, the Board of Directors focused on strategy work, preparing the acquisition of BLC Turva Oy and improving operational efficiency.

Secretary of the Board of Directors was the company's General Counsel Antti Hemmilä.

Members of the Board of Directors in 2025

| Name | Gender | Year of birth | Education | Main occupation in 2025 | Ownership 31 December 2025 | Member since |
|--|--------|---------------|--------------|-------------------------------------|---|--------------|
| Marko Kauppi (Chair) | Male | 1970 | M.Sc.Econ. | CEO, Tenendum Oy, 2009– | 79,000 (Tenendum Oy) | 2024 |
| Tuulia Kuoppamäki¹ (former Holkkola) | Female | 1986 | B.Sc. (Eng.) | Operations Director, Vaski Group Oy | 30 | 2025 |
| Juha Murtopuro | Male | 1972 | M.Sc.Econ. | CEO, Alltime Oy | 557 | 2023 |
| Anni Ronkainen | Female | 1966 | M.Sc.Econ. | Board Professional | 557 | 2023 |
| Matti Vikkula | Male | 1960 | M.Sc.Econ. | Board Professional | 6,000 | 2023 |
| Jari Niska | Male | 1971 | M.Sc.Econ. | Board Professional | 46,000 (Atilos Capital Oy and Hidalgo Oy) | 2024 |
| Christian Wetterstrand | Male | 1971 | M.Sc.Econ. | Director, CapMan Wealth | 56,365 (personal shareholding, Ab C. Wetterstrand Oy and Asedin Capital Oy) | 2024 |

¹ Member of the Board of Directors as of 8 May 2025

Committees of the Board of Directors

In 2025, the Audit Committee and the Personnel Committee, working under the Board of Directors, have prepared matters that fall under the responsibility of the company's Board of Directors.

Audit Committee

It is the duty of the Audit Committee to among other things monitor the financial reporting process for the interim financial statements, the financial statements and the consolidated financial statements and oversee the accuracy of Loihde Group's financial statements, the financial reporting process and the statutory audit. The committee monitors the efficiency of Loihde Group's internal control, internal audit and risk management systems and oversees the Group's risks and the quality and scope of risk management. In addition, it is the duty of the Audit Committee to prepare proposals to the Board of Directors on matters relating to the development of corporate governance.

The Audit Committee consists of members that are appointed by the Board of Directors and that are not part of the company's management. The members must be independent of the company and at least one of them must be independent of the company's major shareholders.

In 2025, the Audit Committee consisted of Matti Piri (Chair), Marko Kauppi and Christian Wetterstrand. The committee convened a total of five times during the year. Each member's attendance at meetings is shown in the table below. Secretary of the Audit Committee was Group CFO Pirjo Suhonen.

Personnel Committee

It is the duty of the Personnel Committee to among other things prepare proposals for Loihde's Board of Directors on the appointment of the CEO and other Directors that are members of Loihde Group's Leadership Team and to chart their successors when required. Additionally, the Personnel Committee prepares proposals on the principles of remuneration and compensation of the personnel and the Leadership Team and on share-based incentive schemes. The committee prepares the remuneration policy and remuneration report for Loihde's governing bodies.

The Personnel Committee consists of members that are elected by the Board of Directors. In 2025, the members of the Personnel Committee consisted of Anni Ronkainen (Chair), Juha Murtopuro and Jari Niska as well as Tuulia Kuoppamäki from 8 May 2025. The committee convened a total of five times during the year. Secretaries of the Personnel Committee was Group CPO Tuuli Stenbäck.

Participation in meetings

| Name | Position | Board of Directors | % | Audit Committee | % | Personnel Committee | % |
|--------------------------------------|--|--------------------|-----|-----------------|-----|---------------------|-----|
| Marko Kauppi | Chair of the Board | 22 | 100 | 5 | 100 | | |
| Tuulia Kuoppamäki¹ | Member | 14 | 100 | | | 3 | 100 |
| Juha Murtopuro | Member | 21 | 95 | | | 5 | 100 |
| Anni Ronkainen | Member, Chair of the Personnel Committee | 22 | 100 | | | 5 | 100 |
| Matti Vikkula | Member, Chair of the Audit Committee | 22 | 100 | 5 | 100 | | |
| Jari Niska | Member, Vice-Chair of the Board | 21 | 95 | | | 5 | 100 |
| Christian Wetterstrand | Member | 22 | 100 | 5 | 100 | | |

¹ Member of the Board of Directors as of 8 May 2025

Shareholders' Nomination Board

On 6 May 2021, the AGM of Loihde Plc resolved to establish a Shareholders' Nomination Board to prepare proposals on the election and remuneration of the members of the Board of Directors for the General Meeting and confirmed the rules of procedure for the Nomination Board.

The Shareholders' Nomination Board is the governing body of the company's shareholders or their representatives, the duty of which it is to annually prepare the proposals regarding the election and remuneration of the Chair and members of the Board of Directors for the AGM, and for the Extraordinary General Meeting when required. It is the main duty of the Nomination Board to ensure that the Board of Directors and its members have sufficient expertise, know-how and experience that correspond to the company's needs and to prepare well-founded proposals on the matter to the General Meeting.

According to the rules of procedure of the Nomination Board, the five largest shareholders of the company are each entitled to appoint one member to the Nomination Board. The largest shareholders are determined based on the company's shareholder register on the last day of August each year. When determining the largest shareholders, so-called proxy shareholders who are entitled to represent one or more other shareholders of the company at the company's general meetings and who have submitted a written request to this effect to the

Chair of the Board of Directors by the end of August are also taken into account in this context. The term of office of the members of the Nomination Board ends annually when new members have been appointed to the Nomination Board.

In September 2024, the following members were appointed to the Shareholders' Nomination Board:

- Jussi Hattula, appointed by Finnish Industry Investment Ltd ("Tesi"),
- Tuulia Holkkola, appointed by Tuulia Holkkola by proxy,
- Matti Kulmakorpi, appointed by Matti Kulmakorpi by proxy,
- Vesa Puttonen, appointed by Christian Wetterstrand by proxy, and
- Petri Tuutti, appointed by Petri Tuutti by proxy.

In this period, the Nomination Board was chaired by Vesa Puttonen. Women accounted for 20% and men for 80% of the members of the Nomination Board.

In September 2025, the following members were appointed to the Shareholders' Nomination Board:

- Jussi Hattula, appointed by Finnish Industry Investment Ltd ("Tesi"),
- Matti Kulmakorpi, appointed by Matti Kulmakorpi by proxy,
- Juha Koivisto, appointed by Tuuli Holkkola by proxy,
- Johannes Piha, appointed by Christian Wetterstrand by proxy, and
- Petri Tuutti, appointed by Suomen Asiakasturva Oy by proxy.

The Nomination Board was chaired by Petri Tuutti. All members Nomination Board were men.

The Chair of Loihde's Board of Directors, Marko Kauppi, participated in the work of the Nomination Board as an expert without the right to participate in the decision-making. Secretary of the Nomination Board was the Group's Director of Communications Tiina Nieminen.

The Shareholders' Nomination Board convened four times during the year. The combined meeting attendance rate of the members were 100 per cent.

CEO

It is the duty of the CEO to be in charge of the day-to-day management of the company in accordance with the law and the instructions and orders issued by the Board of Directors. The Board of Directors appoints and discharges the CEO, decides on the salary and remuneration of the CEO and other terms of the employment relationship, and supervises the operations of the CEO. The CEO ensures that the company's accounting practices are in compliance with the law and that the company's finances are organised in a reliable way.

Samu Konttinen has served as CEO of Loihde since 1 January 2021.

Leadership Team

The Leadership Team assists the CEO with the planning and operational management of the business. Among other things, it prepares Loihde's strategic and annual planning, monitors the fulfilment of plans and financial reporting and prepares significant investments, acquisitions and divestments. One of the main duties of the Leadership Team is also to develop the internal cooperation within the Group and promote joint development projects. The members of the Leadership Team are appointed by the Board of Directors. Loihde's

Leadership Team convenes regularly, approximately twice a month. The CEO is responsible for the decisions made by the Leadership Team. It is the duty of the members of the Leadership Team to execute the decisions in their respective areas of responsibility.

Members of the Leadership Team 2025

| Name | Gender | Year of birth | Education | Role | Ownership 31 December 2025 | Member since |
|--------------------------------|--------|---------------|-----------------|-------------------------------|----------------------------|--------------|
| Samu Konttinen | Male | 1973 | MBA | CEO | 44,354 | 2021 |
| Katja Ahola¹ | Female | 1976 | MA | EVP, Business Development | 215,362 ² | 2017 |
| Marko Järvinen | Male | 1970 | M.Sc.Eng., eMBA | EVP, Security Solutions | 12,064 | 2014 |
| Juha Meronen | Male | 1972 | M.Sc.Pol. | EVP, Digital Services | 3,899 | 2021 |
| Pirjo Suhonen | Female | 1965 | M.Sc.Econ | Chief Financial Officer (CFO) | 8,929 | 2018 |
| Jere Teutari | Male | 1972 | BBA | Chief Marketing Officer (CMO) | 1,565 | 2021 |
| Tuuli Stenbäck | Female | 1988 | M.Sc.Pol. | Chief People Officer (CPO) | 154 | 2024 |
| Jarno Mäki | Male | 1978 | M.Sc.Eng. | EVP, Cyber, Cloud & Connect | 17,142 | 2022 |

¹ Member of the Leadership Team until 31 November 2025

² Directly owned shares 4,786; shares through Bellurum Oy 210,576

From 1 January to 30 November, women accounted for 38% and men for between 62% of the members of the Leadership Team and from 1 to 31 December, women represented for 29% and men for 71%.

Internal control and risk management

The Board of Directors of Loihde Plc has confirmed the principles of risk management, internal control and internal audit that the Group shall comply with.

Risk management

The aim of Loihde's risk management is to support the implementation of the strategy and the achievement of the targets as well as to promote business continuity by reducing business vulnerability and protecting functions that are critical to business operations.

Risk management is an integral part of the day-to-day management of Loihde's business. The Board of Directors of each Group company ensures that risk management is taken into account in the company's business operations, at both a strategic and an operational level. The organising of risk management in practice is led on a strategic and Group level by Loihde Plc's EVP, Business Development and on an operational level by the person in charge of the company's risk management. The actual risk management is performed by every employee and supervisor in the company in their day-to-day work.

Risks are identified and assessed with the help of strategy risk mapping in connection with strategy, with the help of project risk assessment in connection with projects, and in connection with annual structural risk mapping. When identifying risks, a comprehensive view of the internal and external environment of the Group, the business area and the unit as well as potential events that could affect the achievement of the targets is formed.

In the annual risk assessment, risks are assessed based on the probability of fulfilment and the impact they would have.

Risks that are considered particularly significant for achieving the targets are defined as key risks. Key risks are reviewed and approved annually by Loihde's Board of Directors, and risk management resources and actions are primarily focused on these risks. For key risks, a risk owner is appointed. The key risk owner plans and organises adequate actions for controlling the risk and is responsible for their implementation and reporting.

The most significant risks

The most significant risks and uncertainties that affect the operations of Loihde Group are described in the company's financial statements release and the report of the Board of Directors.

Internal control

Internal control is part of Loihde's risk management system. It is the duty of internal control to adequately ensure the accuracy of processes and control risks that may adversely affect the accuracy of financial reporting or business functionality and efficiency or that may be linked to compliance with external laws and internal operating principles and guidelines.

Internal control procedures include, for example, policies and guidelines, risk identification and control measures to reduce risks, as well as ensuring the functionality of the control measures.

The ultimate responsibility for the Group's internal control lies with the CEO of Loihde Plc and on a business area or company level with the director or the EVP. They take responsibility for ensuring that adequate internal control procedures are in place to control risks and prevent adverse events. Operational management is responsible for risks and controls relating to them as well as for implementing corrective measures relating to controls.

The management, with the above-mentioned responsibilities, and all employees constitute the so-called first line of defence of internal control. The second line of defence is the financial organisation of the Group and its subsidiaries. Internal audit, auditors and supervisory authorities function independently as independent organisations constituting the third line of defence.

The Audit Committee supervises the development and implementation of internal control and internal audit as authorised by the Board of Directors. The CFO reports to the Audit Committee at least annually about the implementation of internal control and the results of internal audits.

Internal audit

Internal audit is a function that is intended to verify the implementation of the management and control environment and recommend improvements to the control environment on the basis of conducted audits. Loihde does not have a separate function for internal audit. The Board of Directors assesses the need for internal audit annually and decides on the tasks needed for internal audit and their organisation based on that assessment. The Board of Directors may use external help for implementing audits.

Insider management

In matters related to inside information, Loihde complies with applicable legislation, such as the requirements of the Market Abuse Regulation and the guidelines for insiders published

by Nasdaq Helsinki Ltd. In addition, the company has formulated its own insider guidelines, where instructions and regulations relating to insider management, disclosure of inside information, maintenance of insider lists and transactions of the management are defined.

Loihde maintains a project-specific non-public insider list for projects that have inside information. All people that have access to inside information specific to the project or event are listed as insiders. The people that are on the insider list cannot trade nor recommend trading in the company's financial instruments during the project in question. Persons that are on the insider list are informed in writing of this and of the obligations resulting from this, as well as of the consequences applicable to insider trading and illegally disclosing inside information.

The management of Loihde must schedule its trading in the company's financial instruments so as not to reduce public confidence in the securities market. Management refers to members of Loihde's Board of Directors and Leadership Team. Management cannot trade during a closed window of 30 days preceding the publication of the financial statements release, business report or half-year report, nor can they trade on the day of publication. The restriction on trading also includes persons who participate in the preparation of profit reports or receive information of their forthcoming content before the information is published.

On the grounds of the Market Abuse Regulation, Loihde Plc's management and their related parties must report trading in the company's financial instruments made for their own account both to the company and to the Financial Supervisory Authority without delay and no later than within three working days of the trading. As for the company, it has to publish the transactions in question as company announcements without delay and no later than within two working days of receiving the information.

Loihde's General Counsel is responsible for the coordination and supervision of matters related to inside information.

Transactions of related parties

Loihde assesses and monitors transactions with its related parties as defined in IAS 24. The company's related parties consist of its subsidiaries, the Board of Directors, the CEO and the Group's Leadership Team, their family members and legal entities over which the persons mentioned exercise a controlling interest. Loihde maintains a list of parties that belong to the company's related parties and regularly monitors, processes and assesses transactions with its related parties in accordance with principles and regulations approved by the Board of Directors.

The company's financial management monitors and supervises transactions of related parties as a part of the company's normal reporting and supervisory praxis and reports transactions of related parties to the Audit Committee on a regular basis. The company's Board of Directors decides on transactions of related parties that are not part of the company's normal business or are not carried out on ordinary commercial terms. Members of the company's Board of Directors and Leadership Team and persons and parties that belong to their related parties are obligated to report potential transactions of related parties to the company. Transactions of related parties that have been entered into on terms differing from normal commercial terms are reported in the notes to the financial statements.

Audit

Loihde's auditor must be an audit firm with an auditor in charge that is approved by the Finnish Central Chamber of Commerce.

The General Meeting elects the auditor based on the proposal by the Board of Directors. The Audit Committee of the Board of Directors prepares the proposal for the election of the auditor. The term of the auditor ends with the conclusion of the AGM following the election.

It is the duty of the auditor to audit the company's accounting, financial statements and management for the financial period. The auditor of the parent company must also audit the consolidated financial statements. The auditor reports regularly to the Board of Directors and its Audit Committee and provides the company's shareholders with an auditor's report as required by law.

The company's auditor is the audit firm Ernst & Young Oy, with Maria Onnisekka, auditor approved by the Finnish Central Chamber of Commerce, as the principal auditor.

In accordance with the decision of the General Meeting, the auditor's fee is paid according to the auditor's invoice approved by the company. In 2025, the total fees paid to the auditor amounted to EUR 142,000, of which EUR 19,000 was paid for services not related to the audit.

Certified adviser

Loihde's certified adviser in accordance with First North's regulations is Aktia Alexander Corporate Finance Oy.



Remuneration Report

Loihde Plc's Remuneration Report 2025

1. Introduction

The remuneration of the governing bodies of Loihde Plc (below Loihde) is based on the Remuneration Policy that the Annual General Meeting (below AGM) approved on 8 May 2025. It is the objective of the Remuneration Policy to promote Loihde's business strategy, long-term growth and profitability, and sustainable growth of shareholder value.

The Remuneration Report is formulated in accordance with the Finnish Corporate Governance Code 2025 for listed companies, which entered into force on 1 January 2025. It is the purpose of this report to paint a clear and understandable picture of the implementation of the remuneration of Loihde's Board of Directors, Shareholders' Nomination Board, CEO, and potential deputy of the CEO, and also of the implementation of the Remuneration Policy.

Five-year development of remuneration and the company's financial performance

Loihde Plc has transitioned to IFRS-compliant reporting starting from the financial year 2022, with 2021 being the comparative period.

| (EUR 1,000) | 2021 ³ IFRS | 2022 ³ IFRS | 2023 IFRS | 2024 IFRS | 2025 IFRS |
|--|---------------------------|---------------------------|--------------|--------------|--------------|
| Revenue | 104,418 | 122,987 | 132,690 | 139,702 | 144,370 |
| Change compared to the previous year, % | N/A ⁴ | 18% | 8% | 5% | 3% |
| Adjusted EBITDA | 7,236 | 10,290 | 7,569 | 10,986 | 12,472 |
| Change compared to the previous year, % | N/A ⁴ | 42% | -26% | 45% | 14 % |
| | | | | | |
| (EUR 1,000) | 2021 | 2022 | 2023 | 2024 | 2025 |
| Remuneration of the Board of Directors¹ | 215 | 204 | 246 | 243 | 253 |
| Change compared to the previous year, % | N/A ⁴ | -5% | 20% | -1% | 4% |
| | | | | | |
| (EUR 1,000) | 2021 | 2022 | 2023 | 2024 | 2025 |
| Base + benefits of the Group CEO | 291 | 300 | 303 | 328 | 333 |
| Change compared to the previous year, % | 7% | 3% | 1% | 8% | 2 % |
| Total remuneration of the Group CEO | 340 | 425 | 360 | 382 | 623 |
| Change compared to the previous year, % | N/A ⁴ | 25% | -15% | 6% | 63% |
| | | | | | |
| (EUR 1,000) | 2021 | 2022 | 2023 | 2024 | 2025 |
| Average wages and salaries of the employees² | 67 | 65 | 65 | 67 | 69 |
| Change compared to the previous year, % | N/A ⁴ | -3% | 0% | 3% | 3% |

¹The remuneration of the Board of Directors includes meeting fees for Board members having attended the meetings of committees and the Nomination Board, as well as meeting fees for Board members having attended the meetings of the Supervisory Board in 2021.

²The average wages and salaries of the employees include cash wages and salaries without add-on costs, divided by the average number of employees (FTE) during the year. The wages, salaries and remuneration information shows the wages, salaries and remuneration paid during each financial year. The remuneration paid as part of the short-term and long-term incentive schemes is paid during the year following the end of the vesting period.

³Continuing operations without Hibox Systems Oy Ab

⁴Not all percentage changes for 2021 can be calculated, since it was the first year reported in accordance with IFRS.

2. Remuneration of the Shareholders' Nomination Board and the Board of Directors for the financial year 2025

Shareholders' Nomination Board

On 7 May 2024, the AGM decided that the annual fee of the Chair of the Nomination Board will be EUR 4,000 and the annual fee of the members EUR 2,500. No separate meeting fees will be paid.

The remuneration paid to the Nomination Board in 2025 was:

| | Meeting and annual fees, EUR 1,000 |
|-------------------------|---|
| Chair | 3 |
| Others, in total | 6 |

The remuneration of the Nomination Board also includes remuneration paid to members of the Board of Directors for attending the meetings of the Nomination Board.

Board of Directors

On 8 May 2025, the AGM decided to maintain the resolution of the AGM on 7 May 2024 that the annual fee of the Chair of the Board will be EUR 55,000, the annual fee of the Vice-Chair EUR 40,000 and the annual fee of the members EUR 27,400. In addition, an annual fee of EUR 7,000 will be paid to the Chair of a committee and an annual fee of EUR 3,500 to the members of a committee. No separate meeting fees will be paid.

The remuneration paid to the members of the Board of Directors and its committees in 2025 was:

| | Annual fees, EUR 1,000 | Committee fees, EUR 1,000 | Total, EUR 1,000 | Committee memberships |
|---|-------------------------------|----------------------------------|-------------------------|------------------------------|
| Marko Kauppi | 55 | 4 | 59 | Audit Committee, member |
| Juha Murtopuro | 27 | 4 | 31 | Personnel Committee, member |
| Jari Niska | 40 | 4 | 44 | Personnel Committee, member |
| Anni Ronkainen | 27 | 7 | 34 | Personnel Committee, Chair |
| Matti Vikkula | 27 | 7 | 34 | Audit Committee, Chair |
| Christian Wetterstrand³ | 27 | 4 | 31 | Audit Committee, member |
| Tuulia Kuoppamäki¹ | 18 | 3 | 21 | Personnel Committee, member |

¹Member of the Board of Directors as of 8 May 2025

3. Remuneration of the CEO for the financial year 2025

The Board of Directors decides on the remuneration and bonuses of the CEO, as well as other terms of the CEO contract. The CEO contract also specifies financial benefits, including severance pay and other possible compensations.

The remuneration of the CEO consists of fixed basic salary (including fringe benefits), life insurance, annual short-term incentive (STI), a part of which will be used for payment of pension insurance, a personal share bonus related to the CEO contract and a long-term share-based incentive scheme (LTI). In addition, the CEO is entitled to participate in share-based incentive

scheme for personnel. The share-based incentive schemes are described in more detail on the page Remuneration in the Investors section on the company's website.

The CEO is entitled to statutory pension. The retirement age of the CEO is defined in the statutory employee pension scheme.

The period of notice for the CEO contract is 6 months for both parties. If the company terminates the CEO contract, the CEO is under certain conditions entitled to a one-time payment corresponding to 12 months' monthly salary.

The remuneration earned by Samu Konttinen in 2025 was:

| Paid in 2025 | EUR 1,000 | Per cent of the maximum amount |
|--|------------------|---------------------------------------|
| Fixed annual salary, including holiday pay and holiday bonus | 333 | - |
| Short-term incentive (STI) for 2024 | 107 | 49.1% |
| | Shares | Per cent of the maximum number |
| Share bonus personal restricted share plan (RSP) ¹ | 12,000 | - |
| Paid in 2026 | | |
| Short-term incentive (STI) for 2025 | 178 | 80.4% |
| | Shares | Per cent of the maximum number |
| Long-term incentive scheme (LTI), the vesting period that started in 2023 and ended in 2025 ¹ | 2,850 | 19% |

¹The share bonus is the gross number of shares before deduction of taxes. The actual number of shares delivered is lower, because a portion of the shares (corresponding to the tax liability) is withheld to cover income tax.

Short-term incentive (STI) bonus for 2025:

The targets of the short-term incentive (STI) to be paid to the CEO for the financial year 2025 were based on Loihde Group's revenue (weight 30%) and adjusted EBITDA (weight 70%). The bonus was paid in February 2026. The short-term incentive (STI) paid to the CEO for 2025 is EUR 178,000 in total (161% of the target level and 80.4% of the maximum STI amount). EUR 45,000 (25%) of the total incentive will be used for the payment of the management's group pension insurance. In addition, the side costs of the part of the bonus in question will be used for the payment of the group pension insurance.

Long-term share-based incentive scheme (LTI), the 2023–2025 vesting period

The criteria for the payment of the bonus were the targets set by the Board of Directors for the vesting period. The targets were based on Loihde Group's revenue (weight 40%) and adjusted EBITDA (weight 60%).

LOIHNÉ

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