Merus Power Plc

ANNUAL REPORT 2025

MERUS POWER

Electrify your Future

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Annual Report 2025

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Enabling **a sustainable and energy-efficient** future.

Merus Power designs, manufactures and sells innovative electrical engineering solutions that enable the growth of renewable energy production and use in power grids and improve the energy efficiency of society. Our goal is to promote sustainable development through the technology that we have developed ourselves.

We produce energy storage facilities, power quality solutions and related services. Our devices are based on scalable and modular power electronics, intelligent software technologies and solid electrotechnical expertise. We design and manufacture our own products in Ylöjärvi, Finland. We have already delivered our solutions to more than 70 countries around the world. Our customers include operators in the fields of industry, electricity production and renewable energy, among others.

Our energy storage systems enable the integration of renewable energy into the power grid by creating stability in the grid. For our customers, energy storage facilities create new revenue models provided by renewable energy. We are one of the market leaders in the Finnish energy storage market, and we are aiming for strong growth primarily on a Europe-wide basis.

Our power quality solutions reduce disturbances in the electrical networks, improving the operational reliability and energy efficiency of connected devices. We aim to strengthen our position in the global power quality market also in the future.

Our growth is supported by global trends, such as electrification, the climate and emission targets of governments and private actors, the green transition and various related investment programs as well as sustainability targets. The investments needed to improve the power grid and its flexibility alone are estimated to be USD 650 billion by 2035. Investments in sustainable energy are simply vital.

We have subsidiaries in Singapore and Hong Kong[1)] as well as permanent facilities in Germany, the United Arab Emirates and Colombia. Our personnel represents internationally esteemed top-tier expertise in electrical engineering, digitalization and renewable energy. Our company's head office and factory are in Ylöjärvi, Finland. We are all committed to promoting the success of our customers every single day. Together, we can build a more sustainable future.

[1] *In 2025, there were no business operations in Hong Kong.*

Highlights of 2025

Net sales

54.6
M€

+52.5 %
from 2024

EBITDA

1.8
M€

+2.6 M€
from 2024

Our solutions delivered to **over 70** countries

Orders received
48.0 M€

Personnel
146
December 31, 2025

First two grid forming energy storage facilities **in the Nordic countries**

Average availability of energy storage facilities under an energy storage **service and maintenance agreement over 99%**

First two energy storage orders
to international markets in Poland

The largest single active filter contract
in the company's history to Egypt

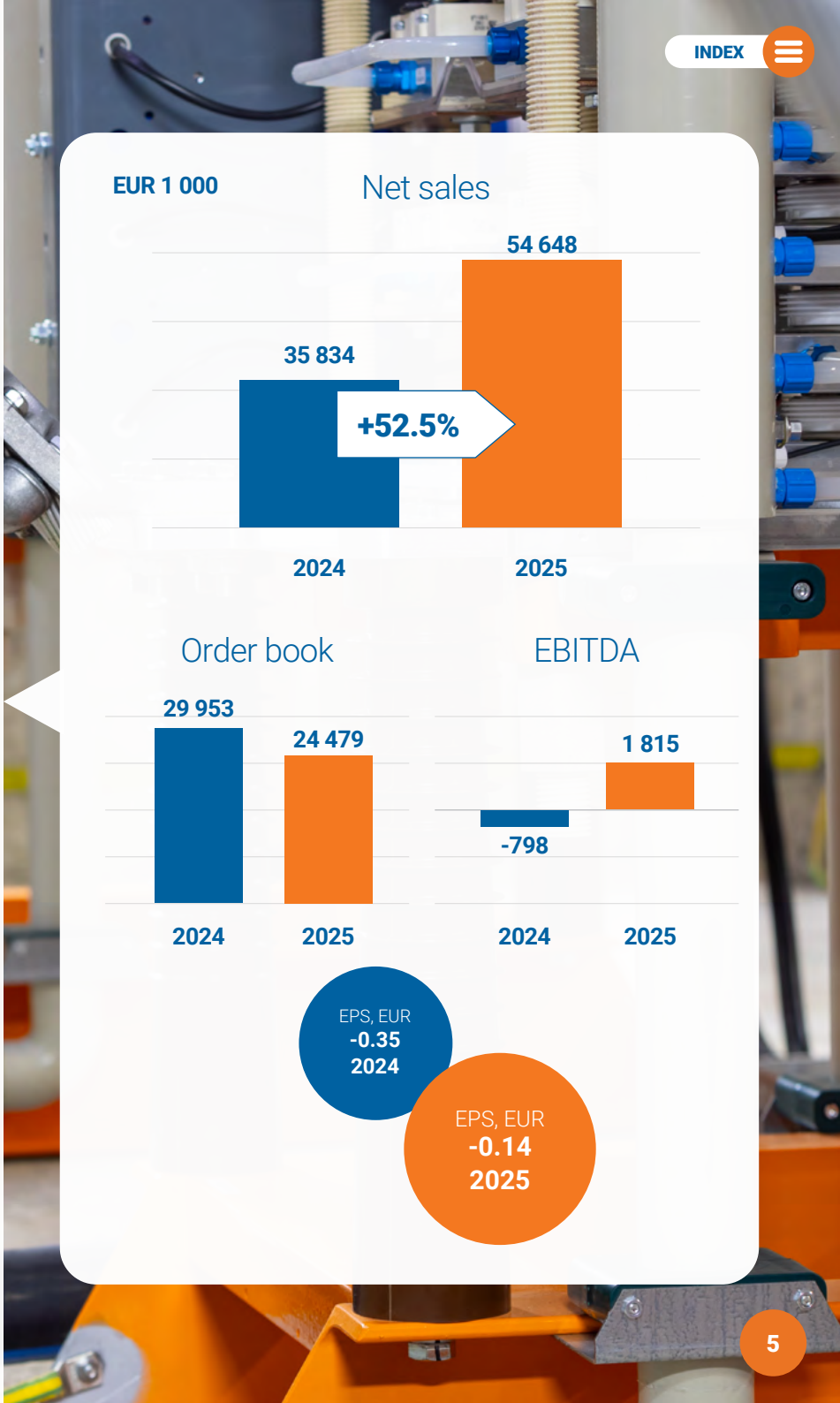
CO_2 reductions with installed base

333 000
metric tons

2.8 M
London-Madrid flights

Key figures

In EUR 1 000 unless otherwise indicated	7–12/2025	7–12/2024	2025	2024
Net sales	29 730	29 168	54 648	35 834
Change year on year	1.9%	88.5%	52.5%	23.4%
EBITDA	1 502	2 604	1 815	-798
% of net sales	5.1%	8.9%	3.3%	-2.2%
EBIT	807	1 954	318	-2 055
% of net sales	2.7%	6.7%	0.6%	-5.7%
Result for the reporting period	62	1 666	-1 115	-2 654
Undiluted earnings per share, EUR	0.01	0.22	-0.14	-0.35
Diluted earnings per share, EUR	0.01	0.21	-0.13	-0.34
Equity per share, EUR	1.27	1.24	1.27	1.24
Balance sheet total	28 834	26 711	28 834	26 711
Equity	10 401	9 533	10 401	9 533
Return on equity, %	0.6%	19.2%	-11.2%	-24.5%
Interest-bearing net debt	2 870	-1 167	2 870	-1 167
Net gearing, %	27.6%	-12.2%	27.6%	-12.2%
Equity ratio, %	36.1%	35.7%	36.1%	35.7%
Liquid assets	5 038	2 970	5 038	2 970
Cash flow from operating activities	-2 607	-590	-3 034	4 978
Number of shares	8 217	7 673	8 217	7 673
Average number of shares, 1 000 shares	8 167	7 659	7 945	7 659
Orders received	23 309	13 969	48 030	53 626
Order book	24 479	29 953	24 479	29 953
Average number of employees	145	124	141	117



Profitability improved, **strong growth continued**

Our net sales grew in 2025 to a record high EUR 54.6 (35.8) million. At the same time, we managed to improve our profitability significantly, and our EBITDA increased by EUR 2.6 million from 2024 to EUR 1.8 million. The scaling of operations and long-term work to improve productization, delivery capability and cost-efficiency paid off.

Net sales growth was supported by modular energy storage deliveries and continued stable sales of power quality solutions. In power quality solutions, net sales were mainly generated through export deliveries to the company's international distribution channel, and the increased delivery volumes in energy storages came from Finland.

Order intake was EUR 48.0 (53.6) million and order intake at the end of the year was approximately EUR 24 million. The clear highlights of the year were the historically large active filter deal in Egypt, the company's first international energy storage orders in Poland, and the energy storage projects sold to eNordic and Exilion. The green transition, electrification and the transformation of the energy system supported demand in all our key market areas. Contrary to expectations, investments in heavy industry were delayed due to market uncertainty.

Technology leadership and international orders in energy storage facilities

In 2025, Merus Power introduced the first grid forming energy storage facilities in the Nordic countries for commercial use to its customers Alpiq (30 MW/36 MWh) and eNordic (38 MW/40 MWh). This strengthens our position as a technological pioneer in the rapidly developing energy storage market and responds directly to the growing need for stability, flexibility and security of supply in the electricity system.

The internationalization of our energy storage business progressed concretely during the year when we were able to open the energy storage business in new markets and received two orders from Poland. International deliveries are an important step in the growth in line with our strategy and an indication of the competitiveness of our solutions also outside Finland.

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Power quality solutions balance growth

In power quality solutions, 2025 was in line with expectations. In particular, the largest single active filter order in Egypt in our history was a significant achievement and strengthened our position as a supplier of demanding, large-scale industrial projects. In addition, deliveries of compensators, especially to the steel and process industries, balanced the structure of our order intake.

The synergy between the power quality and energy storage businesses remains our key competitive advantage. Both businesses utilize the same in-depth electrotechnical expertise and systems thinking. This supports product development, delivery efficiency and increasing customer value.

Focus on improving profitability

Strong growth continues to place demands on cost control and scalability of operations. In 2025, we continued to productize and develop our operations with determination, which improved the efficiency of our own factory operations and reduced delivery risks. We utilized the experience and lessons learned from previous deliveries, which was reflected in improved operational efficiency in project execution and in the operation of our factory, as well as improved EBITDA.

Measures to improve profitability will continue in the coming years. Our business model and the market enable scaling and thus the continuous development of profitability alongside growth.

Organization and development work as enablers of growth

Our growth is based on strong expertise and motivated personnel. During the year, we continued to strengthen the organization in a controlled manner, especially in the areas of product development, project management and service business. At the same time, we invested in our own technology and development environments, including our own energy storage facility, which enables us to test and verify our solutions in real operating environment.

In our services business, we achieved excellent results during the year. The average availability of the energy storage facilities within the scope of our lifecycle services was a staggering 99%, which is a testament to the reliability of our solutions, the quality of our operations and our ability to deliver real value to customers throughout the system's lifecycle.

The development work supports not only the performance of the products but also the growth of new service models, such as trading and lifecycle services. We see the services business as an increasingly important part of Merus Power's stable and predictable growth.

Sustainability, people and information security

We have worked systematically to secure sustainable development according to our plan. In addition, we have taken a responsible role in the organization of the recycling of battery raw materials in accordance with EU regulations by becoming a member of a producer community.

We created a significant number of new high value-added jobs again. The overall results of the employee satisfaction survey of our record-strong organization were at a high level, 9/10. This will create a foundation for productivity growth in the future as well.

In 2025, we made significant investments in the cybersecurity of our products as well as in internal information security and data processing practices. In critical power infrastructure technologies and projects, we believe that the fact that we are Finnish and European provides a clear competitive advantage in which it is worthwhile to invest.

Confidently towards the future

The transformation of the energy sector is progressing globally, and the opportunities it brings support Merus Power's long-term growth prospects. While the geopolitical and economic environment continues to contain uncertainties, the demand for our solutions remains strong in markets where reliable electricity, energy efficiency and flexibility are critical.

The year 2025 showed that our strategy is the right one and that we are able to grow and improve profitability. I would like to thank our customers for their trust, our personnel for their committed and professional work, and our partners and owners for their support in Merus Power's development. We are confidently going into the next year to continue the implementation of our strategy.

Kari Tuomala
CEO

We built the first grid forming energy storage in the Nordic countries in Valkeakoski, Finland

With the focus of production in the electricity system shifting towards renewable energy, and the share of wind and solar power in energy production increasing, the need for solutions that both store electricity and actively support the operation of the grid increases. The energy storage facility commissioned in Valkeakoski, Finland, in 2025 is a real milestone: it is the first grid forming energy storage system in the Nordic countries. The system was delivered to the Swiss energy company Alpiq, and it operates in the main grid of Fingrid, Finland's transmission system operator.

The 30 MW and 36 MWh facility in Valkeakoski not only monitors the frequency and voltage of the network but is also able to form and maintain them independently. This distinguishes grid forming technology from traditional solutions: an energy storage facility can support the grid in the event of disturbances, increase grid stability and offer, for example, a black start capability, i.e. the ability to restart the grid even after a large-scale power outage.

The functionality of the technology has been verified through simulations and rigorous field tests approved by the Finnish transmission system operator Fingrid. The Valkeakoski energy storage facility meets the very strict requirements for large grid forming energy storage facilities, even internationally. The project also proves that with these features, an energy storage can be an active part of the stability of the electricity system – not just a resource that provides market flexibility.

For Alpiq, the project is the first grid forming energy storage facility and a concrete step towards an even stronger role as a provider of flexibility solutions in the European electricity market. Merus Power was responsible for the overall delivery and integration of the project, which enabled a quick commissioning and a functional entity in accordance with Fingrid's requirements.

The Valkeakoski delivery is also a showcase for the new generation of energy storage facilities. Increased grid forming capacity will make it easier to connect renewable energy to the system and strengthen the resilience of the entire power grid.

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We are a technology company that enables **a sustainable and energy-efficient future**

Our innovative and scalable product portfolio is the foundation of Merus Power's growth. At the core of our strategy are the development of a scalable product portfolio, strengthening multi-channel sales and accelerating growth through the Nordic countries to the European market.

Leading energy storage supplier

We aim to grow into an even more significant player in the rapidly growing energy storage market. In Finland, we are among the market leaders, and we are expanding our operations to Europe as well. We want to be known as a comprehensive project supplier whose expertise covers the entire life cycle of an energy storage project, from project planning and permit applications to delivery, commissioning, maintenance and trading solutions. In the international market, we tailor our offering in accordance with local requirements and partner networks to ensure competitive implementation and risk management.

A major supplier of power quality solutions

Merus Power is a strong and internationally competitive supplier of power quality solutions for demanding industrial and infrastructure applications. We offer a wide range of active filters, compensators, and system solutions to improve power quality, energy efficiency, and process reliability.

Our solutions are used especially in energy-intensive industries and critical infrastructure. International deliveries and large projects testify to the technical performance and scalability of our solutions, and our long experience and strong reference base support growth in new markets.

Growing service business

The service business is a key part of Merus Power's growth strategy, bringing predictability and stability to the business. In addition to spare parts and maintenance services, we develop digital and intelligent service solutions that support our customers' business throughout the system's life cycle.

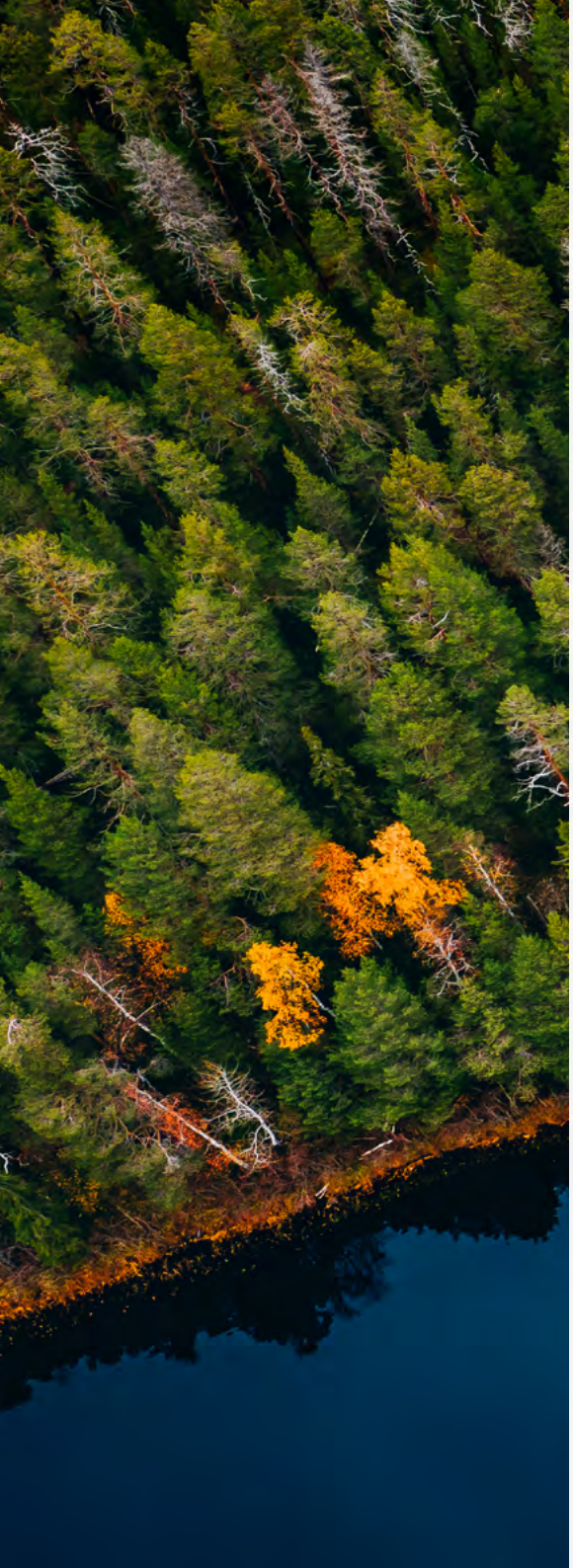
The MERUS® MERUSCOPE™ remote service and control software enables the efficient monitoring, optimization and trading support of energy storage and power quality solutions. The expanding installed base and service offering strengthen customer relationships and support the growth of the services business and in the long term.

Our growth is supported by global trends, such as the green transition, the pursuit of climate and emission targets, and major investment programs that increase electrification and the transformation of energy systems. The production and consumption structure of electricity is changing with wind and solar power and variable speed drive solutions becoming more common. Digitalization, the growth of automation and energy efficiency requirements emphasize the importance of reliable and flexible electrotechnical solutions.

These developments increase the need for energy storage systems and power quality solutions.

Trends supporting our growth

- green transition
- climate and emission targets
- electrification
- digitalization and growth of automation
- transformation of energy systems
- energy efficiency requirements



Cornerstones of **Merus Power's strategy**

Scalable product portfolio

Our modular and scalable solutions enable wide applicability in different uses and markets. We combine standardized products and flexible configuration into cost-effective packages.

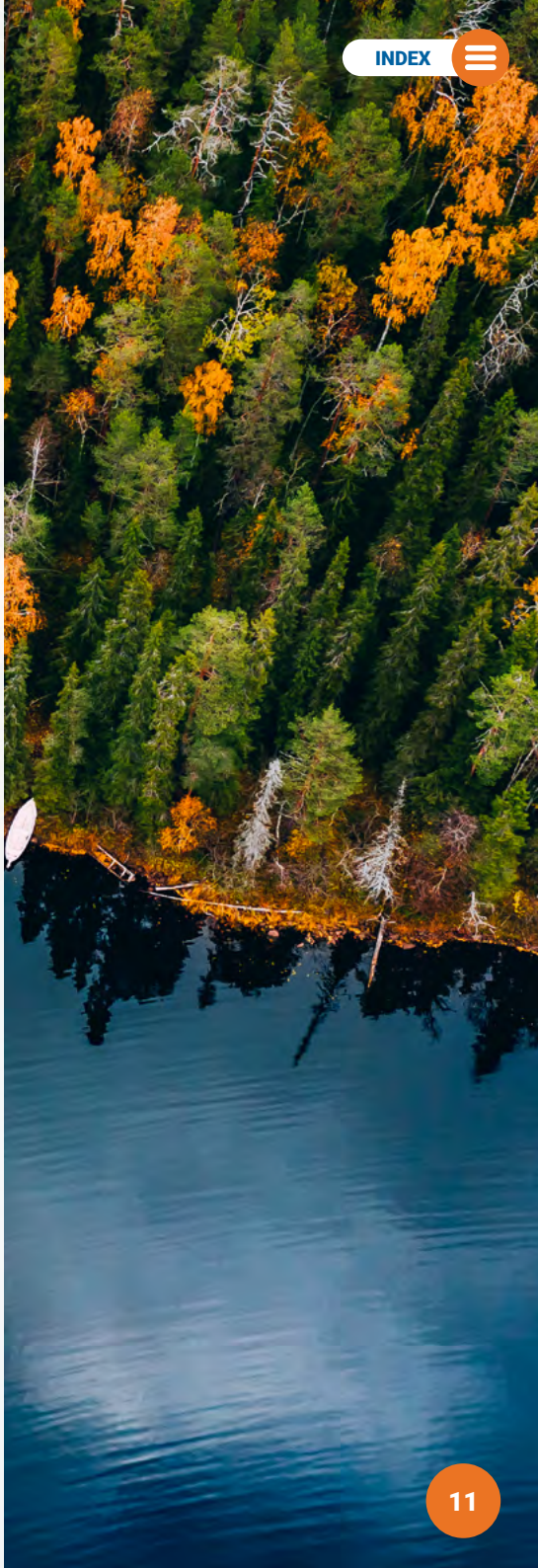
Multi-channel sales strategy

We operate in a customer-oriented manner, doing project development and using several sales channels: directly as a partner of the customer, through sales partners, and as part of a larger turnkey delivery, for example, as a partner for industrial and infrastructure projects. Our goal is to ensure competitive availability of our solutions and services both locally and globally. We are constantly developing our sales network and partnerships to enter new markets and strengthen our global presence.

Global business

In the energy storage market, the focus is on the growing European market, and in the power quality business on global coverage.

We are leveraging our strong position in the Nordic countries, and especially the advanced electricity market in Finland, as a springboard to the European market. The continuous development of the electricity market and energy storage solutions offers us the opportunity to grow together with our customers and partners.



First international energy storage contracts in Poland – a step towards the Central European market

The internationalization of the energy storage business is a key theme in Merus Power's growth strategy, and a clear step forward was taken in 2025. In the summer of 2025, the company received its first energy storage order from outside Finland: an energy storage of 8 MW and 8 MWh to be delivered to Poland. The supplier was selected through a public tendering process. This is an indication of Merus Power's competitiveness also in the international market.

The first international project proved that the company's solutions are suitable for the network and market conditions of Central Europe and can be integrated into demanding operating environments. The delivery also created a strong foundation for future projects in the region.

In the autumn of 2025, the international growth of the energy storage business continued when Merus Power signed a second energy storage contract in Poland for a private investor. The value of the 2 MW and 9 MWh energy storage facility is slightly less than EUR 2 million, and delivery and commissioning will take place during 2026. Merus Power is responsible for delivery, commissioning and lifecycle services. The agreement also includes a maintenance contract to ensure a long service life and disturbance-free operation.

Both projects will be carried out in cooperation with a Polish partner. The local partner will bring market and implementation expertise from Poland to the project, while Merus Power will bring technology and integration expertise. The cooperation model makes electricity storage cost-effective and scalable in the new operating environment.

The first two projects in Poland are strategic: they prove that Merus Power's energy storage solutions are also scalable outside Finland and provide the company with a foothold in the rapidly developing Central European energy storage market.

Economic **development**

According to the economic forecasts published in the OECD and International Monetary Fund reports at the end of 2025 and the beginning of 2026, the global economy will continue to grow at a moderate pace. The geopolitical situation and tariff policy will increase trade tensions and may affect the economic development.

Economic growth in the EU is forecast to remain at a low level during 2026. In the United States, economic growth is stronger than in the EU area. In Asia, good economic growth is forecast for India and China.

The International Energy Agency estimates that the electricity sector will grow faster than the global economy. With electrification, the demand for electricity is predicted to grow faster than the total demand for energy. Electricity consumption is increased especially through increased number of data centers, the electrification of traffic and the increase in the need for cooling air conditioning.

Energy storage market

The number of grid-connected energy storage facilities in Europe has increased sharply, and the installed capacity exceeded around 13 GW in 2024. The growth is driven by the increase in the share of renewable electricity production, which will increase the need for flexibility, frequency management and temporal transmission of energy in electricity systems. The importance of energy storage facilities as part of the European electricity system continues to strengthen, and the market is expected to grow rapidly during the current decade.

The energy storage market in Europe is expected to as much as quadruple by 2030. The company estimates that the annual size of the new energy storage market was approximately EUR 4 billion in 2024, and it is estimated to grow to almost EUR 16 billion by 2030. The strategically suitable market for Merus Power is currently estimated to be approximately EUR 1 billion. The estimates involve uncertainty regarding the power classes of energy storage facilities, as the costs of battery technology are falling rapidly. At the same time, there is a shift towards larger energy storage solutions with longer discharge periods.

In Northern Europe, the energy storage market has developed rapidly, driven especially by the reserve market. In Finland, the number of energy storage facilities is already close to the forecasted reserve requirement, as a result of which market growth is likely to slow down in the next few years in reserve-based revenue models. At the same time, the market's focus is shifting towards other revenue models, such as arbitrage

based on electricity price fluctuations, which is reflected in the growing interest in larger solutions with energy capacity of up to four hours. The European energy storage market is competitive, and its technological solutions are partly standardized. This highlights the importance of cost-effective supply chains, scalable solutions and project management, especially in markets dominated by private investors and energy companies. For geopolitical and cyber security reasons, we believe that European solutions will gain a qualitative competitive advantage over Chinese critical infrastructure projects, strengthening the competitiveness of operators such as Merus Power.

Power quality market

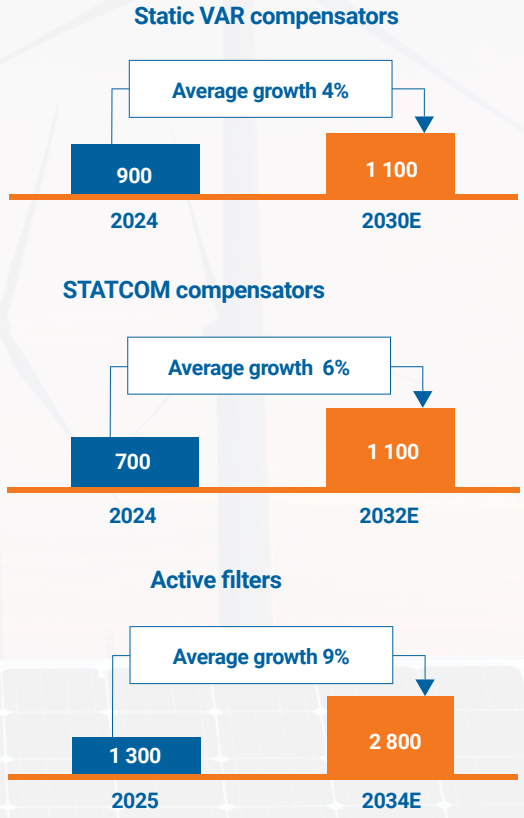
The market outlook for power quality improvement solutions has remained largely unchanged compared to the previous year. The general uncertainty in the market environment has delayed customers' investment decisions during the past year.

The harmonic filter market related to the company's product offering is currently estimated to be just over USD 1 billion and to grow to just under USD 3 billion by 2034. The size of the market for the company's offering is several hundred million euros. The company has an optimistic view on the market development in the next few years, and growth is supported especially by the increase in industrial VFD applications and rapidly growing data center investments, which emphasize power quality management, energy efficiency and the dynamic controllability of systems. Geographically, the market is divided into Europe and the faster-growing Asian and American markets, in the latter of which data center projects in the United States in particular constitute a significant and rapidly growing demand segment. In Asia, the market is characterized by strong price competition, while in Europe and North America, the quality, reliability, scalability and service capability of solutions are emphasized in system deliveries.

The total market for STATCOM and static VAR compensators for medium and high voltage power quality solutions is currently estimated to be approximately USD 1.5 billion, and it is estimated to grow to more than USD 2 billion by 2032. The size of the market related to the company's focus is estimated to be a few hundred million euros in 2026–2030. In addition, the company sees growth potential in the modernization of existing SVC systems, the total potential of which, according to the company's estimate, is also in the order of a few hundred million euros. The company has an optimistic view on the market development in the next few years. The market includes several segments, such as infrastructure projects, renewable energy and heavy industry power quality applications, which typically utilize STATCOM-type compensator solutions. Heavy industry is a key market for the company, and the transition to carbon-neutral production in the metal industry increases the need for power quality solutions, especially as electric arc furnace production becomes more common. At the same time, the growth of renewable energy production and the need to compensate for its power quality in Europe and the Americas create significant growth potential for the coming years. In addition, the market is seen as having opportunities in electricity network development projects, rail transport and hydrogen production applications.

Power quality solutions

SIze of global product market (USD million)



Information for **shareholders**

Merus Power Plc's shares are traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Oy. Merus Power's stock code is **MERUS**.

Annual General Meeting 2026

The Annual General meeting will be held on March 19, 2026 starting at 1:00 pm at the company's head office and factory at Pallotie 2, 33470 Ylöjärvi, Finland.

Notice to the Annual General Meeting by the Board of Directors is available on the company's website at

https://sijoittajat.meruspower.fi/en/for-investors/governance/annual-general-meeting/

The Board's proposal on the distribution of profits

The Board of Directors proposes to the Annual General Meeting that the loss of EUR 1.1 million for the financial period that ended on 31 December 2025 be transferred to accumulated losses and that no dividends be distributed.

Financial communications in 2026

The company's half-year report will be released on August 20, 2026.

Trading information

Year 2025 **MERUS**

Share exchange, pcs **909 263**	Highest, EUR **6.08**
Trading value total, MEUR **4.42**	Lowest, EUR **3.72**
Average rate, EUR **4.86**	Latest December 31, EUR **4.37**

Market value, EUR 1 000	Shareholders
December 31, 2025 **35 909**	December 31, 2025 **4 597**
December 31, 2024 **28 468**	December 31, 2024 **4 727**

Merus Power's **strengths as an investment**

Merus Power is a fast-growing technology company whose scalable product solutions, intelligent software technologies and electrotechnical expertise enable the energy transition.

Growth promises 2020–2025 kept

Average annual net sales growth **53%**

100 new jobs

Global trends such as the green transition, electrification and the transformation of the energy system support our growth.

Our power quality solutions are needed to reduce disturbances in electricity, improve process efficiency and reliability, and reduce carbon dioxide emissions.

Our product development and established position in power quality solutions create a solid foundation for growth.

Our growing installed base forms the basis for predictable growth in the services business and stable and continuous cash flow.

Our multi-channel sales network and strong partnerships support growth, and our engineering expertise is internationally recognized.

Demand for energy storage facilities is increased by the increase in the production and use of renewable energy.

Watch our company video here!

Board of Directors

Tapani Kiiski *born 1962*

Licentiate in Technology
Member of the Board of Directors since 2024
Chair of the Board of Directors since 2025

Previous work experience

- Raute Corporation, CEO, 2004–2022; managerial roles related to sales and technology, 2002–2004
- Konecranes Plc, expert and managerial roles related to technology, 1985–2002

Positions of trust

- Creowave Oy, Board Member, 2025–
- Volar Plastic Oy, Board Member, 2025–
- Orfer Oy, Chair of the Board, 2024–; Board Member, 2023–
- Geneset Powerplants Oy, Board Member, 2023–
- Jartek Invest Oy, Board Member, 2023–
- Mantsinen Group Ltd, Board Member, 2023–
- The Technology Industry Employers of Finland association, Board Member, 2021–2025
- The Technology Academy Finland foundation, Board Member, 2016–2025
- Various companies of the Helkama Emotor Group, Board Member, 2014–2025
- The Technology Industries of Finland association, Board Member, 2016–2021
- Häme Chamber of Commerce, Chair of the Board, 2014–2018; Board Member, 2005–2022
- Finnish Wood Research Oy, Chair of the Board, 2011–2014; Board Member, 2009–2014
- Dimecc Oy, Board Member, 2008–2018

Mr Kiiski is independent of the company and the company's significant shareholders.

Anne Koutonen *born 1962*

Master of Economic Sciences
Member of the Board of Directors since 2021

Previous work experience

- Nokian Tyres Plc, CFO and Head of Investor Relations, 2006–2018; Team Leader of Treasury, 1997–2006
- Oy Kyro Ab, Financial Analyst, 1995–1997
- Suomen Säästöpankki – SSP Oy's investment bank, Domestic Money Market manager and a Member of the Management Team, 1992–1994

Positions of trust

- Modulight Corporation, Chair of the Board, 2024–; Board Member, 2023–
- Stalatube Oy, Board Member, 2025–
- Kemppi Oy, Board Member, 2022–
- Tammer Brands Oy, Chair of the Board, 2020–; Board Member, 2018–
- Componenta Corporation, Vice Chair of the Board, 2019–; Board Member, 2017–
- Kojamo Oyj, Audit Committee Chair, 2019–; Board and Audit Committee Member, 2018–
- HKScan Oyj, Board Member and Audit Committee Chair, 2019–2025
- Image Wear Oy, Board Member, 2019–
- Robit Oyj, Board Member, 2020–2024
- Tampereen Naislaulajat ry association, Board Member, 2024–

Ms Koutonen is independent of the company and the company's significant shareholders.

Vesa Riihimäki *born 1966*

Master of Science in Technology
Member of the Board of Directors since 2015

Mr Riihimäki is Director, Delivery Management at Wärtsilä Finland Oy and serves in the Management Team of the Power Supply business operations.

Previous work experience

- Wärtsilä Finland Oy, CEO, 2018–2020
- Wärtsilä Finland Oy, Vice President, Wärtsilä Quality, 2014–2020
- Wärtsilä Finland Oy, Vice President, QEHS, Wärtsilä Services and Member of the Management Team of the Services business operations, 2014–2018
- Wärtsilä Finland Oy, President, Power Plants & Executive Vice President and Member of Wärtsilä Corporation's Management Team, 2009–2014
- Wärtsilä Finland Oy, Vice President, Power Plant Technology and Member of the Management Team of the Power Plants business operations, 2004–2009
- Wärtsilä Finland Oy, a variety of positions, 1992–2003

Mr Riihimäki is independent of the company and the company's significant shareholders.

Martin Backman *born 1969*

Master of Science in Technology and Master of Economic Sciences
Member of the Board of Directors since 2025

Mr Backman has been an Independent Adviser since 2018.

Previous work experience

- Aktia Bank Plc, CEO, 2017–2018
- Finnish Industry Investment Ltd (TESI), President and CEO, 2014–2017
- CVC Capital Partners, Managing Director and Director, Sweden, 2007–2014
- Advium Corporate Finance Ltd (eQ Bank Plc), Director, 2007
- Industri Kapital (IK), Deputy Director and Associate Director, Sweden, 2000–2006
- Lexel Group, subsequently an affiliate of Schneider Electric SE, various leadership positions in Denmark and Sweden, 1996–2000

Positions of trust

- Tamturbo Oyj, Chairman of the Board, 2025–
- Engel Square Capital Partners Ltd, Chairman of the Board, 2022–
- Aktia Asset Management Ltd, Chairman of the Board, 2017–2018
- Finance Finland, Board Member, 2017–2018
- Opus Capita Group, Board Member, 2015–2017
- Tesi Industrial Management Ltd, Chairman of the Board, 2014–2017
- Aker Arctic Technology Ltd, Vice Chairman of the Board, 2015–2017
- Allsaint Co-Investment GP Limited, Board Member, 2012–2014
- Ahlsell AB, Board Member, 2012
- Enermet Group Ltd, Board Member, 2001–2006
- Dataphone Scandinavia AB, Board Member, 2005–2006
- Citylink AB, Board Member, 2001–2005

Mr Backman is independent of the company and the company's significant shareholders.

Management Team

Kari Tuomala *born 1962*
Master of Science in Engineering
CEO

- Merus Power Plc, founding member
- Merus Power Plc, CEO, 2009–
- Merus Power Plc, Chair of the Board, 2008–2012; Board Member, 2008–2021
- Nokian Capacitors Oy, CEO, 2000–2008
- Wärtsilä Oyj, managerial roles related to production and power plant operations for operations in the Netherlands, Hong Kong and Vaasa, Finland, 1989–2000

Rainer Antila *born 1967*
Master of Economic Sciences
CFO

- Merus Power Plc, CFO, 2017–
- Talousruutu Oy, CFO, 2012–2017
- Confidex Oy, CFO, 2008–2012
- Nokian Capacitors Oy, CFO and in other positions, 2000–2008
- Vaasa Engineering Oy, controller, 1994–2000

Mikko Marttala *born 1979*
MSc
Finance and Project Development Director

- Merus Power Plc, Finance and Project Development Director, 2022–
- KPA Unicon, CFO and Senior Vice President and member of KPA Unicon's Management Team, 2012–2022
- Nordea, Director with customer responsibility in charge of export and project funding for the bank's Nordic customers, 2005–2012

Markus Ovaskainen *born 1991*
Master of Science in Engineering
Sales and Marketing Director

- Merus Power Plc, Sales and Marketing Director, 2025–
- Merus Power Plc, Sales Director, 2022–2024
- Merus Power Plc, Sales Manager for the Latin American and North American markets and tasks related to product management, 2020–2022
- Merus Power Plc, product development, positions related to the energy storage control system and system design, 2017–2019

Jyri Öörni *born 1980*
Master of Science in Engineering
CTO

- Merus Power Plc, founding partner
- Merus Power Plc, CTO, 2025–
- Merus Power Plc, Development Director, 2015–2024
- Merus Power Plc, Development Manager, 2009–2015
- Merus Power Plc, Board Member, 2014–2018
- Nokian Capacitors Oy, Project Engineer, 2005–2009

Jarkko Latonen *born 1973*
Master of Science in Engineering
Factory Operations and Quality Director

- Merus Power Plc, Factory Operations and Quality Director, 2025–
- Merus Power Plc, Quality, Responsibility, and Product ManaMerus Power Plc, Operations Development Manager, 2023–2024
- Roima Intelligence Oy , consulting and management roles in product information management, 2022–2023
- Labkotec Oy, leadership roles in product development, product management, and quality, member of the Management Team, 2002–2022
- Nokia Networks Oyj, expert in mobile network management, team leader, and product manager, 1998–2002

Sustainability statement

Our impact extends beyond our own operations

Merus Power's business enables a sustainable and energy-efficient future. At the core of the company's business is mitigating and preventing climate change with the help of technology. In 2025, the company already employed more than 140 people and indirectly enables work for many different partners. Merus Power is making important investments in the future, and the company has a significant tax footprint.

The climate benefits enabled by Merus Power support the achievement of the UN Sustainable Development Goals

Merus Power is committed to the UN Sustainable Development Goals and recognizes that it can impact in particular goals 7, 9 and 13 through its own operations and technology.

Our key advances in 2025

Merus Power promotes the sustainable and energy-efficient development of the economy and society globally. By the end of 2025, the company had enabled 676 (630) MW of renewable energy production to be connected to the power grid, and its share of the operating reserve of the Finnish electricity market was 22% (32%). In 2025, Merus Power's customers achieved CO2 emission reductions of more than 333 000 metric tons with the company's technology, demonstrating the technology's significant role for the environment (in 2024: more than 240 000).

Merus Power's targets for the reduction of carbon dioxide emission were accepted by the SBTi during 2025. SBTi (The Science Based Targets initiative) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis. Merus Power commits to maintain zero Scope 1 emissions through 2029. The company also commits to reduce its absolute Scope 2 GHG emissions 50% by 2029 from the level of 2023, and to measure and reduce its Scope 3 emissions.

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Electrical network stability and energy efficiency with Merus Power's products

Merus Power's customers can achieve significant emission reductions in their operations with the help of the equipment supplied by the company. The company's energy storage systems balance the differences between production and consumption and support the growth of the share of renewable energy in the electrical network. With its power quality solutions, the company helps its customers reduce carbon dioxide emissions.

Energy storage systems to balance the grid

An increase in the relative share of renewable energy in the power grid requires energy storage systems that can be used to balance the momentary imbalance between consumption and production. Customers use energy storage facilities in different electricity markets to increase the operational reliability and stability of the power grid and to even out fluctuations in electricity prices. In 2025, Alpiq took into use the first grid forming energy storage system in the Nordic countries supplied by Merus Power. It includes a grid forming converter able to form and balance the grid without external control.

Merus Power offers its customers expertise and support at all stages of energy storage projects, from investment feasibility study to trading. This is how the company promotes the green transition and the growth of the use of renewable energy.

Power quality improves efficiency

Deficiencies in the quality of electrical energy can have a significant impact on the efficiency and maintenance needs of electrically powered equipment. Improved power quality can increase the efficiency of metal smelting furnaces, for example, and reduce the need for maintenance. Industrial customers use Merus Power's power quality solutions to improve energy efficiency and operational reliability, for example, in the metal industry and in their water and waste treatment plants. The solutions help to meet the requirements of the power grid and increase the efficiency of production, i.e. more end products are produced with the same energy.

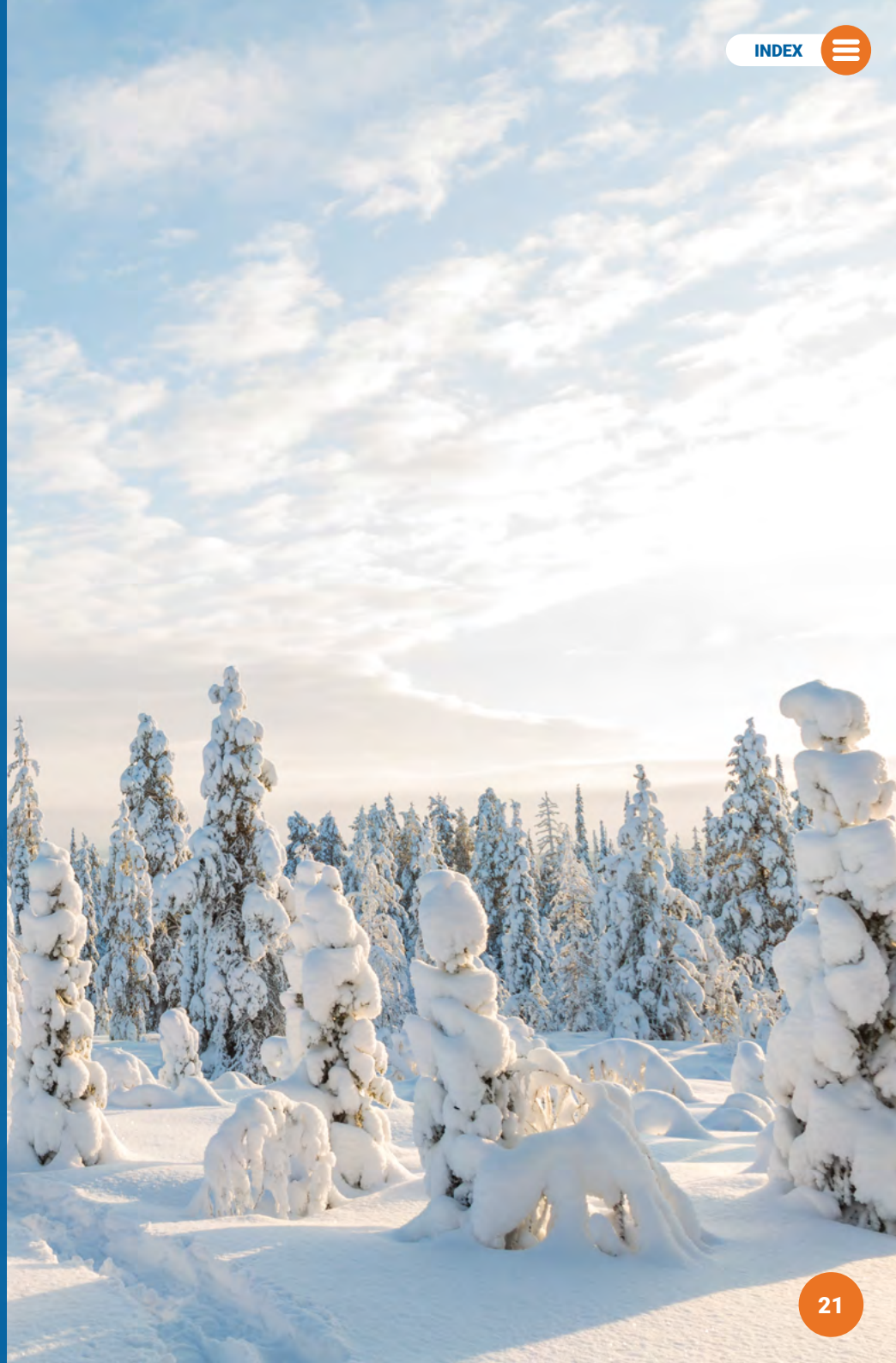
Power quality solutions also play a key role in the production of renewable energy, as electricity produced from solar and wind power, for example, does not always meet the quality requirements of the power grid. Various solutions, such as active harmonic filters, make it possible to connect renewable energy to the grid in countries with strict requirements. Merus Power monitors the positive environmental impact of its operations, for example, with the amount of renewable energy connected to the grid.

Improved power quality with modernization of SVC compensators

Static VAR compensators, or SVC compensators, are used, for example, in steel mills to reduce electrical interference in the network and to ensure the quality of electricity. The modernization of SVC compensators is a significant market for Merus Power. Modernization is a cost-effective and environmentally friendly way to extend the life of the system by making the most of usable parts and replacing only the necessary ones.

Maintenance services and AI-based trading in the electricity market

Merus® MERUSCOPE™ remote control software improves efficiency, reduces downtime, and brings cost savings and positive environmental impact. In 2025, Merus Power introduced an AI-based trading platform for its energy storage customers as part of the Merus® MERUSCOPE™ service package.



Double materiality analysis and sustainability goals

Merus Power's business affects many stakeholders. The company's key stakeholders are customers, suppliers, personnel, shareholders and other capital market participants. Merus Power engages in active dialogue with its stakeholders to understand the challenges and opportunities related to sustainability.

Based on the double materiality analysis carried out in 2023, Merus Power's material sustainability topics include energy efficiency, climate change mitigation, emission reduction, value chain and its management, preventing the pollution of air, water and soil, minimizing and processing waste, recycling, natural biodiversity as well as employee well-being and preventing the use of child labor.

In 2025, Merus Power continued to implement the sustainability plan approved by the company's Board of Directors. The aim is to reduce energy consumption and carbon dioxide emissions especially in the Scope 1 and Scope 2 categories (energy produced and vehicles owned by the company, as well as energy purchased by the company), and the company is committed to halving its Scope 1 and Scope 2 carbon dioxide emissions calculated as defined in the GHG Protocol from the 2022 level by the end of 2026. In addition, the goal is to reduce the waste generated in factory operations and the electrical energy consumption of the head office and the factory by 2% annually in relation to net sales in 2024–2026.

SUSTAINABILITY GOALS BY THE END OF 2026

Reduction of Scope 1 and Scope 2 CO_2 emissions

30 928 $kgCO_2e$ (2022) ⟶ 15 500 $kgCO_2e$ (2026)

The transition to renewable electricity and heat has kept CO_2 emissions stable. 2025: 39 tCO_2e (2024: 39 tCO_2e). In relation to net sales, they have decreased by 35% from 1.09 to 0.65 tn/MEUR.

Reducing factory waste by 2% per year in relation to net sales

(kg/kEUR/a 2024–2026)

In 2025, the amount of waste generated at the factory increased to 47 tons (2024: 23 tons). In relation to net sales, the amount of waste increased by 18%. The biggest growth was in packaging waste. Waste sorting, monitoring, and packaging solutions have been developed based on observations.

Reducing electricity consumption at the factory and head office by 2% per year in relation to net sales

(kWh/kEUR/a 2024–2026)

In 2025, electricity consumption increased by 6% to 312 MWh (2024: 295 MWh), but electricity consumption relative to net sales decreased by 30%. Energy efficiency has been improved with LED lighting and new energy-efficient space solutions.

No accidents at work

No serious accidents at work. The safety target is supported through regular safety reviews and continuous development of ergonomics. TRIF rose by 14% year on year to 25 (22 in 2024) .

ESG assessments for selected key suppliers in the supply chain by the end of 2026.

The five most important suppliers assessed from among the selected (20) key suppliers. Key suppliers were selected based on financial and ESG policies.

ENVIRONMENTAL RESPONSIBILITY

Towards emission-free production

Merus Power uses only renewable electricity in its production and has optimized its processes to reduce the amount of waste. Optimizing transport and recycling batteries are key areas of environmentally responsible operations.

Production runs on renewable energy

The company has switched to using electricity and district heating produced with renewable energy in its production. The transition to renewable energy solutions in 2024–2025 has significantly reduced emissions, and development work continues to achieve the goal. In addition, energy efficiency has been improved with LED lighting and new energy-efficient space solutions, among other things.

Reducing the amount of waste

The aim is to minimize production waste already in the design phase. In production and other locations, waste is sorted in accordance with regulations, and there are several recycling points. The goal is to reduce the amount of waste generated in the factory's production in relation to net sales by 2% annually in 2024–2026. In 2025, waste sorting, monitoring and packaging solutions were developed. Cooperation with suppliers will continue to reduce waste.

Environmentally friendly logistics

Merus Power favors suppliers in the EU and strives to minimize the carbon footprint of component transport. In logistics, non-air transport is preferred and routes are optimized. Products are designed to be tightly packed and transported in a cost- and emission-efficient manner. Recyclable packaging is used where possible.

Efficient recycling

Merus Power strives for high quality and product reliability. In the event of a fault, repairable components are repaired in production and the material is utilized efficiently. Waste is carefully sorted and everything possible is recycled, such as copper, cable waste and electronic waste. Repairable defective parts are sent back to the supplier for repair.

Merus Power tests all systems and equipment to be delivered already at the factory to ensure their operation and suitability before installation. The aim is primarily to refurbish damaged equipment in the customer's use. Sometimes new equipment is delivered to replace it, in which case the repaired equipment becomes marketable to other customers after warranty service.

Remote connections reduce emissions

Merus Power aims to optimize travel and utilize remote connections with both customers and suppliers to reduce emissions. Both customers and the company can follow the Factory Acceptance Test (FAT) of deliveries via a remote connection. With the help of the Merus® MERUSCOPETM remote control software, maintenance and repairs can be carried out without travelling.

Worksite ecological survey

In energy storage projects, the need for ecological surveys and the need to take other environmental issues into account are always assessed together with the permit authorities. This ensures that the location is suitable for energy storage use. There was no need for ecological surveys in 2025.

Actively involved in the producer responsibility organization for industrial batteries

Batteries are needed to store electrical energy. Batteries at the end of their life cycle provide valuable minerals for reuse through appropriate recycling . Every company that imports or manufactures batteries is obliged to arrange the waste management of batteries at their own expense when the batteries are taken out of use. Merus Power's batteries are designed so that they do not cause emissions to the atmosphere, water systems or soil in normal use. In addition, alternatives that are not easily flammable have been selected for battery types.

Merus Power is committed to the recycling of industrial batteries and is active in the producer responsibility organization established in 2025. The company takes care of the recycling of batteries in cooperation with Recser Oy and is involved in developing future operating models for the industry.

SOCIAL RESPONSIBILITY

Our social responsibility extends far to society

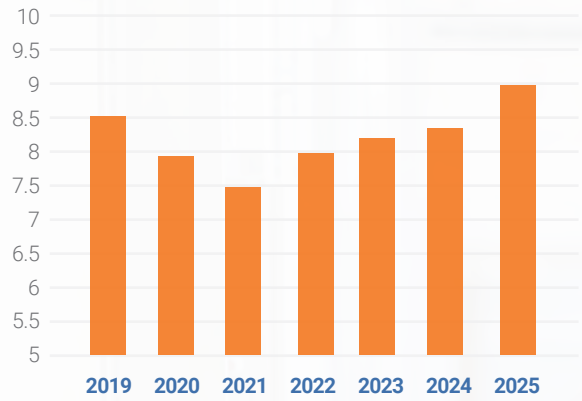
In addition to its own personnel, Merus Power's social responsibility extends far to society. The company invests in the safety, well-being, induction, competence development, and an equal and fair work culture of its personnel. Attention is also paid to human rights and equality in the partner network. An appreciative and responsible way of working is reflected in both internal and external cooperation.

Employee survey 2025

In 2025, Merus Power continued to invest in well-being at work, leadership and employee satisfaction. In the 2025 employee survey, employee satisfaction was 9/10, and the eNPS score was +43. Especially the physical work environment as well as processes and information flow were identified as areas for development. These were addressed through various development projects and guidelines.

In the 2025 personnel survey, the survey tool was changed, and the question formulation was partially renewed, which is why not all responses are comparable.

Personnel satisfaction



Employee rating for Merus Power as an employer based on the annual personnel survey, scale 1 to 10.

Safe workplace

Safety is at the heart of everything Merus Power does. The company has a certified occupational health and safety system in accordance with the ISO 45001 standard, which is regularly audited internally and externally, and all new employees are trained in occupational safety matters. The goal is a safety culture in which there are no occupational accidents. The occupational safety goal is to reduce the TRIF (number of accidents in relation to hours worked) below 10 and achieve zero serious occupational accidents by the end of 2026. Regular safety inspections and the development of ergonomics support this goal. In 2025, the TRIF was 25 and there were no serious occupational accidents.

The physical safety of the company's own production, work ergonomics, occupational safety at work sites for both the company's own and subcontractors' workforce, psychological safety in the entire work community, and work community skills were the main themes also in 2025. In 2025, a new model for monitoring occupational safety deviations was created and the safety of working conditions was proactively developed.

Work ability is maintained preventively

The work capacity and well-being at work of Merus Power's personnel are supported preventively in cooperation with occupational health experts. In 2025, noise surveys at the mill and ergonomics training were carried out, among other things, and part-time work was made possible. The company's discussion culture was also developed so that every employee can feel heard and seen.

Training

All new employees of Merus Power are trained for their duties, and the personnel's skills are developed through training that supports professional skills as well as through electrical, first aid and occupational safety courses. Training is monitored in the HR system, which ensures that all required training has been completed and that any required qualifications are valid. Other vocational training is also recorded in the HR system.

Merus Power also invests in leadership training, such as supervisor forums, 360-degree evaluations and the development of Management Team's work. In 2025, an extensive training programme for the Management Team and supervisors was launched, with the aim of strengthening a uniform and transparent leadership culture and developing ownership, taking responsibility and managing one's own work. The program will continue until spring 2026, after which the focus will be on the systematic development of teams.

More international than ever

In 2025, the company recruited 36 new employees, with an emphasis on international growth as well as a good candidate experience and transparency. On December 31, 2025, the company employed professionals from 10 different nationalities. The company ensures compliance with local regulations also for employees working abroad.

Towards pay transparency

Merus Power applies and complies with local labor laws and collective agreements in all countries. The base pay is determined by local conditions, the requirements of the work and the employee's skills and work performance. 95% of the company's employees are in full-time monthly salaried permanent employment relationships.

The company has increased salary transparency in recruitment advertisements and specified job descriptions and descriptions of job grades. Gender pay equality is already at the same level as the EU directive, and transparency is being further developed.

Stakeholder cooperation

In stakeholder cooperation, Merus Power supports people in particular children and young, for example through donations and event cooperation. The company actively participates in the development of young people's working life skills and in increasing the attractiveness of the technology sector.

FINANCIAL RESPONSIBILITY AND GOOD GOVERNANCE

Sustainable growth

Merus Power operates in accordance with ethical business rules and continuously develops its operations and corporate culture to enable growth and security. Information security and cybersecurity are an integral part of both products and day-to-day operations.

Code of Conduct

Merus Power conducts its business in accordance with generally accepted business ethics principles and respects human rights as defined by the UN, as well as the rights of children and employees. The company operates in accordance with EU regulations and, if necessary, checks the backgrounds of customer companies and partners, including solvency and possible connections to sanctions and persons subject to sanctions. The company has a whistleblowing channel in place to detect and investigate misconduct.

An OKR procedure helps prioritize the right things

Merus Power has an OKR (Objectives and Key Results) management procedure in place to ensure the progress of development projects and to prioritize the right things while growing.

Cooperation with and audits of the largest suppliers

Quality and responsibility are also key in the supply chain. The aim is to procure components and parts from within the EU, and the responsibility of suppliers is ensured through audits and agreements. For example, Merus Power uses large, globally known companies as battery suppliers, whose sustainability reporting is in order and verifiable. A need to improve in this area has been identified, and the company has set one of its sustainability goals to improve its suppliers' ESG assessments by the end of 2026. In 2025, assessments and regular cooperation with suppliers were increased.

Information security and GDPR

Merus Power protects the confidentiality, integrity and availability of the information of both its customers and its own business and is committed to meeting the information security and data protection requirements set by customers and regulations.

Merus Power complies with the requirements of the EU NIS2 Directive and GDPR regulations and is registered as a NIS2 operator with the Finnish Energy Authority.

The company maintains a risk-based information security management system in which risks are managed with the help of skilled personnel, documented processes and efficient technologies. All employees participate in maintaining information security through continuous training.

In 2025, Merus Power developed its information security management system and launched a project aimed at ISO27001 certification by the end of 2026. The company ensures that its partners and product technologies also meet the information security requirements set for them.

Merus Power complies with the GDPR directive in data storage and ensures that unnecessary data is destroyed safely.

Power quality solutions globally
– large orders and modernizations

Power quality and energy efficiency are the cornerstones of industrial competitiveness. In 2025, Merus Power delivered solutions to its customers that improve power quality in a wide variety of applications – from heavy process industries to critical infrastructure.

Internationally, the most significant order was the largest single active filter delivery to Egypt in the company's history. The order, worth approximately EUR 6 million, is related to a government infrastructure development project in which active filters are used to improve the energy efficiency and reliability of VSD motors and to reduce harmonic distortion and disturbances in the grid. The order proves that Merus Power's standard product, Merus® A2, is able to scale to large entities and demanding conditions.

The operating model developed in Egypt also relies on local expertise: commissioning and site management are carried out in cooperation with the company's partner ETA Electric, which ensures smooth progress and the necessary knowledge of local conditions at the site.

Another project that is proof of a long-term customer relationship was agreed with Suez Steel Company. Merus Power and Suez Steel started already their second joint project to modernize the steel mill's massive static reactive power compensator (185 Mvar). The modernization improves the plant's power quality and reduces the need for maintenance. Merus Power's share of the contract is approximately EUR 1 million, and the commissioning will take place at the beginning of 2026.

In Finland, the expertise in power quality was reflected in the million-euro-class modernization order for a static VAR compensator signed with Aurora Infrastructure Oy. This is also the second project with the same customer. Modernizations, typically worth around 2 million euros, extend the life cycle of the equipment, improve the plant's energy efficiency and ensure network stability in an industrial environment.

All these deliveries demonstrate Merus Power's ability to address power quality challenges in different ways: with standardized active filters for infrastructure, customized modernizations for industry, and strengthening long-term trust.

Report by the Board of Directors for 2025

Merus Power in brief

Merus Power is a Finnish technology company that promotes green energy transition and operates in global and rapidly growing markets. The company contributes to the electrification of society by solving the challenges posed to power grids by the transformation of energy production. The company designs, manufactures and sells innovative electrical technology solutions such as energy storage systems, power quality solutions and services for the needs of renewable energy and industry. With its scalable technology, the company enables the growth of renewable energy production and use in power grids and improves the energy efficiency of society.

Company structure

The Group's parent company is Merus Power Plc. The company's head office, product development, production facilities and other key functions are in Ylöjärvi, Finland. The Group has a subsidiary, Merus Power Asia-Pacific Pte Ltd, in Singapore, and a subsidiary, Merus Power Hong Kong Limited in Hong Kong, which has not engaged in business operations during the reporting period. The Group also has the subsidiaries Lempäälän Tasapainotus Oy, that serves as the company's product development environment, and Juhanilan Tasapainotus Oy, which is a company established during the construction phase of an energy storage facility built for a customer. The company also has several wholly owned project companies to enable project development related to the energy storage business. Additionally, Merus Power Plc has sales offices in Germany, in the United Arab Emirates and Colombia as well as an office in Helsinki, Finland.

Business development in 2025

The continuation of the green transition, electrification and the transformation of the energy system supported Merus Power's business development in 2025. The company's net sales grew to a record EUR 54.6 (35.8) million. Net sales growth was supported by modular energy storage deliveries and continued good demand for power quality solutions. Demand remained strong in all of the company's key market areas.

The total amount of new orders received during the financial year was EUR 48.0 (53.6) million, and the order book at the end of the year was approximately EUR 24 million. The most significant deliveries of the year were the largest single active filter delivery in the company's history to Egypt and the energy storage projects developed by Merus Power for eNordic and Exilion.

In the energy storage business, the company achieved significant technological advances. During the year, the first grid forming energy storage facilities in the Nordic countries were commissioned for Alpiq and eNordic. This strengthened the company's position as a technological pioneer in the rapidly developing energy storage market. The internationalization of the energy storage business progressed with the company signing two contracts in Poland, thus expanding its operations to new markets.

During the year, the company signed several energy storage supply contracts, which also include lifecycle services. The deliveries support the company's strategy to provide end-to-end solutions covering system design, delivery, commissioning and maintenance. In power quality solutions, the company received several significant orders from domestic and international customers, especially for active filter and compensator solutions. Technological synergy between the power quality and energy storage businesses supports delivery efficiency and customer value growth.

The development of the service business continued systematically. The MERUSCOPE™ remote control software and trading services developed by the company supported the efficient use and optimization of the delivered systems. With the growth of product and project sales, the increasing installed base forms the basis for stable and predictable growth in the services business. The availability of energy storage facilities within the scope of lifecycle services remained at a high level.

Merus Power's EBITDA improved clearly during 2025 and was EUR 1.8 million in the financial year (EUR -0.8 million in 2024). Improved profitability was supported by the growth in net sales, the progress of the productization of deliveries and the improvement in the efficiency of own production and project deliveries. In addition, the experience and know-how accumulated from previous deliveries improved the implementation of projects. During the year, the company continued to take measures to strengthen profitability, and EBITDA was in line with the company's financial guidance.

During the financial period, Merus Power's working capital adequacy was strengthened to promote international growth and profitability in line with the company's strategy. In June 2025, the company raised approximately EUR 2.0 million in a directed share issue, and in November 2025, Merus Power and Nefco, the Nordic Green Bank, agreed on a EUR 5 million loan to support the company's growth and market position.

Significant events during the financial period

Energy storage business

- The company received an order worth EUR 13 million for a battery energy storage facility in Riihimäki (company announcement on February 13, 2025), two first international orders for energy storages in Poland, totaling approximately EUR 4.5 million (company announcement on August 13, 2025 and press release on September 18, 2025) as well an order worth EUR 17 million for an energy storage facility in Mäntyharju, Finland.
- The company commissioned an energy storage facility it had built for itself for product development and testing (press release on March 25, 2025).
- The company commissioned the first grid forming energy storage system in the Nordic countries in Valkeakoski, Finland (press release on October 30, 2025).

Power quality business

- The company signed agreements in Egypt and Finland to modernize steel plants' static VAR compensators. Total value of the agreements was approximately EUR 3 million (press releases on May 23, 2025 and on June 16, 2025).
- The company received the biggest order for active filters in its history in Egypt. The value of the order is approximately EUR 6 million (company announcement on June 4, 2025).

Other events

- The company strengthened its financing and financial structure through a directed share issue raising approximately EUR 2.0 million (company announcement on June 18, 2025) and through a EUR 5 million loan to support growth and market position (press release on November 18, 2025).
- The company carried out a directed share issue against payment to hedge and implement the incentive plan for the personnel (company announcement on November 24, 2025).

Net sales, profitability and result

- The Group's net sales January 1–December 31, 2025 were EUR 54.6 (35.8) million. Net sales grew 52.5% year on year. Growth was supported by modular energy storage deliveries and continued stable sales of power quality solutions.
- EBITDA was EUR 1.8 (-0.8) million or 3.3 (-2.2) % of net sales.
- EBIT was EUR 0.3 (-2.1) million or 0.6 (-5.7) % of net sales.
- The increase in profitability was particularly affected by improved cost-efficiency.
- Result for the financial period was EUR -1.1 (-2.7) million.
- Undiluted earnings per share were EUR -0.14 (-0.35). .

Balance sheet, financing and cash flow

- On December 31, 2025, balance sheet total of the Group was EUR 28.8 (26.7) million.
- Total equity was EUR 10.4 (9.5) million.
- Interest-bearing net debt on December 31, 2025 was EUR 2.9 (-1.2) million and net gearing 27.6 (-12.2) %.
- Equity ratio was 36.1 (35.7) %.
- Equity per share was EUR 1.27 (1.24).
- Liquid assets were EUR 5.0 (3.0) million.
- Cash flow from operating activities January 1–December 31, 2025 was EUR -3.0 (5.0) million.

Research and product development

In 2025, the focus of Merus Power's product development was on the development of energy storage facilities. The company introduced the first grid forming energy storage system in the Nordic countries. It includes a grid forming converter that balances the grid without the need for external frequency or voltage control.

During the year, the company also introduced the MERUSCOPE™ trading system for the reserve market for commercial use and developed hybrid control of the energy storage facility and the electric boiler, which was introduced to the reserve market using the MERUSCOPE™ trading system. Energy storage customers can participate in the different marketplaces offered by the electricity market, depending on what offers the best return in each market situation. The properties of energy storage facilities have been developed to correspond to the network codes required by different marketplaces.

In power quality solutions, the company continued the product development of the PCS grid converter developed for energy storage facilities by modifying it into a power quality compensator suitable for use in industrial applications. The performance of the active filters was improved by developing the control algorithms of the product's software, and at the same time, new features were introduced to the software.

Investments in the development of information security to meet the requirements of the latest regulations have also been made in all product areas.

Personnel

During the financial year 2025, the company employed on average 141 people (in 2024, on average 117). At the end of the financial year, the company employed a total of 146 people (December 31, 2024: 127).

Management Team

On December 31, 2025, the members of Merus Power Plc's Management Team were Kari Tuomala, CEO; Rainer Antila, CFO; Markus Ovaskainen, Sales and Marketing Director; Mikko Marttala, Finance and Project Development Director; Jyri Öörni, CTO; and Jarkko Latonen, Factory Operations and Quality Director.

Board of Directors

On December 31, 2025, the members of Merus Power Plc's Board of Directors were Tapani Kiiski (Chairman), Anne Koutonen, Vesa Riihimäki and Martin Backman.

In 2025, the Board of Directors convened 28 times, and participation was 97.3%.

General Meetings of Shareholders

The Annual General Meeting of Merus Power Plc was held on March 17, 2025 in Tampere, Finland. The General Meeting adopted the annual accounts for the financial year 2024 and granted a discharge from liability to the Board members and CEO. As proposed by the Board, the General Meeting resolved that the loss shown in the financial statements be entered in the account for profit and loss and that no dividend be distributed.

The General Meeting approved the proposed Remuneration Report for 2024.

The General Meeting resolved that the number of Board members shall be four. Tapani Kiiski, Anne Koutonen and Vesa Riihimäki were re-elected as Board members were and Martin Backman was elected as a new Board member.

The General Meeting resolved the annual remuneration for the Board members to be EUR 50 000 for the chairman and EUR 30 000 for each of the other ordinary members. Furthermore, the General Meeting resolved that the travel expenses of the Board members will be reimbursed in accordance with the company's travel policy.

The audit firm Moore Idman LLC was re-elected as the auditor for the term ending at the end of the next Annual General Meeting. Jussi Savio continues as the key audit partner. The General Meeting resolved the auditor's fee to be paid based on invoices approved by the company.

The authorized sustainability audit firm Moore Idman LLC was elected as the sustainability reporting assurer for the term ending at the end of the next Annual General Meeting. APA Jussi Savio is the key sustainability partner. The General Meeting resolved the sustainability reporting assurer's fee to be paid based on invoices approved by the company.

The Board of Directors was authorized to decide on the issue of shares and special rights entitling to shares in accordance with its proposal.

In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Tapani Kiiski as its Chairman.

Auditor

In the Annual General Meeting held on March 17, 2025, the auditing firm Moore Idman Oy was elected to be the company's auditor with APA Jussi Savio as the key audit partner.

Sustainability reporting assurer

In the Annual General Meeting held on March 17, 2025, the authorized sustainability audit firm Moore Idman LLC was

elected as the sustainability reporting assurer with APA Jussi Savio as the key sustainability partner.

In 2025, the company has not produced a sustainability report. In connection with the annual report, the company publishes a sustainability statement that has not been verified.

Share and shareholders

On December 31, 2025, Merus Power's fully paid and registered share capital was EUR 270 000, and the number of shares was 8 217 050 (7 673 416). Average number of shares during the financial period was 7 945 233 (7 659 191).

To ensure the sufficiency of the working capital needed to finance the growth, the company carried out a directed share issue on June 18, 2025, in which 442 634 new shares were subscribed. Trading in the new shares commenced on June 25, 2025.

The company has one class of shares, all with equal voting rights as well as right to dividends and the company's assets. The company did not hold any treasury shares during the financial year. On December 31, 2025, the company had 4 597 (4 727) shareholders.

Summary of trading on Nasdaq First North Growth Market Helsinki

January 1–December 31, 2025

	2025	2024
Lowest rate, EUR	3.72	3.03
Highest rate, EUR	6.08	5.80
Average rate, EUR	4.86	4.27
Closing rate, EUR	4.37	3.71
Market value, EUR million	35.90	28.50
Number of shareholders	4 597	4 727
Shares traded, pcs	909 263	1 193 229
Trading of total number of shares, %	11.1%	15.6%
Value of traded shares, EUR million	4.42	5.10

Major registered shareholders by number of shares on December 31, 2025

SHAREHOLDER	NUMBER OF SHARES	% OF SHARES
Tuomala Kari Antero	1 497 144	18.22
Ahlstrom Invest B.V	1 231 890	14.99
Keskinäinen Työeläkevakuutusyhtiö Varma	397 686	4.84
Sijoitusrahasto Aktia Capital	397 686	4.84
Power Fund III Ky	340 661	4.15
Laakso Risto Juhani	329 360	4.01
Öörni Jyri Jaakko	329 360	4.01
Holdix Oy Ab	303 822	3.70
Turret Oy Ab	301 791	3.67
Keskinäinen Työeläkevakuutusyhtiö Elo	296 667	3.61
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	259 808	3.16
Leinonen Aki Johannes	231 224	2.81
Ensto Invest Oy	123 140	1.50
Innocap Oy AB	112 189	1.37
Allshares Hedging 5 Oy	100 000	1.22
Umo Capital Oy	83 651	1.02
Umo Invest Oy	83 651	1.02
Antila Rainer Olavi	63 139	0.77
Sijoitusrahasto Säästöpankki Pienyhtiöt	61 271	0.75
Vakuutusosakeyhtiö Henki-Fennia	53 294	0.65
20 biggest total	**6 597 434**	**80.29**

Incentive programs

On April 1, 2021, the company's Board of Directors decided on a share option program and granted a maximum of 150 000 option rights that entitle to subscribe to an equal number of the company's A-series shares. The issue price for one share is EUR 3.32. The issue price per share can be lowered, if, before the issuance of shares, the company grants new shares to existing shareholders relative to the percentage of their current shareholdings. However, the minimum issue price per share is always at least EUR 0.01.

The share subscriptions based on the option programs must take place in the period December 31, 2023 – December 31, 2026. The stock options have been allocated to the company's key employees and employees in a permanent employment relationship. On December 31, 2025, stock options were held by 13 key employees and employees in a permanent employment relationship in the company.

The outstanding option programs are presented in the table below.

Option progam	Total number of options, pcs	Subscribed, pcs	Not yet subscribed, pcs	Subscription price, EUR	Subscription period
2021	150 000	30 450	119 550	3.32	Dec 31, 2023–Dec 31, 2026

On March 28, 2025, the Board of Directors of Merus Power Plc decided to establish a new share-based incentive plan for key employees of the Group. The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to commit key employees to implement the company's strategy, objectives and long-term interest and to offer them a competitive incentive plan based on earning and accumulating the company's shares. The Performance Share Plan 2025–2029 consists of three performance periods, covering the financial years 2025–2027, 2026–2028 and 2027–2029 respectively. The Board of Directors will resolve annually on the commencement and details of a performance period. The performance criteria of the first performance period are tied to the company's Total Shareholder Return, EBITDA margin during financial year 2027 and revenue during financial years 2025–2027. The value of the rewards to be paid based on the first performance period corresponds to a maximum total of 222 000 shares of Merus Power Plc, including also the proportion to be paid in cash. The maximum gross amount of rewards based on the first earning period is a total of EUR 1.25 million, calculated at the closing price on March 13, 2025. The target group of the performance period 2025—2027 consists of approximately 16 key employees, including the members of the Management Team and the CEO.

Sustainability, environment, and well-being of personnel

Merus Power is committed to the goals specified in the UN Sustainable Development Agenda, which take equal account of the environment, economy and people. The company's business has been born to meet the new energy production requirements created by sustainable development. The technology designed and manufactured by Merus Power plays a significant role in mitigating climate change and global warming.

The key objectives of Merus Power's products are the use of renewable energy, improved power quality and energy efficiency. The company's energy storage systems enable the integration of renewable energy into the power grid and create new kinds of revenue models to its customers. Merus Power's power quality solutions, on the other hand, reduce disturbances in electricity, thereby improving process efficiency and reliability, as well as the profitability of customers' operations. Solutions that enable better power quality in industrial and commercial applications contribute to the reduction of carbon dioxide emissions.

The company also considers the requirements of sustainable development in our own operations. An essential part of its turnkey deliveries is the preparation of the necessary environmental studies and considering the issues arising from them in the planning of the project. The design of Merus Power's energy storage facilities, on the other hand, takes into account that nothing is released from the batteries into the atmosphere, water or soil. Additionally, battery types that are not highly flammable have been selected.

Merus Power continuously strives to develop its operations and corporate culture into increasingly optimal enablers of growth and safety. The company invests in training and systematic development at all levels of its organization. The annual personnel survey is used to identify areas for development that need to be addressed.

In 2025, Merus Power continued to implement the sustainability plan approved by the company's Board of Directors. In terms of environmental responsibility, the aim is to reduce energy consumption and carbon dioxide emissions, especially in the Scope 1 and Scope 2 categories (energy produced by the company itself and vehicles owned by the company, as well as energy purchased by the company), and the company is committed to halving its Scope 1 and Scope 2 carbon dioxide emissions calculated under the GHG Protocol from 2022 levels by the end of 2026. In addition, the goal is to reduce the waste generated in the factory's production and the electrical energy consumption of the head office and the factory by 2% annually in relation to net sales in 2024–2026. Other targets defined by the Board of Directors are that selected key suppliers in the supply chain will undergo ESG assessments by the end of 2026 and that there would be no occupational accidents in the company's production.

In addition to its own personnel, Merus Power's social responsibility extends extensively to society. The company invests in the safety, well-being, orientation, competence development, and an equal and fair work culture of its personnel. Attention is also paid to human rights and equality in the partner network. In 2025, special emphasis was placed on occupational safety, pay transparency, and the training of the Management Team and supervisors.

Near-term risks and uncertainties

Through risk management, Merus Power supports the achievement of its strategic and operational goals while safeguarding the continuity of its own and its customers' operations in changing circumstances. The company's risk management is comprehensive and emphasizes risk anticipation and systematic, timely action. Risk management is part of daily operations. In addition to business risks, the identification and management of risks related to sustainable development play a key role.

Geopolitical tensions have remained high, which increases uncertainty in energy policy, economic forecasts and international trade. Increasing global trade tensions and abruptly changing tariffs may hamper trade growth and make it difficult to predict the costs of long-term investment and delivery projects. Economic forecasts remain moderate. (IMF, OECD)

The political significance of the green transition has remained strong, but there are uncertainties about its progress. The climate targets have remained unchanged. Lack of political consensus, as well as geopolitical uncertainty, slow economic growth and prudent financial markets may slow down investment decisions, in particular the progress of projects supported by public funding. This can have an impact on the adoption of green technology and the achievement of climate goals.

Merus Power's products are part of long-term investment projects in which changes in the costs of materials, components and logistics cannot always be passed on to the prices of end products. The general increase in component costs and sudden changes in customs duties increase the risk to the achievement of profitability targets, especially in projects where the cost structure is locked in at an early stage. The availability of components has improved overall, but there may still be individual bottlenecks in production chains.

The availability of batteries has improved, and the price level has decreased, which has increased price competition in the energy storage market and may affect the pricing and margins of deliveries. The concentration of the supplier network in China and the rest of Asia continues to increase geopolitical risk. Challenges related to transportation and logistics can affect delivery times and freight costs. In addition, the requirements and costs related to the practical application of the new EU battery legislation and the recycling of batteries are still partly unclear, which adds uncertainty to the forecasting of the life cycle costs of batteries.

Cyber security is one of society's growing challenges. The energy industry and power networks are critical infrastructure, and the importance of software and digital solutions in Merus Power's business is growing. The cybersecurity requirements that entered into force and became more specific in 2025, including legislation based on the EU's NIS2 directive, have tightened the requirements for information security management and reporting. Merus Power is constantly developing its operations and products to protect against cyber security risks, for example, through information security updates, personnel training and expert cooperation. The company also sees the tightening of cybersecurity requirements as a competitive factor.

Market outlook

Economic development

According to the economic forecasts published in the OECD and International Monetary Fund reports at the end of 2025 and the beginning of 2026, the global economy will continue to grow at a moderate pace. The geopolitical situation and tariff policy will increase trade tensions and may affect economic forecasts. Economic growth in the EU is forecast to remain at a low level during 2026. In the United States, economic growth is stronger than in the EU area. In Asia, good economic growth is forecast for India and China.

The International Energy Agency estimates that the electricity sector will grow faster than the global economy. With electrification, the demand for electricity is predicted to grow faster than the total demand for energy. Electricity consumption is increased especially through increased number of data centers, the electrification of traffic and the increase in the need for cooling air conditioning.

Energy storage market

The number of grid-connected energy storage facilities in Europe has increased sharply, with the installed capacity exceeding 13 GW in 2024. The growth is driven by the increase in the share of renewable electricity production, which will increase the need for flexibility, frequency management and temporal transmission of energy in electricity systems. The importance of energy storage facilities as part of the European electricity system continues to strengthen, and the market is expected to grow rapidly during the current decade.

The energy storage market in Europe is expected to as much as quadruple by 2030. The company estimates that the annual size of the new energy storage market was approximately EUR 4 billion in 2024, and it is estimated to grow to nearly EUR 16 billion by 2030. The strategically suitable market for Merus Power is currently estimated to be approximately EUR 1 billion. The estimates involve uncertainty regarding the power classes of energy storage facilities, as the costs of battery technology are falling rapidly. At the same time, there is a shift towards larger energy storage solutions with longer duration.

In Northern Europe, the energy storage market has developed rapidly, driven especially by the reserve market. In Finland, the number of energy storage facilities is already close to the forecasted reserve requirement, as a result of which market growth is likely to slow down in the next few years in reserve-based revenue models. At the same time, the market's focus is shifting towards other revenue models, such as arbitrage based on electricity price fluctuations, which is reflected in the growing interest in larger solutions with energy capacity of up to four hours. The European energy storage market is competitive, and its technological solutions are partly standardized. This highlights the importance of cost-effective supply chains, scalable solutions and project management, especially in markets dominated by private investors and energy companies. For geopolitical and cyber security reasons, we believe that European solutions will gain a qualitative competitive advantage over Chinese critical infrastructure projects, strengthening the competitiveness of operators such as Merus Power.

Power quality market

The market outlook for power quality improvement solutions has remained largely unchanged compared to the previous year. The general uncertainty in the market environment has delayed customers' investment decisions during the past year.

The harmonic filter market related to the company's product offering is currently estimated to be just over USD 1 billion and to grow to just under USD 3 billion by 2034. The size of the market for the company's offering is several hundred million euros. The company has an optimistic view on the market development in the next few years, and growth is supported especially by the increase in industrial VFD motor applications and rapidly growing data center investments, which emphasize power quality management, energy efficiency and the dynamic controllability of systems. Geographically, the market is divided into Europe and the faster-growing Asian and American markets, in the latter of which data center projects in the United States in particular constitute a significant and rapidly growing demand segment. In Asia, the market is characterized by strong price competition, while in Europe and North America, the quality, reliability, scalability and service capability of solutions are emphasized in system deliveries.

The total market for STATCOM and static VAR compensators for medium and high voltage power quality solutions is currently estimated to be approximately USD 1.5 billion, and it is estimated to grow to more than USD 2 billion by 2032. The size of the market related to the company's focus is estimated to be a few hundred million euros. In addition, the company sees growth potential in the modernization of existing SVC systems, the total potential of which, according to the company's estimate, is also in the order of a few hundred million euros. The company has an optimistic view on the market development in the next few years. The market includes several segments, such as infrastructure projects, renewable energy and heavy industry power quality applications, which typically utilize STATCOM-type compensator solutions. Heavy industry is a key market for the company, and the transition to carbon-neutral production in the metal industry increases the need for power quality solutions, especially as electric arc furnace production becomes more common. At the same time, the growth of renewable energy production and the need to compensate for its power quality in Europe and the Americas create significant growth potential for the coming years. In addition, the market is seen as having opportunities in electricity network development projects, rail transport and hydrogen production applications.

Strategy and financial targets

Merus Power's strategic goal is to increase the company's sales, improve profitability and strengthen the company's market position in the sustainable energy transition. Merus Power aims for strong growth, especially in the energy storage market and renewable energy integration and aims to grow faster than the market in the global market for power quality solutions.

The cornerstones of Merus Power's strategy are

- scalable product portfolio
- multi-channel sales strategy
- growth of energy storage business in Europe
- local and global presence in power quality solutions
- increasing the share of services

Financial targets for the strategy period (2021–2026):

These strategic targets were issued in 2021 and are not the company's financial guidance for 2026.

- achieve net sales of EUR 80 million in 2026 primarily through organic growth
- average EBITDA margin of more than 15% of net sales
- equity ratio of more than 35 percent

	NET SALES EUR 1 000	EBITDA %	EQUITY RATIO, %
2021	14 770	5.6	64.0
2022	16 204	3.6	52.5
2023	29 031	0.6	57.1
2024	35 834	-2.2	35.7
2025	54 648	3.3	36.1

Events after the end of the financial year

On January 27, 2026, Merus Power published a company announcement on a EUR 13 million energy storage transaction with Neve Oy.

Financial guidance for 2026

Merus Power estimates that the company's net sales will grow and that EBITDA will be EUR 2–4 million.

Board of Directors' proposal on the handling of the result for the financial year

The Board of Directors proposes to the Annual General Meeting that the loss of EUR 1.1 million for the financial year be transferred to the retained earnings account of previous years and that no dividend be paid for the financial period January 1–December 31, 2025.

Annual General Meeting 2026

Annual General Meeting of Merus Power Plc is planned to be held on March 19, 2026. The company's Board of Directors will convene the General Meeting at a later date.

Other announcements and events

Releases

February 13, 2025 Insider information: Merus Power wins 13-million-euro energy storage order from eNordic – new solution strengthens Finland's power grid

March 25, 2025 Merus Power built its own energy storage facility in Lempäälä, Finland: mainstay for developing and testing new technology

March 28, 2025 Merus Power Plc establishes a new share-based incentive plan for key employees

May 16, 2025 One of Finland's largest energy storage facilities commissioned in Lappeenranta – Merus Power's EUR 15 million delivery completed

May 23, 2025 Merus Power wins an agreement of EUR 1 million with Suez Steel Company in Egypt for the modernization of a compensator

June 4, 2025 Insider information: Merus Power receives significant order of 6 million euros from Egypt

June 16, 2025 Merus Power signs an agreement worth millions for the modernization of a compensator in Finland

June 18, 2025 Insider information: Merus Power Plc intends to carry out a directed share issue by means of an accelerated bookbuilding process

June 18, 2025 Insider information: Merus Power Plc successfully completes a directed share issue raising approximately EUR 2.0 million

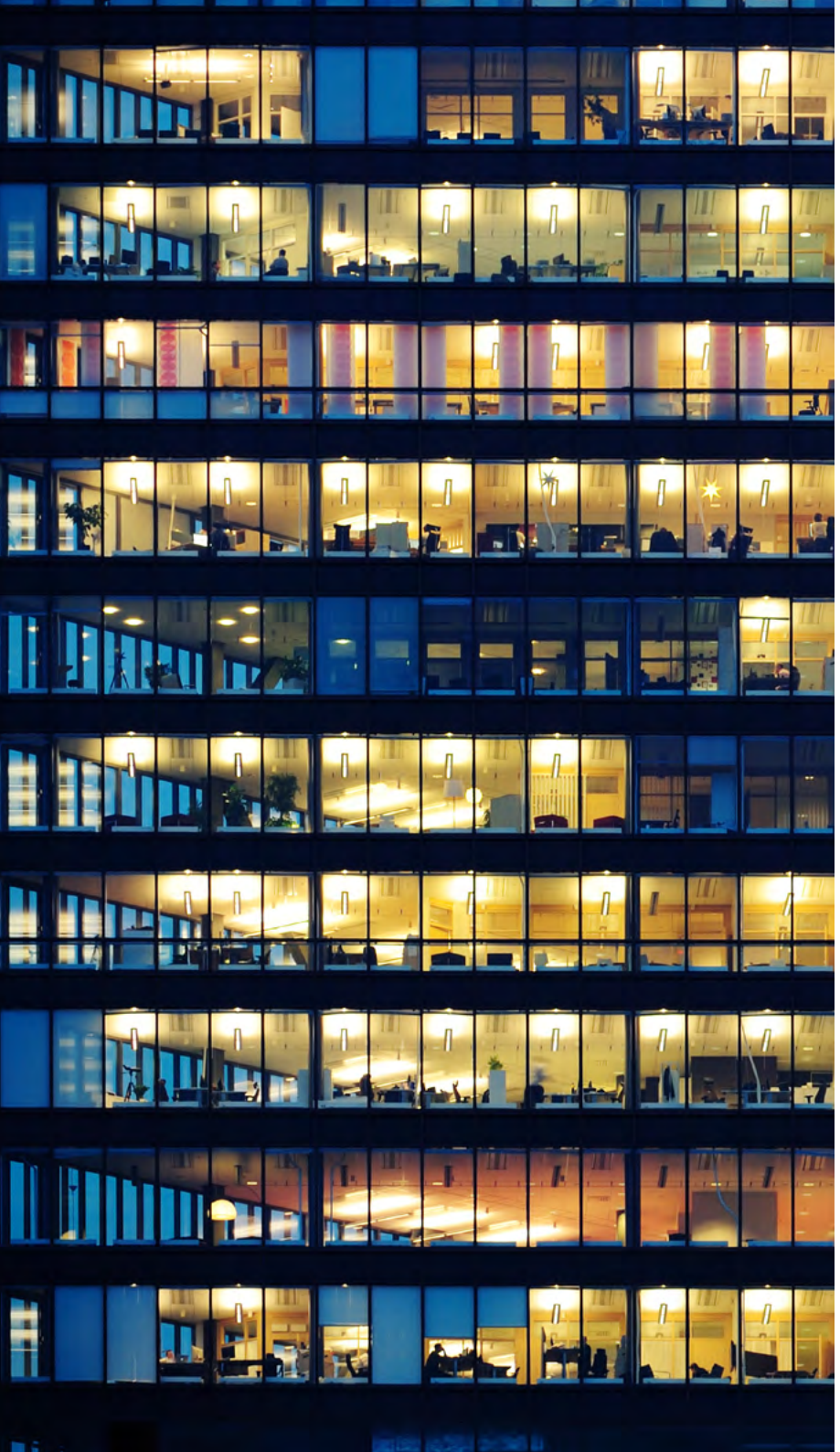
August 13, 2025 Insider information: Merus Power delivers energy storage system to Poland – order worth about €2.5 million opens doors to Central Europe

September 18, 2025 Merus Power to deliver second energy storage facility to Poland

September 19, 2025 Merus Power Plc: Subscription of shares with option rights 2021

October 30, 2025 Important launch from Merus Power – new energy storage technology in the Nordics

October 31, 2025 Inside information: Merus Power to deliver EUR 17 million energy storage system to Exilion



Key figures

1 000 EUROS	2025	2024	2023
Net sales	54 648	35 834	29 031
Change from previous year	52.5%	23.4%	79.2%
Operating margin (EBITDA)	1 815	-798	187
% of net sales	3.3%	-2.2%	0.6%
Operating result (EBIT)	318	−2 055	−509
% of net sales	0.6%	−5.7%	−1.8%
Profit (loss) for the financiaal year	-1 115	−2 654	−798
Earnings per share, diluted, EUR	-0,14	−0,35	−0,10
Earnings per share, undiluted, EUR	-0,13	−0,34	−0,10
Equity per share, EUR	1.27	1.24	1.58
Balance sheet total	28 834	26 711	21 189
Equity	10 401	9 533	12 092
Return on equity, %	-11.2%	−24.5%	−6.4%
Interest-bearing net liabilities	2 870	-1 167	1 400
Net gearing ratio, %	27.6%	-12.2%	11.6%
Equity ratio, %	36.1%	35.7%	57.1%
Liquid assets	5 038	2 970	2 615
Cash flow from operating activities	-3 034	4 978	42
Number of shares	8 217 050	7 673 416	7 644 966
Average number of shares	7 945 233	7 659 191	7 644 966
Order book	48 030	53 626	33 805
Orders received	24 479	29 953	13 841
Number of personnel on average	141	117	88

Financial statements

January 1–
December 31, 2025

Financial statements January 1–December 31, 2025

CONSOLIDATED INCOME STATEMENT	1.1.2025–31.12.2025	1.1.2024–31.12.2024
EUR 1 000 unless otherwise indicated		
NET SALES	**54 648**	**35 834**
FInished and unfinished products		
increase (+) or decrease (-) in inventories	-2 104	1 380
Manufacture for own use (+)	1 419	2 483
Other operating income	108	786
Materials and services		
Raw materials, supplies and consumables	-28 326	−22 198
Purchases during the financial year	-28 229	−24 081
Increase (+) or decrease (-) in inventories	-97	1 883
External services	-8 208	−6 542
Total materials and services	−36 534	−28 740
Personnel expenses		
Salaries and remuneration	-8 542	-6 756
Social security expenses		
Pension expenses	-1 467	−1 121
Other social security expenses	-264	−167
Total personnel expenses	−10 273	−8 044
Depreciation, amortization and impairment		
Depreciation according to plan	-1 497	−1 257
Total depreciation, amortization and impairment	-1 497	−1 257
Other operating expenses	-5 450	−4 498
OPERATING PROFIT (LOSS)	**318**	**−2 055**
Financial income and expenses		
Other interest and financial income	48	67
Impairment losses on financial securities held as current assets	0	20
Interest and other financial expenses	−1 481	−685
PROFIT BEFORE APPROPRIATIONS AND TAXES	**-1 115**	**−2 654**
Taxes	0	0
PROFIT (LOSS) FOR THE FINANCIAL PERIOD	**−1 115**	**−2 654**

CONSOLIDATED BALANCE SHEET	31.12.2025	31.12.2024
EUR 1 000 unless otherwise indicated		
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenses	3 452	3 238
Intangible rights	34	35
Other intangible assets	1 254	1 396
Total intangible assets	4 740	4 669
Tangible assets		
Property lease rights	35	35
Machinery and equipment	1 648	240
Prepayments and acquisitions in progress	22	0
Total tangible assets	1 705	275
Investments	1	0
TOTAL NON-CURRENT ASSETS	**6 446**	**4 945**
CURRENT ASSETS		
Inventories		
Materials and supplies	5 563	5 659
Work in progress	293	2 361
Finished goods	1 017	1 052
Prepayments	99	58
Total inventories	6 972	9 131
Non-current receivables		
Current receivables		
Trade receivables	3 961	4 072
Receivables from the Group	0	2
Loan receivables	1	0
Other receivables	859	180
Accrued income	5 557	5 413
Total current receivables	10 378	9 667
Financial securities	1 000	276
Cash and cash equivalents	4 038	2 694
TOTAL CURRENT ASSETS	**22 388**	**21 767**
TOTAL ASSETS	**28 834**	**26 711**

CONSOLIDATED BALANCE SHEET	31.12.2025	31.12.2024
EUR 1 000 unless otherwise indicated		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	270	270
Other reserves		
Reserve for invested unrestricted equity	19 591	17 595
Total other reserves	19 591	17 595
Profit/loss for previous financial years	-8 345	−5 678
Profit/loss for the financial year	-1 115	−2 654
TOTAL EQUITY	**10 401**	**9 533**
MANDATORY PROVISIONS		
Other mandatory provisions	189	119
TOTAL MANDATORY PROVISIONS	**189**	**119**
LIABILITIES		
Non-current liabilities		
Non-current loans from financial institutions	5 525	983
Total non-current liabilities	5 525	983
Current liabilities		
Loans from financial institutions	2 383	820
Advances received	1 975	4 916
Trade payables	5 741	9 092
Other liabilities	213	178
Accruals and deferred income	2 407	1 070
Total non-current liabilities	12 719	16 076
TOTAL LIABILITIES	**18 244**	**17 059**
TOTAL EQUITY AND LIABILITIES	**28 834**	**26 711**

CONSOLIDATED CASH FLOW STATEMENT	31.12.2025	31.12.2024
EUR 1 000 unless otherwise indicated		
CASH FLOW FROM OPERATING ACTIVITIES		
EBIT	318	−2 055
Adjustments	1 554	1 234
Change in working capital	-3 473	6 398
Financial income and expenses	-1 432	−599
Taxes	0	0
Cash flow from operating activities	-3 034	4 978
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	−2 998	−2 505
Net cash flow from investing activities	−2 998	−2 505
Cash flow before cash flows from financing activities	-6 032	2 473
CASH FLOW FROM FINANCING ACTIVITIES		
Change in non-current loans	4 542	-820
Change in current loans	1 564	-1 393
Share issue against payment	1 995	94
Total cash flow from financing activities	8 101	-2 118
Change in cash and cash equivalents	2 068	355
Cash and cash equivalents at beginning of year*)	2 970	2 615
Cash and cash equivalents at end of year *)	5 038	2 970

(*) Cash and cash equivalents include cash and bank receivables and financial securities

PARENT COMAPNY INCOME STATEMENT	1.1.2025 – 31.12.2025	1.1.2024 – 31.12.2024
EUR 1 000 unless otherwise indicated		
NET SALES	**55 833**	**35 834**
Finished and unfinished products		
increase (+) or decrease (-) in inventories	-2 104	1 380
Manufacture for own use (+)	1 419	2 483
Other operating income	108	786
Materials and services		
Raw materials, supplies and consumables	−29 600	−22 198
Purchases during the financial year	−29 504	−24 081
Increase (+) or decrease (-) in inventories	-97	1 883
External services	−8 208	−6 542
Total materials and services	-37 809	−28 740
Personnel expenses		
Salaries and remuneration	−8 542	−6 707
Social security expenses		
Pension expenses	-1 467	−1 121
Other social security expenses	-264	−167
Total personnel expenses	−10 273	−7 994
Depreciation, amortization and impairment		
Depreciation according to plan	-1457	-1 257
Total depreciation, amortization and impairmanet	-1 457	-1 257
Other operating expenses	−5 415	−4 541
OPERATING PROFIT (LOSS)	**304**	**−2 048**
Financial income and expenses		
Other interest and financial income	48	67
Impairment losses on financial securities held as current assets	0	20
Interest and other financial expenses	-1 480	−685
PROFIT BEFORE APPROPRIATIONS AND TAXES	**−1 128**	**−2 647**
Taxes	0	0
PROFIT (LOSS) FOR THE FINANCIAL YEAR	**−1 128**	**−2 647**

PARENT COMPANY BALANCE SHEET	31.12.2025	31.12.2024
EUR 1 000 unless otherwise indicated		
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenses	3 452	3 238
Intangible rights	34	35
Other intangible assets	1 254	1 396
Total intangible assets	4 740	4 669
Tangible assets		
Machinery and equipment	320	240
Advance payments and assets under construction	22	0
Total tangible assets	343	240
Investments	8	8
TOTAL NON-CURRENT ASSETS	**5 091**	**4 917**
CURRENT ASSETS		
Inventories		
Materials and supplies	5 563	5 659
Work in progress	293	2 361
Finished products	1 017	1 052
Prepayments	99	58
Total inventories	6 972	9 131
Non-current receivables		
Non-current receivables from the Group	437	0
Current receivables		
Trade receivables	3 961	4 072
Receivables from the Group	1 433	63
Loan receivables	1	0
Other receivables	852	168
Accrued income	5 555	5 394
Total current receivables	11 802	9 697
Financial securities	1 000	276
Cash and cash equivalents	3 978	2 682
TOTAL CURRENT ASSETS	**24 188**	**21 786**
TOTAL ASSETS	**29 280**	**26 703**

PARENT COMPANY BALANCE SHEET	31.12.2025	31.12.2024
EUR 1 000 unless otherwise indicated		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	270	270
Other reserves		
Reserve for invested unrestricted equity (oy)	20 028	17 595
Total other reserves	20 028	17 595
Profit/loss for previous financial years	−8 341	−5 693
Profit/loss for the financial year	-1 128	−2 647
TOTAL EQUITY	**10 829**	**9 525**
MANDATORY PROVISIONS		
Other mandatory provisions	189	119
TOTAL MANDATORY PROVISIONS	**189**	**119**
LIABILITIES		
Non-current liabilities		
Non-current loans from financial institutions	5 525	983
Total non-current liabilities	5 525	983
Current liabilities		
Loans from financial institutions	2 383	820
Advances received	1 975	4 916
Trade payables	5 740	9 092
Payables to the group	31	0
Other liabilities	202	178
Accruals and deferred income	2 406	1070
Total current liabilities	12 737	16 076
TOTAL LIABILITIES	**18 262**	**17 059**
TOTAL EQUITY AND LIABILITIES	**29 280**	**26 703**

PARENT COMPANY CASH FLOW STATEMENT	2025	2024
EUR 1 000 unless otherwise indicated		
Cash flow from operating activities		
EBITDA	304	−2 048
Adjustments	1 527	1 234
Change in working capital	-5 286	6 350
Financial income and expenses	−1 432	−599
Taxes	0	0
Net cash flow from operating activities	-4 887	4 936
Cash flow from investing activities		
Investments in tangible and intangible assets	−1 631	−2 470
Net cash flow from investing activities	−1 631	−2 470
Cash flow before financing activities	−6 518	−2 466
Cash flow from financing activities		
Change in non-current liabilities	4 542	-820
Change in current liabilities	1 564	-1 393
Share issue against payment	2 432	94
Net cash flow from financing activities	8 538	-2 118
Change of cash and cash equivalents	2 019	348
Cash and cash equivalents at the beginning of the financial year *)	2 958	2 610
Cash and cash equivalents at the end of the financial year *)	4 978	2 958
*) Cash and cash equivalents include cash and bank receivables as well as financial securities		

NOTES & ACCOUNTING PRINCIPLES

The accounting principles presented apply to both the parent company and the Group.

The financial statements of the parent company Merus Power Plc and the Group for the financial year 2025 have been prepared in accordance with the Finnish Accounting Act.

Consolidated data
The Group's parent company is Merus Power Plc.

Companies included in the consolidated financial statements and owned by the parent company with their shares	Parent company ownership
Merus Power Asia-Pacific Pte. Ltd., Singapore	100 %
Merus Power Hong Kong Ltd., Hong Kong	100 %
Lempäälän Tasapainotus Oy	100 %
Juhanilan Tasapainotus Oy	100 %
Allshares Oy	100 %

Mutual shareholdings have been eliminated in the consolidated financial statements.
Intragroup transactions, receivables and payables have been eliminated.
The income statements of the Group's foreign companies have been converted into euros at the average exchange rate for the financial year, and their balance sheets have been converted at the exchange rate on the balance sheet date.
The figures are presented in EUR 1 000 unless otherwise indicated.

Research and development expenditure

Research and product development expenditure is recognized as an annual expense in the year in which it is incurred. Development expenditure that generates revenue for three or more years is capitalized as a long-term expenditure and depreciated over a period of 5 years.

Significant new sales revenues are expected over the next few financial years from the product development investment capitalized in the company's balance sheet.

Product development expenditure has been incurred in accordance with the company's business plan. Part of the product development expenditure has been part of development programs funded and supported by Business Finland.

Intangible and tangible fixed assets

AIntangible and tangible fixed assets are recorded in the balance sheet at their original cost less planned depreciation.

The cost of fixed assets owned by the company is depreciated in accordance with the depreciation plan.

The depreciation plan is determined on the basis of experience. Depreciation charge is recorded as an expense, with a 25% residual charge for equipment, a straight-line depreciation for computer software over a period of 3 years and a straight-line depreciation for intangible assets over a period of 5 years.

The principles of the planned depreciation are:
Intangible assets 5 years
Improvement costs 10 years
Machinery and equipment 25%
Computer software 3 years

Inventories

Inventories are valued at the direct cost of acquisition or a lower probable sales price.

Services involving long production cycles

Revenue from services involving long production cycles is recorded as revenue on the basis of degree of completion.
Services involving long production cycles include projects with an estimated production cycle of at least one year or with start and finish dates in different financial years, which are also material in relation to the company's net sales (purchase price of EUR 500 000 or more).

The degree of completion of long-term projects is defined as the ratio of actual project expenditure to total estimated project expenditure. The costs of projects that are recognized on the basis of percentage of completion are monitored through separate project cost accounting.
Kauppahinnan ollessa alle 5 000 000 euroa alle 10 %:n valmiusasteella olevia projekteja ei osatulouteta, kauppahinnnan ollessa yli 5 000 000 euroa alle 5 %:n valmiusasteella olevia projekteja ei osatulouteta.

Financing

The company's Board of Directors have ensured in their plans that the financing is sufficient and that the company's current business will continue for the next 12 months.

Notes to the Consolidated Financial Statements

NET SALES BY GEOGRAPHICAL AREA	2025	2024
Finland	36 218	28 700
Europe	8 440	2 712
Other countries	9 990	4 422
TOTAL	**54 648**	**35 834**
Total net sales	54 648	35 834
Other net sales	13 940	8 474
Net sales according to degree of completion	40 708	27 360
Long-term projects, which are recognized as income during the financial year and previous financial years, but not yet delivered to customers		
	49 997	30 779

OTHER OPERATING INCOME	2025	2024
Grants received	108	36
Other income	0	750
TOTAL	**108**	**786**

PERSONNEL	2025	2024
Average number of employees	141	117
Management salaries and benefits	**2025**	**2024**
CEO	227	243
Members of the Board of Directors	135	103
TOTAL	**362**	**346**

OTHER OPERATING EXPENSES	2025	2024
Premises expenses	847	744
Marketing expenses	801	460
R&D expenses	412	795
Auditor's fee		
Audit fee	18	20
Other services	2	0
Other expenses	3 370	2 480
TOTAL	**5 450**	**4 498**

Notes to the assets and liabilities of the Consolidated Financial Statements

INTANGIBLE ASSETS	2025	2024
Development expenditure		
Acquisition costs as of January 1	3 238	1995
Additions	1 379	2 234
Depreciation for the financial year	-1 164	-992
Carrying value December 31	3 452	3 238
Intangible rights		
Acquisition costs as of January 1	35	42
Additions	21	15
Depreciation for the financial year	-23	-21
Carrying value December 31	34	35
Other intangible assets		
Acquisition costs as of January 1	1 396	1 494
Additions	21	63
Depreciation for the financial year	-163	-161
Carrying value December 31	1 254	1 396

TANGIBLE ASSETS	2025	2024
Leased real estate		
Acquisition costs as of January 1	35	0
Additions	0	35
Depreciation for the financial year	0	0
Carrying value December 31	35	35
Machinery and equipment		
Acquisition costs as of January 1	240	163
Additions	1 514	157
Depreciation for the financial year	-147	-80
Carrying value December 31	1 608	240
Advance payments and assets under construction		
Asset under constructions	22	0

CURRENT RECEIVABLES	2025	2024
Significant items of assignments		
Income based on degree of completion	4 072	4 469
Other receivables	1 486	925

EQUITY	2025	2024
Share capital at beginning of financial year	270	270
Additions during financical year	0	0
Share capital at end of financial year	270	270
Reserve for invested free equity at beginning of financial year	17 595	17 501
Additions and deductions	2 432	94
Reserve for invested free equity at end of financial year	19 591	17 595
Retained earnings at beginning of financial year	-8 345	-5 678
Retained earnings at end of financial year	-8 345	-5 678
Loss for the financial year	-1 115	-2 654
TOTAL EQUITY	10 401	9 533

CHANGES IN PROVISIONS	2025	2024
Materials and services		
Materials, supplies and goods		
Purchases during the financial year		
Warranty provisions for long-term projects	188	119

CURRENT LIABILITIES	2025	2024
Specification to accrued liabilities		
Accrued personnel costs	1 447	923
Other accrued liabilities	960	147

Other notes to Consolidated Financial Statements

Collateral given and off-balance sheet commitments and arrangements, and pension liabilities

Collateral by type and value of debt or lower liability:
Business mortgages given totally EUR 19 800 000 as collateral for commercial guarantee and loans.
Commercial guarantee limit in use EUR 11 537 957 and outstanding long-term loan EUR 7 908 333.

Other financial liabilities not recognized in the balance sheet:
real estate investments, value added tax deductions

The company is obliged to review the VAT deductions done during 2023 if the taxable use of the premises diminishes during the financial year. Last year of audit is 2033.

OTHER FINANCIAL LIABILITIES	2025	2024
Real estate investments, VAT deductions	293	325
LEASING LIABILITIES	**2025**	**2024**
Due in the next financial year	139	143
Due later	116	202
PREMISES LEASE LIABILITIES	**2025**	**2024**
Due in the next financial year	437	433
Due later	2 527	2 510
LONG-TERM PROJECTS NOT RECOGNIZED AS INCOME	**2025**	**2024**
Entry based on degree of completion	22 823	27 792
Entry based on delivery	1 655	2 161
Total order book	24 478	29 953

Notes to the Parent Company Financial Statements

EUR 1 000 UNLESS OTHERWISE INDICATED

NET SALES BY GEOGRAPHICAL AREA	2025	2024
Finland	37 404	28700
Europe	8 440	2 712
Other countries	9 990	4 422
TOTAL	**55 833**	**35 834**
Net sales total	55 833	35 834
Other net sales	15 125	8 474
Net sales according to degree of completion	40 708	27 360
Long-term projects recognized as income during the financial year and previous financial years, but not yet delivered to customers	49 997	30 779

OTHER OPERATING INCOME	2025	2024
Grants received	108	36
Other income	0	750
TOTAL	**108**	**786**

PERSONNEL	2025	2024
Average number of employees	141	117
Management salaries and benefits		
CEO	227	243
Board of Directors	135	103
TOTAL	**362**	**346**

OTHER OPERATING EXPENSES	2025	2024
Premises expenses	792	736
Marketing expenses	801	460
R&D expenses	412	795
Auditors's fee		
Audit fee	26	20
Other services	2	0
Other expenses	3 382	2 530
TOTAL	**5 415**	**4 541**

Notes to the assets and liabilities of the Parent Company Financial Statements

EUR 1 000 UNLESS OTHERWISE INDICATED

INTANGIBLE ASSETS	2025	2024
Development expenditure		
Acquisition costs as of January 1	3 238	1 995
Additions	1 379	2 235
Depreciation for the financial year	- 1 164	- 992
Carrying value December 31	3 452	3 238
Intangible rights		
Acquisition costs as of January 1	35	42
Additions	21	15
Depreciation for the financial year	-23	-21
Carrying value December 31	34	35
Other intangible assets		
Acquisition costs as of January 1	1 396	1 494
Additions	21	63
Depreciation for the financial year	-163	-161
Carrying value December 31	1 254	1 396

TANGIBLE ASSETS	2025	2024
Machinery and equipment		
Acquisition costs as of January 1	240	163
Additions	187	157
Depreciation for the financial year	-107	-80
Carrying value December 31	320	240
Advance payments and assets under construction		
Asset under constructions	22	0

CURRENT RECEIVABLES	2025	2024
Significant items of assignments		
Income based on degree of completion	4 072	4 469
Other receivables	1 483	925

EUR 1 000 UNLESS OTHERWISE INDICATED

EQUITY	2025	2024
Share capital at beginning of financial year	270	270
Additions during the financial year	0	0
Share capital at beginning of financial year	270	270
Merkityt osakkeet tilikauden päättyessä	0	0
Reserve for invested non-restricted equity at beginning of financial year	17 595	17 501
Additions and deductions	2 432	94
Reserve for invested non-restricted equity at end of financial year	20 028	17 595
Retained earnings at beginning of financial year	-8 341	-5 693
Retained earnings at end of financial year	-8 341	-5 693
Loss for the financial year	-1 128	-2 647
TOTAL EQUITY	10 829	9 525

CALCULATION OF DISTRIBUTABLE FREE EQUITY BASED ON LIMITED LIABILITIES COMPANIES ACT13:5 §	2025	2024
Reserve for invested non-restricted equity	20 028	17 595
Profit (loss) from previous financial periods	-8 341	-5 693
Profit (loss) for the financial year	-1 128	-2 647
Capitalized development expenditure	-3 452	-3 238
Total distributable free equity	7 106	6 017

PROVISIONS	2025	2024
Materials and services		
Material, supplies and goods		
Purchases during the financial year		
Warranty provisions for long-term projects	189	119

CURRENT LIABILITIES	2025	2024
Specification to accrued liabilities		
Accrued personnel costs	1 447	923
Other accrued liabilities	959	147

Other notes to Parent Company Financial Statements

Guarantees and other off-balance sheet liabilities and arrangements and pension obligations

Collateral by type and value of debt or lower liability:

Business mortgages given totally EUR 19 800 000 as collateral for commercial guarantee and loans.

Commercial guarantee limit in use EUR 11 537 957 and outstanding long-term loan EUR 7 908 333.

EUR 1 000 UNLESS OTHERWISE INDICATED

OTHER FINANCIAL LIABILITIES	2025	2024
Real estate investments and VAT deductions	293	325
LEASING LIABILITIES	**2025**	**2024**
Due in the next financial year	139	143
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PREMISES LEASE LIABILITIES	**2025**	**2024**
Due in the next financial year	437	433
Due later	2 527	2 510
LONG-TERM PROJECTS NOT RECOGNIZED AS INCOME	**2025**	**2024**
Entry based on degree of completion	22 823	27 792
Entry based on delivery	1 655	2 161
Total orderbook	24 478	29 953

Proposal by the Board of Directors for the use of non-restricted equity

The company's non-restricted equity is EUR 7 106 457 and loss for the financial year EUR 1 128 144.

There are no significant changes in the company's financial position after the end of the finacial period.

The Board of Directors proposes that no dividend be paid for the financial period.

The company is obliged to review the VAT deductions done during 2023 if the taxable use of the premises diminishes during the financial year. Last year of audit is 2033.

Calculation of key figures

Käyttökate (EBITDA)

= net sales +/- Increase or decrease in finished goods and work in progress and inventories + manufacturing for own use + other operating income - materials and services - personnel costs - other operating expenses

EBITDA margin on net sales, %

= EBITDA / net sales

Operating profit on net sales, %

= Operating profit / net sales

Profit (loss) for the financial year on net sales, %

= Profit (loss) for the financial year / net sales

Net interest-bearing liabilities

= Interest-bearing liabilities - cash and bank balances

Order book

= Proportion of customer orders outstanding or partially invoiced at the end of the financial year

Equity ratio, %

= Total equity / Balance sheet total

Net gearing, %

= (Interest-bearing liabilities - cash and cash equivalents) / Total equity

Return on equity, %

= Profit (loss) for the period / Average equity during the period

Earnings per share (EPS) - undiluted, €/share

Profit (loss) for the period / Number of shares (adjusted for share issues) excluding treasury shares

Earnings per share (EPS) - diluted, €/share

Profit (loss) for the period / Number of shares (adjusted for share issues) excluding treasury shares + number of outstanding options)

Total equity /share, €/share

Total equity / Number of shares at the end of the financial year

Signatures to the Financial Statements

Place: _____

Date: ___.___._____

Tapani Kiiski
Chair of the Board of Directors

Martin Backman
Member of the Board of Directors

Anne Koutonen
Hallituksen jäsen

Vesa Riihimäki
Member of the Board of Directors

Kari Tuomala
CEO

Auditor's note

Our auditor's report has been issued today.

Place: _____

Date: ___.___._____

Moore Idman Oy, Audit company

Jussi Savio

Authorized Public Accountant

Auditor's report

To the annual general meeting of Merus Power Oyj

Report on the audit of financial statements

Opinion

We have audited the financial statements of Merus Power Oyj (business identity code 2230775-9) for the year ended 31 December, 2025. The financial statements comprise the balance sheet, income statement, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as 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 and the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities in the Audit of 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:

- 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. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provision.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

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

Tampere, 5th of February 2026

Moore Idman Oy

Audit company

Jussi Savio

Authorized Public Accountant

GRI index **2025**

GRI index / Merus Power Plc 2025

Merus Power has reported the information cited in this GRI content index for the period 1.1.2025 – 31.12.2025 with reference to the GRI Standards.

GRI 1 GRI 1: Foundation 2021

GRI STANDARD	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Merus Power Plc, Pallotie 2 33470 Ylöjärvi, Finland
	2-2 Entities included in the organization's sustainability reporting	Factory and head office: Ylöjärvi, Finland. Sales offices: Helsinki, Finland; Germany; Sweden; United Arab Emirates, Columbia. Subsidiaries: Merus Power Asia-Pacific PTE. Ltd; Merus Power Hong Kong Ltd; Lempäälän Tasapainotus Ltd, Juhanilan Tasapainotus Ltd
	2-3 Reporting period, frequency and contact point	Year 2025, annually, Risto Laakso
	2-4 Restatements of information	No corrections to previous reports.
	2-5 External assurance	No external audit in use.
	2-6 Activities, value chain and other business relationships	https://meruspower.com/
	2-7 Employees	Table 2-7 Personnel
	2-8 Workers who are not employees	"Subcontractors working in design, installation and commissioning.20 persons on the average."
	2-9 Governance structure and composition	"Public listed company ,founded in 2008, listed in Fisrt North 2021 https://sijoittajat.meruspower.fi/liiketoiminta/
	2-10 Nomination and selection of the highest governance body	https://sijoittajat.meruspower.fi/sijoittajatietoa/hallinto/yhtiojarjestys/
	2-11 Chair of the highest governance body	https://sijoittajat.meruspower.fi/sijoittajatietoa/hallinto/yhtiojarjestys/
	2-12 Role of the highest governance body in overseeing the management of impacts	https://sijoittajat.meruspower.fi/en/for-investors/governance/board-of-directors/

GRI STANDARD	Disclosure	Location
	2-13 Delegation of responsibility for managing impacts	https://sijoittajat.meruspower.fi/en/for-investors/governance/board-of-directors/
	2-14 Role of the highest governance body in sustainability reporting	Approval of Sustainability Report
	2-15 Conflicts of interest	https://sijoittajat.meruspower.fi/en/for-investors/governance/board-of-directors/
	2-16 Communication of critical concerns	Reported noise at site during starting ESS operation.
	2-17 Collective knowledge of the highest governance body	https://sijoittajat.meruspower.fi/en/for-investors/governance/board-of-directors/
	2-18 Evaluation of the performance of the highest governance body	https://sijoittajat.meruspower.fi/en/for-investors/governance/board-of-directors/
	2-19 Remuneration policies	https://sijoittajat.meruspower.fi/en/for-investors/reports-and-presentations/
	2-20 Process to determine remuneration	General Meeting
	2-21 Annual total compensation ratio	22%
	2-22 Statement on sustainable development strategy	https://meruspower.com/
	2-23 Policy commitments	https://meruspower.com/
	2-24 Embedding policy commitments	https://meruspower.com/
	2-25 Processes to remediate negative impacts	Member of producer associations for material recycling
	2-26 Mechanisms for seeking advice and raising concerns	Management review, whistle blowing, close call, personnel satisfaction review, monthly meetings
	2-27 Compliance with laws and regulations	No observations of non-compliance.
	2-28 Membership associations	"Finnish Association of Purchasing and Logistics Tampere Chamber of Commerce & Industry The Taxpayers Association of Finland (TAF) Mining Finland Renewables Finland Sähkösuunnittelijat NSS ry SELT association Finnish-Latin American Business Council Technology Industries of Finland Recser Oy Finnish Clean Energy Association Suomen Yrittäjät Hydrogen Cluster Finland Setko"
	2-29 Approach to stakeholder engagement	Interviews and surveys for double materiality analysis
	2-30 Collective bargaining agreements	In Finland 100%, others 96%

GRI STANDARD	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double materiality analysis 2023
	3-2 List of material topics	Double materiality analysis 2023
	3-3 Management of material topics	Double materiality analysis 2023
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Table 201-1
	201-2 Financial implications and other risks and opportunities due to climate change	Double materiality analysis 2023, impact, risks, opportunities
	201-3 Defined benefit plan obligations and other retirement plans	The pension insurance of Merus employees is based on the legislation of each country. In Finland arranged through insurance companies
	201-4 Financial assistance received from government	107 904 EUR
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not reported
	202-2 Proportion of senior management hired from the local community	Merus Power's subsidiaries are sales offices employing people with local experience. Merus announces open jobs within the group internally to guarantee equal possibilities to apply.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Commercial energy storage project investments in Finland
	203-2 Significant indirect economic impacts	Impact of energy storages on the grid's characteristics
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Table 201-1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Contractor's liability: Responsible partner report and use of service
	205-2 Communication and training about anti-corruption policies and procedures	Merus Power Code of conduct and terms of procurement
	205-3 Confirmed incidents of corruption and actions taken	No reported cases of corruption.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No reported legal action
GRI 207: Tax 2019	207-1 Approach to tax	Table 207-1
	207-2 Tax governance, control, and risk management	Not reported.
	207-3 Stakeholder engagement and management of concerns related to tax	Not reported.
	207-4 Country-by-country reporting	Finland, Singapore

GRI STANDARD	Disclosure	Location
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2 365 988 kg
	301-2 Recycled input materials used	Excluded from this report.
	301-3 Reclaimed products and their packaging materials	Excluded from this report.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	777 MWh / a (GHG, Scope 2)
	302-2 Energy consumption outside of the organization	9622 MWh / a (GHG, Scope 2)
	302-3 Energy intensity	176 Wh / EUR (GHG)
	302-4 Reduction of energy consumption	Excluded from this report.
	302-5 Reductions in energy requirements of products and services	Excluded from this report.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Excluded from this report.
	303-2 Management of water discharge-related impacts	Excluded from this report.
	303-3 Water withdrawal	Excluded from this report.
	303-4 Water discharge	Excluded from this report.
	303-5 Water consumption	842 m3/year (Pallotie water bill)
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Excluded from this report.
	304-2 Significant impacts of activities, products and services on biodiversity	Excluded from this report.
	304-3 Habitats protected or restored	Excluded from this report.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Excluded from this report.

GRI STANDARD	Disclosure	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2 tCO2e (self-produced energy, company vehicles)
	305-2 Energy indirect (Scope 2) GHG emissions	37 tCO2e (procured energy)
	305-3 Other indirect (Scope 3) GHG emissions	73 886 tCO2e (use of products, manufacturing of products, etc.)
	305-4 GHG emissions intensity	1.35 kg CO2e/EUR
	305-5 Reduction of GHG emissions	50%
	305-6 Emissions of ozone-depleting substances (ODS)	Excluded from this report.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Excluded from this report.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Package waste from production (mainly cardboard).
	306-2 Management of significant waste-related impacts	Lassila&Tikanoja Oy statistics
	306-3 Waste generated	47 t (Pallotie factory)
	306-4 Waste diverted from disposal	24 t
	306-5 Waste directed to disposal	20 t
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Survey to supply chain accomplished.
	308-2 Negative environmental impacts in the supply chain and actions taken	Survey accomplished regarding minerals from conflict-areas. Part of subcontractors changed based on customer's demands.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Table 401-1
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All except Epassi.
	401-3 Parental leave	Female 1, male 8, 100%.
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Five days, according to co-operation act.

GRI STANDARD	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ISO 45001
	403-2 Hazard identification, risk assessment, and incident investigation	Systematic risk evaluation, safety walk, site-specific evaluations.
	403-3 Occupational health services	An action plan of occupational health care has been carried out in the company providing statutory preventive health care services and general practisioner level medical treatment including treatment and tracking of illnesses with necessary medical examinations and minor treatment at the health care center. Workplace survey carried out at Ylöjärvi factory in 2024. Site survey carried out at ESS site spring 2025.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Annual occupational health survey, performance and career development reviews
	403-5 Worker training on occupational health and safety	Table 2-7
	403-6 Promotion of worker health	Epassi in use. The personnel's psychological wellbeing is supported by offering the employees low-threshold access to the services of an occupational health physician and psychologist. Special attention has been paid to work ergonomics and the personnel's physical work ability and work ergonomics is supported in cooperation with an occupational physiotherapist. The personnel's work ability is also supported by advancing supervisory work with preventive measures supporting work ability and with bringing issues up actively. Close cooperation is done with occupational health care in order to identify changes in work ability as early as possible and plan the necessary measures accordingly. Special attention is further paid to exposure agents, the prevention of accidents, and safety at work. Eye protection glasses and noise cancelling headphones for workers. Meal benefit with e-passi in use.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Cooperation with suppliers, reporting and audits
	403-8 Workers covered by an occupational health and safety management system	ISO 45001 occupational health and safety management system covers the operation of the entire organization.
	403-9 Work-related injuries	Table 403-9
	403-10 Work-related ill health	Table 403-10
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Table 404-1
	404-2 Programs for upgrading employee skills and transition assistance programs	Development plan (MP163_Development plan for the work community)
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance and career development reviews 95% / 2024
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Table 405-1
	405-2 Ratio of basic salary and remuneration of women to men	Not reported.

GRI STANDARD	Disclosure	Location
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equality and non-discrimination as well as righteous and fair treatment are important for us at Merus. According to our values and ethical operating principles , we respect every employee's human dignity, privacy and rights and do not tolerate any kind of dsicrimination, threatening, harassment, insults, bullying or other inappropriate behavior at workplace. The company has a directive for unfair treatment and harassment, which describes the procedure for handling unwanted behavior and creates the personnel good possibilities to succeed in their work and do it in a homely and safe working environment. (MP157_Inappropriate behavior and harassment at work place).
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Supply chains outside Europe.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Supply chains outside Europe.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply chains outside Europe.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Excluded from this report
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No reported cases.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Action required by construction permit
	413-2 Operations with significant actual and potential negative impacts on local communities	Action required by construction permit.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Excluded from this report
	414-2 Negative social impacts in the supply chain and actions taken	Conflict minerals survey carried out in the supply chain of electronics for active harmonic filters. Part of the subcontractors changed according to the customer's demand.
GRI 415: Public Policy 2016	415-1 Political contributions	No.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	No violations of regulations relating to health, safety or other product information nor customer information were detected during the reporting period.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No reported cases.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Merus Power's products must have labels and markings required by legislation and safety instructions for electronic equipment and critical infrastructure. Use of the products requires familiarization and user training, and no outsiders or untrained persons are allowed near them.
	417-2 Incidents of non-compliance concerning product and service information and labeling	No demands for correction to the markings being used have been presented during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	No reported cases.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No reported cases.

Approach to tax

GRI 207-1

SUMMARY	2025(EUR)	2024 (EUR)	2023 (EUR)
Taxes borne			
Corporate income tax	0	0	0
Employment taxes and payments	2 287 044	1 878 307	1 433 835
Other taxes	0	0	0
Total taxes borne	**2 287 044**	**1 878 307**	**1 433 835**
Taxes collected			
Net VAT	3 505 003	3 210 358	-278 584
Payroll taxes	2 374 701	1 720 987	1 320 184
Withholding taxes	0	0	0
Total taxes collected	**5 879 704**	**4 931 345**	**1 041 600**
Total tax footprint	**8 166 749**	**6 809 652**	**2 475 435**

Personnel

GRI 2-7 ja 405 1

NUMBER OF EMPLOYEES	2025	2024	2023
31.12	146	127	97
Average number of employees	141	117	88
NUMBER OF EMPLOYEES BY OFFICE DEC. 31		**2024**	**2023**
Ylöjärvi	130	114	86
Helsinki	12	11	8
Sweden	1	0	0
Colombia	1	0	0
Singapore	0	0	1
Germany	1	1	1
United Arab Emirates	1	1	1
WORKFORCE BY EMPLOYMENT CONTRACT AND TYPE DEC. 31			
Permanent	91.9%	86.6%	90.7%
Fixxed-term	98.0%	94.5%	91.8%
WORKFORCE BY GENDER DEC. 31			
Female	21	19	14
Male	125	108	83
EMPLOYEE CATEGORY DEC. 31			
Management	6	9	10
White collar	111	97	69
Blue collar	29	21	18
AGE DISTRIBUTION DEC. 31			
Under 30 yrs	53	44	26
30-50 yrs	66	58	52
Over 50 yrs	27	25	19

Total number and rate of new permanent employee hires and employee turnover

GRI 401-1

	2025	2024	2023
New employee hires	**29.5%**	**32.3%**	**39.2%**
Female	8	9	8
Male	35	32	30
Under 30 yrs	21	24	19
30-50 yrs	16	12	17
Over 50 yrs	6	5	2
Employees leaving	**17.1%**	**11.8%**	**8.2%**
Female	7	5	3
Male	18	10	5
Under 30 yrs	13	7	6
30-50 yrs	10	5	2
Over 50 yrs	2	3	0
Departure turnover	**48.2%**	**44.1%**	**47.4%**

Key occupational health and safety figures
GRI 403-9 ja 403-10

INJURIES AND OCCUPATIONAL DISEASES	2025	2024	2023
Fatal accidents	0	0	0
Occupational accidents and accidents on the way to or from work	8	5	5
Accident frequency	0	0	0
Suspected occupational diseases	0	0	0
Occupational diseases	0	0	0
Lost time (days) due to occupational accidents, accidents on the way to or from work or occupational diseases	1	0	0
Per employee	0	0	0
ABSENSE FROM WORK			
Total absense days	919	643	483
Average of absense days per employee	6.7	5.6	5.5
Absense from work percentage	3.0%	2.5%	2.5%

Training hours
GRI 404-1

EDUCATIONAL BACKGROUND OF PERSONNEL	2025	2024	2023
Graduate degree/student	59	49	44
Bachelor's degree/student	45	39	31
Vocational college or similar	38	30	22
Other education	4	9	18
TRAINING HOURS			
Days of training	233	169	147
Days of training per person	2	1	2
Hours of training	1748	1269	1102
Female	260	254	333
Male	1488	1015	669
Hours of training per person	12	10	11
PERCENTAGE OF EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW	**100.0%**	**100.0%**	**100.0%**

Economic value added

GRI 201-1

STAKEHOLDERS	DESCRIPTION	2025 (EUR)	2024 (EUR)	2023 (EUR)
Customers	Net sales	54 647 578	35 833 967	28 954 082
Direct economic value generated and distributed		**54 647 578**	**35 833 967**	**28 954 082**
Suppliers	Purchased goods, materials and services	36 533 844	28 740 194	22 677 690
	Finland	56%	41%	54%
Employees	Obligatory and voluntary personnel costs	10 920 491	8 534 828	6 411 143
Producers of assets	Financial income and expenses	-1 432 416	-598 946	-288 809
Public sector	Indirect taxes and vehicle taxes	528	0	0
Communities	Donations	0	0	0
Distribution of economic value		**46 022 448**	**36 676 076**	**29 377 642**
Preservation of economic value		**8 625 130**	**-842 109**	**-423 560**

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