

BETOLAR

Annual Report
2025

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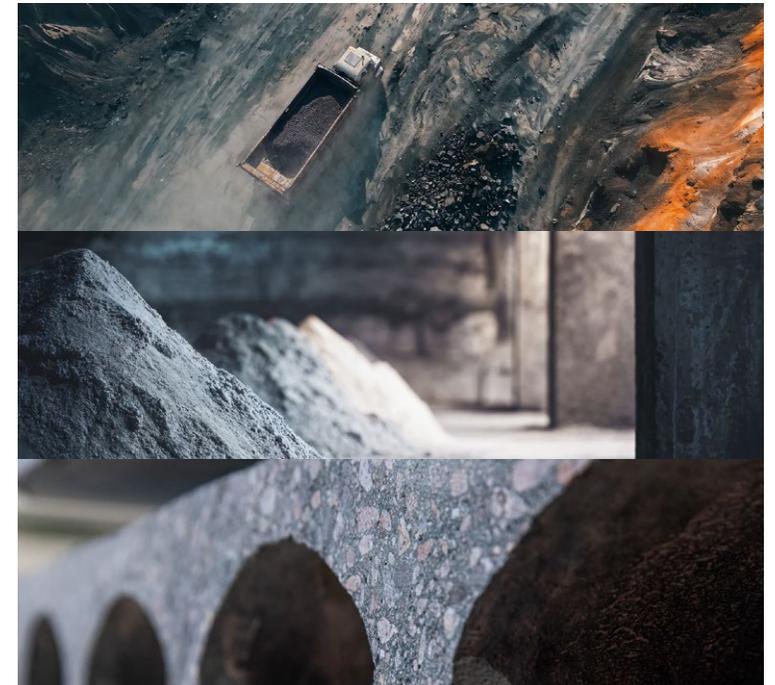
Betolar in Brief

Betolar is a circular economy and materials technology company. The company develops innovative solutions that transform industrial sidestreams and waste into low-carbon, cement-free products for the mining, metals, and construction industries.

At the core of Betolar's offering is its groundbreaking Metal Extraction Technology for recovering critical and strategic metals from industrial waste streams and mine tailings. Through its continuously evolving Geoprime® solution, Betolar significantly reduces CO₂ emissions associated with traditional cement use and supports more sustainable mining and construction practices.

Complementing its material innovations, Betolar's AI-based data platform accelerates solution development and optimizes the utilization of industrial sidestreams. The SidePrime analytics service, built on this platform, identifies and maps opportunities for efficient sidestream and waste utilization, enabling data-driven circular solutions.

Betolar is listed on the Nasdaq First North Growth Market since 2021, and its shares are also traded in the United States on the OTCQX International marketplace.



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President & CEO Tuija Kalpala's Review

The year 2025 strengthened Betolar's position as a materials technology and circular economy company that builds scalable solutions for utilizing industrial sidestreams. We focused on our three core areas: industrial sidestreams, the mining and metals industry, and concrete solutions for construction. We achieved clear results and new openings in all of them.

We made a significant breakthrough in Metal Extraction Technology. We developed a new technology that can recover critical and strategic metals from industrial sidestreams and mine tailings with up to 99% yield. We received our first order from Anglo American's Sakatti project, where the goal is to produce circular cement from mine tailings for the mine's own needs. This is concrete proof of the value creation our Metal Extraction Technology brings to the mining industry.

We increased awareness of our Metal Extraction Technology in Europe and Asia and filed eight patent applications to protect the technology, covering both different metallurgical slags and the production of cement-replacing binder. At the same time, interna-

ional demand for low-carbon mining solutions increased, and we advanced low-carbon and fully cement-free shotcrete and rockfill solutions.

In industrial sidestreams, we strengthened our international procurement and logistics capabilities and increased sales of blast furnace slag, particularly in India. In addition, we built a complete supply chain for blast furnace slag for the Finnish market and advanced research projects. The development of the Sideprime™ analysis service and AI-based data platform improves our ability to identify the true value and potential uses of sidestreams. At the same time, we are evaluating new opportunities to process sidestreams into higher value-added products.

In our low-carbon concrete solutions, we shifted our focus to low-carbon infrastructure construction, where we see growing demand. At the end of the year, we received the largest order in the company's history for an infrastructure-related project, which serves as an opening for possible broader cooperation.

In December, we announced our updated business and financial targets. Our goal is to scale our Metal

"Our metal extraction breakthrough and record high order intake mark a decisive step toward profitable growth."



Extraction Technology to an industrial scale, secure related commercial agreements and grow the business in material sales, which aims to replace cement in construction and infrastructure. In connection with the update of our business targets, we set our financial target to achieve a positive EBITDA by the end of 2027.

I would like to thank our customers, partners, investors, and above all, our employees. The year 2025 showed that our approach based on material technology and the circular economy is generating interest and providing us with a strong foundation for 2026.

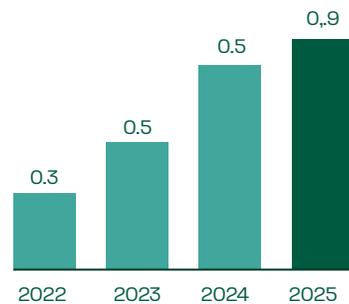
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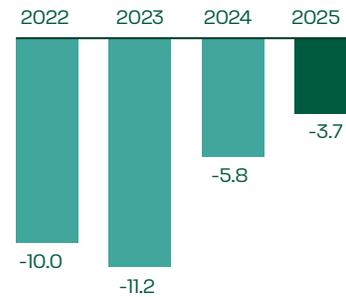
Key Figures

In 2025, our revenue grew by 24% and EBITDA improved by EUR 2.1 million. The value of orders received reached a record level of EUR 2.3 million. Our average number of employees was 32, approximately one third less than in the previous year. In 2025, our carbon handprint grew significantly, reaching 8,192 tonnes of CO₂ equivalent (tCO₂e). In 2024, the corresponding figure was 2,816 tCO₂e.

Revenue (EUR million)



EBITDA (EUR million)



Revenue grew

24%

EBITDA improved

EUR **2.1**
million

Carbon handprint 2025

8,192
tCO₂e

Orders received 2025

EUR **2.3**
million

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Strategy, Markets and Targets

Strategy

Betolar's strategy is based on turning industrial sidestreams, and mine tailings into high value circular materials for the mining and metals, and construction industries through advanced materials technology and data-driven innovation. By transforming underutilized materials into commercially viable products, Betolar enables more resource-efficient and low-carbon industrial processes across these sectors.

At the core of the strategy is Betolar's proprietary Metal Extraction Technology. The technology enables the high efficiency recovery of critical and strategic metals from slags and mine tailings while simultaneously converting the remaining material into low carbon circular cement. This creates a true zero waste value chain in which all input materials are transformed into commercially valuable outputs, maximizing both environmental and economic impact.

Supporting this foundation is Betolar's AI-driven data platform, which accelerates material analysis, solution development, and commercialization. The platform streamlines the identification of suitable raw materials, optimizes formulations, and shortens the path from laboratory validation to industrial-scale deployment.

By creating new revenue streams from previously unused materials and strengthening local resource self sufficiency, Betolar supports its customers in building more sustainable, resilient, and competitive operating models – while advancing the circular economy across value chains.

Markets

Betolar's proprietary Metal Extraction Technology addresses large and underutilized industrial side and waste streams. The technology enables the recovery of valuable and critical metals from metallurgical slags and mine tailings while producing low carbon circular cement as a cement replacing binder. Betolar's target market includes ferroalloy producers, steel mills, and mining companies globally, where extensive volumes of slags and tailings are owned by thousands of different companies and represent a significant untapped value potential.

In industrial sidestream and cement-replacing solutions, Betolar offers the low-carbon applications for the mining and construction industries. Demand is driven by the need to reduce emissions, implement sustainable practices and improve material efficiency in large-scale.

Market development in these areas is characterized by long implementation and approval cycles, where technical validation, regulatory compliance, and customer-specific pilots play a critical role. As a result, pilot projects and strong commercial references are essential to scaling material-based solutions and building long-term partnerships.

At the same time, the structural growth of the supplementary cementitious materials (SCM) market creates significant opportunities for Betolar to strengthen its position across the material value chain and expand the adoption of low-carbon alternatives.

Business and Financial targets

Betolar's business targets for the coming years (2026-2028) are:

- Implementation and scaling of proof of concept for Metal Extraction Technology on an industrial scale using metal industry slag and mining industry tailings.
- Securing commercial agreements related to Metal Extraction Technology with the aim of achieving billion euro-level revenue in the long term.
- Strengthening and growing the value chain of circular economy materials, particularly regarding the procurement and sale of blast furnace slag.

Betolar's financial target is:

- Achieving positive EBITDA by the end of Q4/2027.

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Business in Brief

Industrial sidestreams



Betolar supplies its customers with circular materials, such as blast furnace slag, with the aim of reducing their carbon footprint and promoting sustainable practices. In addition, Betolar's sidestream analysis service (Sideprime™) enables industrial companies to evaluate the potential uses of sidestream materials generated in their operations. The sidestream analysis service enables more efficient pre-mapping of multiple sidestreams and, consequently, more extensive recipe development and testing of selected sidestreams.

Mining and metals



Betolar's proprietary Metal Extraction Technology enables the recovery of metals from industrial sidestreams and mine tailings. The process also produces circular cement, which can be used in cement-replacing solutions.

Additionally, Betolar's offering covers the following areas:

- cement-free shotcrete
- cement-free paste backfill and rockfill
- stabilized dry stacking

Concrete solutions



Betolar offers low-carbon solutions, geopolymer based recipes, and optimization services for the construction industry and infrastructure. Towards the end of the year, the company's focus shifted to infrastructure, where demand is being driven by growing investments and the need for sustainable solutions. In the long term, the construction business establishes a stable customer base and market foundation for the commercialization of Betolar's own cement replacing binder.

Betolar's offering covers the following areas:

- Structural concrete products, such as hollow-core slabs
- Non-structural concrete products, such as paving stones
- Infrastructure solutions

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Betolar Plc's Sustainability Report 2025

Betolar is publishing its first voluntary sustainability report in accordance with the VSME standard's Basic Module for the 2025 financial year. The report provides our stakeholders with information on the sustainability aspects of our operations and key indicators. Betolar's goal is to expand its reporting to the Comprehensive Module of the VSME standard starting from the 2026 financial year. VSME (Voluntary Sustainability Reporting Standard for SMEs) is a Voluntary standard for small- and medium-sized undertakings.

1 General principles and sustainability goals (B1 and B2)

B1 Data collection and reporting principles

Betolar Plc is an internationally operating public limited company with its head office and main assets located in Kannonkoski, Finland. This report has been prepared in accordance with the VSME standard Basic Module at the group level and covers the parent company as well as its wholly owned subsidiaries Betolar Chemicals Ltd and Betolar India Private Limited. The reporting period is January 1 to December 31, 2025.

Betolar operates in the field of materials technology (NACE code 23690, Manufacture of other concrete, plaster and cement products). In 2025, the Group's balance sheet total was EUR 12,164 thousand, its net sales was EUR 946 thousand, and it had an average of 32 employees during the period. The company's operations were certified in accordance with the ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) systems by Bureau Veritas Certification Finland in August 2025.

Betolar's sites

Office	Address	Postal	City	Country	Coordinates
Headquarters, Innovation Center Registered address for Betolar Plc and Betolar Chemicals Ltd	Mannilantie 9	43300	Kannonkoski	Finland	62.978505229487446, 25.27527086308188
Office	Lars Sonckin kaari 16	02600	Espoo	Finland	60.212209914618086, 24.817440840838152
Office Registered address for Betolar India Private Limited	3rd Floor, A321, Master Mind 4, Royal Palms Nagari Niwara, Goregaon (East) Goregaon East, Mumbai, Maharashtra	400065	Mumbai	India	19.155371660785292, 72.88758719056024

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B2 Practices, policies, and future initiatives for transitioning to a more sustainable economy

Betolar is a circular economy and materials technology company that transforms industrial sidestreams into low-carbon solutions for the mining, metals, and construction industries. Our mission is to accelerate the decarbonization of industry by reducing CO₂ emissions and minimizing the use of virgin natural resources through breakthrough technologies.

Since the beginning of our operations, we have been committed to responsible business and promoting sustainable development. We report our sustainability information in accordance with the VSME standard's basic module to provide our stakeholders with a transparent picture of the sustainability aspects and key figures of our operations.

Practices

Betolar promotes sustainability in its business operations. Betolar has developed metal separation technology that recovers up to 99 percent of metals from sidestreams such as unused slag from the metal industry and tailings from the mining industry, and the remaining material is used as a cement-like binder, a low-carbon circular cement. The process produces two products from unused sidestreams and generates no waste.

Betolar has also developed a geopolymer-based binder solution that utilizes industrial and mining sidestreams such as blast furnace slag, fly ash, and tailings as a substitute for cement in concrete products and mining construction.

Replacing traditional cement with sidestream-based materials enables up to 80% reduction in emissions compared to traditional cement at the raw material level. In mining, Betolar offers low-carbon solutions for shotcrete, paste backfill and rockfill and stabilized dry stacking, which can replace large amounts of cement.

New sidestreams are continuously analyzed and productized using Betolar's AI-based SidePrime analysis service, which reduces waste and conserves virgin natural resources.

Policies

Betolar's operations are guided by the following sustainability-related policies and guidelines. The policies are available on Betolar's website.

- The responsibility strategy focuses on three main themes: 1) accelerating CO₂ emission reductions, 2) ensuring the responsibility of sidestreams, and 3) ensuring social responsibility in the construction value chain. The themes were identified and validated in a stakeholder dialogue conducted in 2022.
- The Code of Conduct defines ethical operating principles, respect for human rights, and anti-corruption measures.
- The Supplier Code defines the expectations set for suppliers in terms of responsible operations.
- Operations comply with quality, environmental, and occupational health and safety policies. The implementation of these policies is guided and monitored by certified ISO 9001, ISO 14001, and ISO 45001 management systems. These policies are not publicly available.

Future initiatives

In line with the strategy updated in 2025, future initiatives will focus in particular on developing metal extraction and strengthening the value chain for circular materials. Betolar aims to scale its metal extraction technology to industrial scale in 2026–2028.

Betolar is seeking commercial agreements related to metal extraction technology with the aim of achieving significant revenue growth. In addition, Betolar will strengthen its position in the circular materials value chain, particularly in the procurement and sale of blast furnace slag, which supports the goal of replacing cement in construction and infrastructure projects.

The development of an AI-based data platform will continue, accelerating the analysis of sidestreams and the development of recipes. The commercialization of low-carbon Geoprime® solutions for the mining industry is progressing in shotcrete, paste backfill and rockfill.

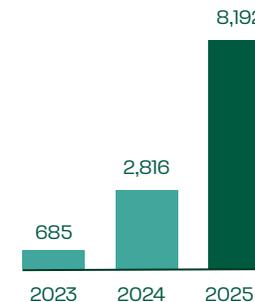
Targets

Betolar contributes to the UN's Sustainable Development Goals (SDGs) and contributes in particular to SDGs 9, 11, 12 and 13, promoting positive change in infrastructure, cities, consumption patterns and climate action.

In 2022, Betolar has identified and validated three key sustainability themes listed below in the stakeholder dialogue. The themes are influential for stakeholders, and at the same time they have financial significance for the company. These themes have guided the implementation of responsibility throughout the organization. Betolar will set sustainability targets in accordance with the new strategic model during 2026.

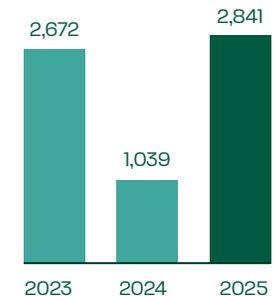
1. Accelerating CO₂ emission reductions
2. Ensuring the sustainability of sidestreams and activator chemicals
3. Ensuring social responsibility in the construction value chain

**Betolar's carbon footprint
2023–2025 (tCO₂e)**



**Betolar's own emissions
2023–2025**

according to the GHG Protocol, Scopes 1–3, tCO₂e



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2 Environmental impact and circular economy (B3–B7)

At the core of Betolar's strategy is the processing and utilization of industrial sidestreams in the construction, mining, and metal industries. This circular economy solution significantly reduces CO₂ emissions and conserves natural resources by replacing traditional cement. At the same time, it considers the management of impacts related to climate change, water resources, biodiversity, and pollution as part of sustainable business operations.

B3 Energy and greenhouse gas emissions

Energy consumption

Betolar's energy consumption consists mainly of electricity and heat consumption in its premises in Finland and the use of test production and laboratory equipment. Betolar does not engage in continuous industrial production, which keeps direct energy consumption moderate.

Energy consumption in 2025

Energy source	Renewable energy sources (MWh)			Non-renewable energy sources (MWh)			Total energy consumption (MWh)		
	2024	2025	Change	2024	2025	Change	2024	2025	Change
Electricity	50.3	14	-72%	52.6	59.5	13%	102.9	73.5	-29%
Fuels				26.3	34.4	31%	26.3	34.4	31%
District heating and cooling				495.7	325.3	-34%	495.7	325.3	-34%
Total	50.3	14	-72%	574.6	419.2	-27%	624.9	433.2	-31%

Greenhouse gas emissions

Betolar's total emissions (Scope 1, 2, and 3) in 2025 were 2,841 tCO₂e (2024: 1,039 tCO₂e). Emissions have been calculated in accordance with the GHG Protocol Scope 1–3 model.

Greenhouse gas emissions (Scope 1–3) are generated to a significant extent from the value chain, such as purchases and services, while emissions from our own operations (Scope 1 & 2) are relatively low. As a significant sustainability system for the company, Betolar also reports on the development of a positive carbon handprint. This describes the emission reductions achieved by customers using Betolar's technology.

GHG emission category	2024 (tCO ₂ e)	2025 (tCO ₂ e)	Change
Scope 1 (direct emissions)	6.02	7.93	32%
Scope 2 (purchased energy, location-based)	40.96	41.45	1%
Total Scope 1+2	46.98	49.38	5%
Scope 3 (value chain emissions)	991.53	2,791.67	182%
Total Scope 1+2+3	1,038.51	2,841.05	174%

GHG emission intensity	2024 (tCO ₂ e / M€)	2025 (tCO ₂ e / M€)	Change
Scope 1+2	61.65	52.20	-15%
Scope 1+2+3	1,362.90	3,003.22	120%

Carbon handprint (positive climate impact)

The carbon handprint generated by the use of Betolar's products and solutions, i.e., avoided emissions, was 8,192 tCO₂e in 2025 (2024: 2,816 tCO₂e). This represents the emission reduction achieved when Betolar's Geoprime® or blast furnace slag solution replaces traditional Portland cement in customers' production.

The carbon handprint has been calculated by comparing the CO₂ emissions of the raw materials used in the Geoprime® solution or blast furnace slag with those of traditional cement. The calculation includes emissions from cement, activators, sidestreams, and transportation, but not emissions from manufacturing, use, or end-of-life, as these are similar for both products.

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B4 Air, water, and soil pollution

Betolar's operations are based on the development of technology and recipes in a digital laboratory and office environment and do not involve any industrial combustion or process stages that would cause significant emissions to air (such as NOx, SOx) or water. The company does not have any activities subject to environmental permits that would require statutory emission reporting to the authorities.

B5 Biodiversity

Betolar's offices (Kannonkoski, Espoo, Mumbai) are located in industrial, office, or urban areas, and the company does not operate in nature reserves or in their immediate vicinity. The solutions at the core of the business and its development, the recovery of critical and strategic metals, and the utilization of industrial sidestreams to replace cement indirectly reduce habitat loss by reducing the need to extract natural resources such as metal ores, limestone, and aggregates.

No direct land use changes or impacts on sensitive ecosystems have been identified in the company's own operations.

B6 Water resources

Betolar's water consumption is low and limited to normal domestic water use in buildings and washing and process water in laboratories and pilot production. Water is taken from the municipal water supply network and is not taken directly from waterways or groundwater. Betolar does not have any production processes that consume water intensively.

In water-stressed areas (India), operations consist of small-scale office work that has no significant impact on local water resources.

Indicator	2025 (M³)	Additional
Total water withdrawal	208	Based on the measured consumption for the Kannonkoski site and an estimate provided by the landlord for the Espoo office
- of which from areas with high water stress	12	India, Mumbai, based on a per person estimate of 45 liters/person/working day

B7 Resource use and circular economy

Betolar's strategy and business model are based on the circular economy and significantly improving the efficiency of resource use. Betolar develops and produces solutions for processing industrial sidestreams (e.g., mining waste, unused metal industry slag, blast furnace slag, fly ash) into new raw materials. To support this, the company develops metal extraction technology to maximize the utilization rate of sidestreams. This maximizes resource efficiency and minimizes waste generation in the value chain. In addition, the company develops metal extraction technology to improve the utilization rate of sidestreams.

Betolar operates as a supplier and distributor of physical materials. The company sells activator chemicals included in the Geoprime® solution to its customers and procures and sells industrial sidestreams, such as blast furnace slag (GGBFS).

Waste generated by Betolar's own operations (laboratories and offices) is sorted and delivered for appropriate treatment. Laboratory operations generate small amounts of chemical waste, which is classified as hazardous waste and delivered to a licensed treatment facility. Betolar continuously strives to reduce the amount of waste and increase the recycling rate.

Waste

Waste type	2024 (tons)	2025 (tons)	Change	Additional
Total waste generated	28.07	26.5	-6%	
- of which hazardous waste	6.78	0	-100%	Laboratory chemicals
- of which non-hazardous waste	17.92	23.2	+29%	Office and mixed waste, brick/concrete and stone waste
Waste sent to recycling or reuse	3.37	3.27	+ 3%	Energy and biowaste and paperboard

Material flows

Betolar's business model is based on material technology solutions and enabling the utilization of industrial sidestreams. The company does not operate as a traditional manufacturing plant that consumes significant amounts of raw materials to produce its own end products.

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3 Social responsibility (B8-B10)

Betolar's growth and development are built on skilled people who share a common desire to make the world more sustainable through innovation and technology. Amid significant changes, a communal corporate culture and participatory leadership have played a key role in the renewal process. The company is committed to a safe working environment and extends its social responsibility goals to the value chain. In line with its sustainability priorities, the goal is to promote human well-being and ethical practices while scaling up solutions that utilize industrial sidestreams globally.

B8 General characteristics of the workforce

Betolar's number of employees decreased during the year. The Group employed an average of 32 people (2024: 46 people).

Employees by type of employment contract

Type of employment contract	2024	2025	Change
Permanent	46	32	-30%
Fixed-term	-	-	
Total	46	32	-30%

Employees by gender

Gender	2024	2025	Change
Female	15	9	-40%
Male	31	23	-26%
Total	46	32	-30%

Employees by country

Country	2024	2025	Change
Finland	43	31	-28%
India	3	1	-67%
Other	0	0	
Total	46	32	-30%

B9 Occupational health and safety

Betolar's safety culture is based on proactive risk management and continuous improvement in accordance with the ISO 45001-certified occupational health and safety system. The company regularly monitors and audits safety practices in all its operations. The goal of safety work is zero lost time accidents (LTA 0).

Accidents involving own workforce

Indicator	2024	2025	Change
Number of occupational accidents	0	0	-
Frequency of occupational accidents	-	-	-
Deaths due to work-related injuries	0	0	-
Deaths due to work-related illnesses	0	0	-

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B10 Remuneration, collective agreements, and training

All Betolar employees receive a salary that is equal to or higher than the applicable minimum wage in each country of operation. The minimum wage may be statutory or defined in a collective agreement. Remuneration at Betolar is based on the demands of the job, personal performance, and competence, regardless of gender. The company is committed to promoting equal pay and regularly monitors remuneration as part of its human resources management processes. Any differences in salary statistics are primarily explained by the personnel structure, such as the distribution of different job levels and roles between genders in specialist and management positions.

As a technology and expert organization, Betolar's competitiveness is based on in-depth expertise and continuous learning. The professional development of personnel is supported in a variety of ways, with a particular emphasis on digitalization and special expertise in materials technology, safety, and the skills required for international business. Training includes both internal and external courses, such as safety induction, technical specialization training, and management coaching.

Gender pay gap

Due to its small number of employees, the company utilizes the option provided by the VSME standard to not report the indicator for organizations with fewer than 150 employees.

Coverage of collective agreements

Betolar is not covered by generally applicable collective agreements and is therefore not organized as an employer. The company invests in dialogue with its personnel with the aim of developing the most suitable and effective practices for the company. These practices are described in the personnel handbook, which includes all relevant guidelines and practices related to employment relationships. The personnel handbook applies in all respects to Betolar's personnel in Finland.

Training hours

Training hours per employee (average)	2024 (hours/year)	2025 (hours/year)	Change
Female	25	35	+40%
Male	22	28	+27%
All personnel	23	30	+30%

4 Administration

Good corporate governance, ethical operating principles, and regulatory compliance form the foundation for Betolar's reliability and long-term value creation. As a company listed on Nasdaq First North Helsinki, Betolar is committed to good corporate governance, which is maintained through clear decision-making processes, institutions, and escalation channels. This approach ensures that responsibility is integrated into the company's day-to-day management and strategic decision-making.

On a practical level, the company requires honesty from all its employees and has zero tolerance for misconduct. The same requirements are extended to the entire value chain through the Supplier Code of Conduct. The aim is to proactively identify and prevent risks and ensure transparency in all stakeholder relationships.

B 11 Convictions and fines related to corruption or bribery

During the reporting year and in any previous operating year, Betolar has not been subject to any official investigations, legal proceedings, or convictions related to corruption or bribery.

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Report of the Board of Directors 2025

Betolar in brief and group structure

Betolar is a circular economy and materials technology company. The company has groundbreaking technology to recover critical and strategic metals from industrial wastes. Through its metal extraction technology, valuable metals are recovered from mine tailings and unutilized industrial sidestreams. The remaining material is processed into a binder that replaces cement, thereby creating two new revenue streams from waste while simultaneously reducing the customer's environmental liabilities.

In addition, Betolar sells circular materials for applications in the construction and mining industries. The company's geopolymers based Geoprime® solution replaces cement in concrete products. AI based analytics optimize material performance and enable predictive modelling for sustainable production. By building circular value chains and enabling environmentally responsible industrial ecosystems globally, Betolar delivers significant benefits to both industry and society. The company's mission is to accelerate the decarbonization of industry by reducing CO₂ emissions and minimizing the use of virgin natural resources through breakthrough technologies.

Betolar was founded in 2016 and is domiciled in Kannonkoski, Finland. Betolar is listed on the Nasdaq First North Growth Market, and its shares are also traded in the United States on the OTCQX International marketplace.

The Betolar Group consists of the parent company Betolar Plc and the wholly-owned subsidiaries Betolar Chemicals Ltd and Betolar India Private Limited.

Key events in the 2025 financial period

- Betolar Plc receives a significant order for an infrastructure project (10/25)
- Betolar and Jetcrete accelerate the adoption of low-carbon shotcrete in Australia (9/25)
- Betolar and Nordkalk collaborate to commercialize tailings-based circular calcite (9/25)
- Betolar develops low-carbon mining solution for Mandalay Resources and enters Australia's leading mining market (7/25)
- Betolar's new metal extraction technology to support Anglo American's drive towards circularity (6/25)
- Building the Future from Waste – high-performing green cement revolutionizes the industry (6/25)
- Betolar to develop cementless rockfill solution for Canadian Royalties Inc. (4/25)
- Betolar strengthens Finland's and EU's self-sufficiency in critical and strategic raw materials: Betolar's newly developed innovative method combines the separation of metals from waste material with the production of green cement (4/25)
- 99% yield confirmed in metal extraction (4/25)
- Betolar has been granted a patent for a climate cabinet that standardizes the storage conditions of test samples (3/25)
- Betolar studied the circular economy use of ashes generated from Alva-yhtiöt energy production using the SidePrime analysis service (2/25)
- The world's lowest-emission hollow core slabs developed by Betolar and Consolis Parma entered production phase (1/25)
- Amir Wafin has been appointed to the Management Team as Executive Vice President, Circular Materials (12/2025)
- Betolar updates business and financial targets (12/2025)
- Change to Betolar's Financial Calendar and the date of the Annual General Meeting 2026 (12/25)
- Betolar applies for trading of its shares on to the OTCQX marketplace in the United States (12/25)
- Betolar's financial calendar and annual general meeting in 2026 (9/25)

- Composition of Betolar Plc's Shareholders' Nomination Board (8/25)
- The Board of Directors of Betolar Plc resolved incentive plans for key employees of the Group (6/25)
- Betolar Capital Markets Day 2025: Significant Value from unutilized Industrial Sidestreams (5/25)
- Jyri Talja has been appointed as the new Chief Growth Officer and invited to join the Management Team as of 23 April 2025 (4/25)
- The Annual General Meeting was held on 27 March 2025 (3/25)
- Betolar updates its financial targets (2/25)

Key events after 2025 financial period

- Trading in Betolar's shares will begin on 20 January 2026 on the OTCQX International marketplace in the United States (1/26)
- Betolar Plc's Shareholders' Nomination Committee's proposals to the Annual General Meeting 2026 (1/26)

Guidance for 2026

- Net sales for 2026 is expected to grow significantly compared to the previous year.

Financial targets

- Achieving positive EBITDA by the end of Q4/2027.

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Key figures

KEY INDICATORS FOR THE GROUP

(EUR thousand, unless otherwise specified)	2025	2024	2023
Financial indicators			
Net sales	946	762	515
Gross margin ¹	724	564	340
EBITDA ¹	-3,709	-5,816	-11,181
Operating profit	-5,840	-7,964	-13,260
Earnings before interest and taxes	-5,932	-7,798	-13,177
Profit (loss) for the period	-6,085	-7,732	-13,153
Earnings per share, basic and diluted, EUR ^{1,2}	-0.28	-0.36	-0.67
Cash and cash equivalents and short-term fund investments ¹ (at the end of the period)	6,715	8,987	14,315
Liquidity and undrawn grants (at the end of the period) ¹	7,681	14,159	17,015
Equity ratio	18%	54%	65%
Return on equity (ROE)	-117%	-70%	-65%
Operational indicators			
Order intake (EUR thousand) ¹	2,327	1,003	607
Number of new NRE projects ¹	9	11	9
Personnel (average number during the financial period)	32	46	60

KEY FIGURES PER SHARE

(EUR, unless otherwise stated)	2025	2024	2023	2022
Number of shares at the end of the period (31 Dec.) pcs.	21,567,570	21,567,570	19,606,882	19,531,757
Earnings per share, basic and diluted ^{1,2,3}	-0.28	-0.36	-0.67	-0.61
Equity per share	0.10	0.38	0.70	1.36
Lowest trading rate, BETOLAR	0.60	0.69	0.90	2.52
Highest trading rate, BETOLAR	1.56	1.44	3.44	6.30
Closing rate at the end of the period 31 Dec.	1.05	0.77	1.30	3.05
Average daily turnover of shares, pcs.	18,096	17,418	12,600	10,068
Market value of shares at the end of the pe-riod (31 Dec.) EUR million	22.6	16.6	25.4	59.6

¹⁾ Betolar uses certain indicators (gross margin, EBITDA, earnings per share, cash and cash equivalents and short-term fund investments, liquidity and undrawn grants, order intake, and number of new NRE projects) as indicators of operational profitability and business performance. The definitions and calculation formulas of these indicators can be found at the end of the Report of the Board of Directors

²⁾ The number of shares used in the calculation of earnings per share at the end of the period and average number of shares during the period with comparative data: 31.12.2025: 21,567,570 shares, 1-12/2025: 21,567,570 shares, 31.12.2024: 21,567,570 shares, 1-12/2024: 20,587,226 shares.

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Business review

In 2025, Betolar focused on three business areas: industrial sidestreams, the mining and metals industry, and concrete solutions for construction.

Industrial sidestreams

Betolar supplies its customers with circular materials, such as blast furnace slag, with the aim of reducing their carbon footprint and promoting sustainable practices. In addition, Betolar's sidestream analysis service (Sideprime™) enables industrial companies to evaluate the potential uses of sidestream materials generated in their operations. The sidestream analysis service enables more efficient pre-mapping of multiple sidestreams and, consequently, more extensive recipe development and testing of selected sidestreams.

Betolar continued to develop its industrial sidestream business and focused on strengthening its international procurement and logistics capabilities. Sales of blast furnace slag in the Indian market grew due to an established customer base and partners. Betolar brought the first batch of blast furnace slag to Finland and succeeded in building the first complete supply chain for blast furnace slag in the Finnish market. In addition, Betolar received its first blast furnace slag order in Finland.

Betolar launched new industrial sidestream research projects, such as a joint research project with Nordkalk. The aim of the project is to increase the utilization opportunities for tailings-based circular calcite in mining and construction industry solutions. Betolar also continued developing its AI-based data platform to better support customers in identifying value creation opportunities.

In addition, Betolar actively explored opportunities for further processing, refining, and commercializing of industrial sidestreams, with the aim of strengthening its position in the industrial sidestream value chain and enabling higher-value utilization of these materials, for example, as cement-replacing binders.

Mining and metals industries

Betolar offers solutions for the mining and metal industries for metal extraction and recovery from metal industry slag and mining industry tailings. The process also produces circular cement, which can be used in cement-replacing solutions. Additionally, Betolar's offering

covers solutions for shotcrete, paste backfill, cementless rockfill, and stabilized dry stacking.

Business grew in the mining and metal industry due to new customer projects in the mining sector. Betolar continued executing customer projects related to low-carbon (CEM III) and completely cement-free shotcrete, as well as rockfill solutions. These projects include, in addition to Finland, orders from Mandalay Resources in Australia and Canadian Royalties Inc. in Canada, which are related to the development of low-carbon and completely cement-free rockfill solutions.

Sales efforts for the new metal extraction technology progressed efficiently in Europe and Asia. In addition, the company advanced the development of a proof of concept and metal extraction processing plant. In June, Betolar received its first order related to the metal extraction technology from Anglo American. The aim of the project is to utilize Betolar's metal extraction technology and circular cement production in the Sakatti copper-nickel multi-metallic project in Sodankylä, Finland.

In June, Betolar announced a new metal extraction technology, which is suitable for large material flows involving metallurgical slag and several other industrial sidestreams, including mine tailings. In connection with this, Betolar has conducted dozens of smelting tests with Finnish universities, its own innovation center, and a Swedish pilot-scale partner.

Concrete solutions for construction

In concrete solutions for construction, Betolar offers low-carbon solutions, recipes, and optimization services for the construction industry and infrastructure construction. Towards the end of the year, the focus of the business shifted to infrastructure construction, where demand is being driven by growing investments and the need for sustainable solutions. In the long term, the construction business creates a foundation for Betolar's own cement-replacing binder production customer base and markets.

At the end of the year, Betolar received an order worth approximately EUR 1.4 million from two Finnish companies for an infrastructure project based on Betolar's innovation. The project is the first phase of a broader initiative, focusing on assessing the suitability of Betolar's innovation in the use cases and conducting preliminary

testing. Decisions regarding subsequent phases of the project will be made based on the results of this first phase.

In January, Betolar and Parma Oy, a Finnish company belonging to the Consolis Group, signed a three-year license and supply agreement. The agreement includes the exclusive right to manufacture hollow-core slabs in Finland using concrete recipes based on Betolar's Geoprime® solution. The agreement also includes a right of first refusal and exclusive rights for other Consolis Group companies operating in 17 different countries to adopt the Geoprime® solution developed by Betolar in the manufacture of hollow-core slabs and certain other concrete products. The agreement is a continuation of extensive development work and certification, in which Betolar's technology achieves 75% lower emissions compared to traditional solutions in widely used construction elements.

In addition, during the period, Betolar conducted two pilots in concrete product and element production in the Middle East and North America. In addition, the company launched the Optimize recipe optimization service, which minimizes cement use and carbon footprint utilizing material database and artificial intelligence. The service is aimed at concrete manufacturers seeking to reduce their production costs and carbon dioxide emissions from production. In the first customer project, a 6% cost saving and a 15% smaller carbon footprint were achieved on top of an already well-functioning and economical recipe.

Business environment and market review

Mining and Metal Industry

Betolar has developed a metal extraction technology based on the smelting of industrial sidestreams. The method extracts valuable metals from slag and/or tailings, leaving behind material that can be used as a cement-replacing alternative binder. The method has been successfully tested on various types of slag, tailings, and leaching residues.

Betolar's target market consists of various ferroalloy smelters and steel mills in the metallurgical industry. Based on the company's estimate, there are approximately 30 potential customers among

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ferrochrome smelters, approximately 20 among ferromanganese smelters, and approximately 50 among stainless steel smelters. Steel smelters using basic oxygen furnaces (BOF), electric arc furnaces (EAF), and DRI/EAF slag offer the greatest commercialization potential, as there are approximately 1,000 steel smelters worldwide that utilize these processes.

In addition to metallurgical slag, metal extraction technology is also suitable for processing tailings, which are owned by thousands of companies.

Industrial sidestreams and cement-replacing solutions

Betolar's target market consists of low-carbon and cement-replacing solutions in the mining industry and construction. The traditional concrete construction market is dominated by Portland cement-based concrete applications. Portland cement is widely preferred because it is readily available and meets local and international cement standards. Betolar's solutions are based on geopolymers and other alternative binders that replace Portland cement and are taking market share from cement.

The progress of the green transition and the demand for low-carbon solutions are affecting the target market, as are developments in regulation, such as construction standards and waste legislation. Existing and new mining projects need more environmentally-friendly solutions for extraction, especially to avoid the generation of sidestreams.

The market position of traditional Portland cement remains strong, but challenges related to emissions, costs, and the availability of raw materials increase interest in blended cements and alternative binders, especially in certain applications. Demand for and international trade in SCM materials (Supplementary Cementitious Materials) is increasing. The importance of the business based on these materials and strategic value chain roles is expected to grow in the future, which will increase the size of Betolar's target market. Betolar's target market is also influenced by the need to improve the recovery of strategic and critical metals and by demand in the construction sector.

Regulation and standardization continue to support low-carbon solutions. In the medium term, there are signs of future changes in the introduction and approval of SCM materials that replace cement, particularly towards performance-based approval criteria instead of traditional percentage-based limit values, which will support the wider use of alternative materials in the future.

Market development continues to be characterized by long implementation and approval cycles, and the importance of pilot projects and commercial references is emphasized in Betolar's target markets and material-based solutions. The structural growth of the SCM market creates opportunities to strengthen our position in the material value chain.

The competitive environment

The competitive landscape for Betolar's cement-replacing material technology and commercialized low-carbon applications consists of three main categories and their players: traditional Portland cement and technologies for reducing emissions from its production, low-carbon cement blends, and alternative binders such as alkali-activated geopolymers.

Portland cement production is highly energy- and emission-intensive and consumes large amounts of virgin raw materials, especially limestone. Traditional cement producers are also researching carbon dioxide capture in the cement production process to reduce carbon dioxide emissions, but the solutions are still expensive. One existing alternative way to reduce emissions is to permanently bind carbon dioxide captured from industrial emissions into concrete.

The second category consists of producers of low-carbon cement blends. In low-carbon cement blends, part of the cement is replaced mainly with either ground granulated blast furnace slag, which is a sidestream of the steel industry, or fly ash. However, the challenge with cement blends is that cement can only be replaced with blast furnace slag up to a certain point, which also limits the reduction in emissions.

The third category consists of alternative binders that can significantly reduce carbon dioxide emissions by up to 80% or more and reduce the use of virgin natural resources when cement is completely replaced by industrial sidestreams.

Betolar stands out from its competitors with its business model and flexible technology, which allows different industrial sidestreams to be utilized locally. The low-carbon shotcrete and rockfill solutions developed for the mining industry are pioneers in the market. Betolar also has a strong IPR strategy and continues to develop its artificial intelligence platform to advance as a pioneer in sustainable materials.

The competitive environment remained very challenging during the year. As a rule, customers are not prepared to pay extra for

low-carbon solutions, which makes it difficult to sell more environmentally-sustainable solutions.

Financial review

Net sales

January–December 2025

The Group's net sales for January–December 2025 increased compared to the comparison period and amounted to EUR 946 thousand (2024: 762 thousand).

During the period, 30% of revenue came from license and materials sales, and 70% of revenue came from sales related to customer pilots and research service projects. Other operating income for the period was EUR 1,414 thousand (947 thousand) and consisted mostly of business grants.

Geographically, net sales were distributed as follows: EMEA (Europe, Middle East, Africa) 65% (76%), APAC (Asia Pacific) 33% (24%), and Americas 2% (0%).

Financial result

January–December 2025

The gross margin amounted to EUR 724 thousand (2024: 564 thousand), and EBITDA improved by EUR 2,107 thousand to EUR -3,709 thousand (-5,816 thousand). Other operating income had a positive impact on the result and totaled EUR 1,414 thousand (947 thousand).

Personnel expenses decreased from the comparison period and amounted to EUR 3,522 thousand (4,717 thousand) and other operating expenses amounted to EUR 2,325 thousand (2,610 thousand).

Depreciation, amortization, and impairments amounted to EUR 2,130 thousand (2,148 thousand).

The Group's operating profit for January–December 2025 amounted to EUR -5,840 thousand (-7,964 thousand).

Net financial income and expenses totaled EUR -93 thousand (166 thousand).

Earnings before taxes and interest were EUR -5,932 thousand (-7,798 thousand). The result for the financial year was EUR -6,085 thousand (-7,732 thousand).

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Financial position and cash flows

Betolar's balance sheet total at the end of the financial period was EUR 12,164 thousand (31 December 2024: 15,067 thousand). Equity amounted to EUR 2,214 thousand (8,149 thousand). The equity ratio at the end of the financial period stood at 18 (54) per cent.

At the end of the financial period, the Group's net debt was EUR 1,846 thousand (-3,430 thousand) and the net gearing ratio was 83 (-42) per cent. Net debt does not include lease liabilities that are presented as a separate item in the balance sheet.

Cash flow from operating activities in January–December 2025 was EUR -3,844 thousand (1-12/2024: -6,442 thousand). Net cash flow from operating activities was affected by a decrease in personnel costs and other operating expenses.

The cash flow from investments amounted to EUR 737 thousand (5,656 thousand). Cash flow from investing activities includes investments in other investments, withdrawals from short-term fund investments and investments in the company's tangible and intangible assets.

Cash flow from financing activities amounted to EUR 2,221 thousand (1,931 thousand). Cash flow from financing activities includes EUR 2,500 thousand in long-term loan drawdowns, EUR -116 thousand in short-term loan repayments, and EUR 163 thousand in lease repayments.

The Climate Fund has granted Betolar Plc a subordinated loan of a total of EUR 7 million, of which the first tranche of EUR 2 million was drawn down on 8 February 2022, the second tranche, EUR 2.5 million, was drawn down on 29 November 2023 and the final tranche of EUR 2.5 million was drawn down in January 2025. The loan is due on 1 January 2029. Until the first review date, June 30, 2023, the annual interest rate on the loan was 9.6%. Since July 1, 2023, the interest rate has been 7.75%. The terms and conditions of the capital loan comply with Chapter 12 of the Finnish Limited Liability Companies Act. Betolar has the right to repay the loan in part or in full, provided that the conditions for unrestricted equity under the Finnish Limited Liability Companies Act are met. The capital loan has been amortized to its acquisition cost. The accrued interest on the loan, EUR 1,247 thousand, has been capitalized.

Betolar's short-term fund investments at the end of the period totaled EUR 5,513 thousand (6,889 thousand). Cash and cash equivalents at the end of the period were EUR 1,202 thousand (2,088 thousand) and the change in cash and cash equivalents was EUR -886 thousand (1,145 thousand). Total cash and cash equiv-

alents and short-term fund investments were EUR 6,715 thousand (8,987 thousand).

Betolar has received public financing for research and development. Business Finland granted Betolar EUR 2,700 thousand for a research and development project on alternative sidestreams during financial year 2023. The remaining EUR 712 thousand of the grant remains undrawn, and the remainder will be drawn down at the end of the project in 2026.

In 2024, Finnpartnership awarded the company a grant of EUR 370 thousand to pilot the prefabrication of hollow-core slabs in Malaysia. The project will end in early 2026, after which the portion of the grant corresponding to the actual costs incurred will be drawn down.

Investments

Investments in tangible and intangible assets totaled EUR 1,155 thousand (2024: 1,396 thousand). Investments consisted almost exclusively of the capitalization of development expenditure and accounted for 17 (18) per cent of total operating expenses.

Technology development

In 2025, Betolar strengthened its technology portfolio in the sidestream, mining, and metal industries by, among other things, developing new technology for value fraction recovery processes from unused slag in the metal industry and tailings in the mining industry. A significant feature of the new technology is that the method is suitable for large material flows involving metallurgical slag and several other industrial sidestreams, including mining tailings. The remaining material can be used as a cement-replacing binder.

Research and development activities have focused strongly on the design and preparation of a proof of concept for the metal extraction technology and on the mapping and testing of new material options such as mine tailings and unutilized slags. In terms of mining industry product applications, the focus was on developing rockfill and shotcrete solutions.

Metal extraction and circular cement

Betolar performed thermodynamic modeling for several slags and continued laboratory-scale tests with ferrochrome and AOD slags. Pilot-scale tests confirmed the effectiveness of the method with ferrochrome and stainless-steel slags, achieving 99% metal recovery and extremely high-quality circular cement.

The technological readiness of the method is based on a combination of several factors: thermodynamic equilibrium modeling of slags, in-house and external melting/reduction tests, microstructure examination, proprietary AI-assisted slag composition modeling, and the company's experts' strong know-how in geopolymers binders.

All the above experimental results are consistent with the modeling results. In the tests, metal yields and reduction rates have been consistently very high, up to 99 percent. The method utilizes slag chemistry and thermodynamics in a way that enables energy-efficient processing at lower temperatures. In addition, the method allows viscosity to be controlled, enabling high metal yields and optimizing the composition of the circular cement.

The technology also enables the purification of residual slag from harmful substances, allowing it to be used, for example, as a high-quality cement or blast furnace slag equivalent binder. According to test data collected in the spring, the 28-day compressive strength of this circular cement fully matches the performance of traditional Portland cement and clearly exceeds the strength of binders made from blast furnace slag. Its high reactivity and excellent activity index make it a competitive alternative for a wide range of construction and mining applications.

The developed technology does not require significant additional energy, making the solution cost-effective and low in emissions. In the process, molten slag is supplemented with suitable industrial sidestreams, allowing metals to be separated and the right binder composition to be achieved. In the same process, oxide metals are also reduced using specific methods. Betolar has succeeded in separating the following valuable fractions from sidestreams with high yield on a laboratory scale: chromium, iron, nickel, vanadium, and manganese, some of which are critical and/or strategic elements, and to produce the above-mentioned binders while reducing the amount of slag that ends up as waste.

Betolar began cooperation with two universities that are conducting laboratory-scale smelting tests, material characterization, and thermodynamic calculations. In addition, Betolar has conducted dozens of smelting tests using its own innovation center and a pilot-scale partner.

Industrial sidestreams and mining industry product applications

During the period, Betolar developed rockfill solutions for several customers in Finland, Canada, and Australia using locally-available sidestreams and other materials. The solutions are either cement-

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free or significantly reduce the use of cement compared to the customer's reference solution. During the period, Betolar successfully completed a full-scale pilot with a completely cement-free rockfill solution.

During 2024, Betolar developed a CEM III-based shotcrete solution. During 2025, Betolar developed the cement-free shotcrete solution and conducted several pilot tests.

During the period, Betolar carried out pilot-scale tests in collaboration with the Geological Survey of Finland and Finnish Minerals Group Ltd.'s Sokli mining project related to the development of a stabilized dry stacking solution. The solution eliminates the environmental risks associated with tailings.

Betolar and Balsam Laboratory, a leading supplier of tunnel construction solutions, carried out a joint development project with the aim of utilizing fine crushed rock from tunnel drilling in tunnel construction. Sustainable, low-carbon circular economy solutions will improve resource efficiency and reduce cement consumption.

Data platform and ecosystem

Betolar systematically collects data from material research and laboratory tests, which enables the development of AI tools that streamline research work. AI tools can be used, among other things, to predict the behavior of raw materials and recipes, and to optimize developed recipes. During the period, Betolar expanded the use of recipe optimization in its own product development and launched the Optimize recipe optimization service. In addition, the data platform was developed to support the development of metal extraction technology.

Patent portfolio

Betolar filed eight patent applications related to its metal extraction technology, covering various sidestreams, metal separation and recovery from them, various processing options, and alternative binders.

Betolar's patent portfolio grew by four new patents during the year. First, Betolar was granted a patent in Indonesia for the stabilization of road and foundation structures. Betolar was also granted a patent in Chile for a user interface. The patent describes a system that receives information about, for example, raw materials suitable for concrete production, and uses this information to determine the recipe for achieving the desired properties. The system utilizes machine learning to optimize recipes and enables automatic order requests to raw material suppliers. In addition, Betolar was granted a patent in

Finland for a method that enables cost-effective solid-liquid separation of sludge from the mining industry, reducing water consumption and improving process efficiency. Betolar was also granted a patent in the United States for the neutralization of waste incineration ash and the recycling of valuable materials, acquired from MetalCirc Oy. Betolar has 23 active patent families consisting of 49 granted patents, and the company also has a significant number of inventions in the process of being patented to support the needs of the mining and metals industry.

Sustainability

Betolar has prepared a sustainability report for the year 2025 in accordance with the VSME standard (Voluntary Sustainability Reporting Standard for Small and Medium-sized Enterprises). The company's sustainability matters and responsible business practices are reported in more detail in a separate VSME report included in the company's Annual Report.

Betolar promotes the UN's Sustainable Development Goals and contributes in particular to Goals 9, 11, 12, and 13 by driving positive change in infrastructure, cities, consumption patterns, and climate action.

Betolar has identified and validated three key sustainability themes listed below through stakeholder dialogue in 2022. These themes are material to stakeholders and are also financially material to the company. They have guided the systematic integration of sustainability throughout the organization. Betolar will set sustainability targets in accordance with the new strategic model during 2026.

1. Accelerating CO₂ emission reductions

The carbon handprint refers to the reduction in emissions generated by the use of a product or service compared to a conventional product. Concrete, measured data on emission reductions is of significant importance to Betolar's customers, partners, and investors as they pursue their own climate objectives.

Betolar's carbon dioxide emissions from its business operations amounted to 2,841 tCO₂e in 2025 (2024: 1,039 tCO₂e). Emissions have been calculated in accordance with the GHG Protocol Scope 1–3 methodology.

2. Ensuring the responsibility of sidestreams and activator chemicals

It is essential for Betolar's operations to ensure that sidestreams and activator chemicals are safe to use. All research materials (chemi-

cals, sidestreams, and waste) used in laboratory and factory testing are subject to a risk assessment prior to use.

With regard to activator chemicals, Betolar has a Supplier Code that sets out the expectations and requirements for suppliers in terms of ethical and responsible conduct.

3. Ensuring social responsibility in the construction value chain

At Betolar, ensuring social responsibility means safeguarding the well-being and safety of employees and other parties involved in the value chain. Betolar's Code of Conduct guides all employees and stakeholders to act responsibly and ethically.

To guide its operations, Betolar has a quality system certified in accordance with the ISO 14001 environmental standard, the ISO 45001 occupational health and safety standard, and the ISO 9001 management standard. The certifications were renewed in August 2025 by Bureau Veritas Certification Finland.

Betolar seeks to ensure the highest possible level of quality and safety in its own operations as well as in the operations of its suppliers and customers.

Personnel and offices

The Group employed an average of 32 (1-12/2024: 46) people during the period. At the end of the period, the Group employed 29 people (31 December 2024: 36), of whom 28 (35) worked in Finland and 1 (1) outside of Finland. In Finland, the company has an office in Espoo and innovation center in Kannonkoski. In addition, the Group has a subsidiary in India.

The decrease in personnel numbers is mainly attributable to cost structure adjustment measures implemented during the second half of the year.

Governance

Betolar's decision-making and management are in compliance with the Finnish Limited Liability Companies Act, securities market legislation, the rules of the Nasdaq First North Growth Market, the company's Articles of Association, and other provisions applicable to the company.

The company does not comply with the Code of Corporate Governance published by the Finnish Securities Market Association, which is voluntary for companies on the First North Growth Market, as the company does not consider it justified in view of the size of the company and the scope of its business

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Decisions of the Annual General Meeting

Betolar's Annual General Meeting, held on 27 March 2025, approved the financial statements for the financial year 2024 and discharged the members of the Board of Directors and the President and CEO from liability.

Decision on the use of the loss shown in the balance sheet

The Annual General Meeting resolved to transfer the loss for the financial period to the profit (loss) account of previous financial periods and resolved not to pay a dividend in accordance with the proposal of the Board of Directors.

Board members and remuneration

The Annual General Meeting resolved, in accordance with the proposal of the Shareholders' Nomination Committee, that the Board of Directors will consist of six (6) members and that Anders Dahlblom, Kalle Härkki, Soile Kankaanpää, Juha Leppänen, and Inka Mero were re-elected as members of the Board of Directors and Jan-Elof Cavander as a new member of the Board of Directors.

The Annual General Meeting resolved that the Chairman of the Board will be paid a fee of EUR 3,500 per month, the Vice Chairman of the Board a fee of EUR 2,700 per month, and other Members of the Board each a fee of EUR 1,900 per month. Furthermore, the Meeting resolved that the Chairman of committees founded by the Board of Directors will be paid EUR 600 per meeting of the committees while other members of the committees will be paid EUR 300 per meeting. Travel expenses will be reimbursed in accordance with the maximum amount of the respective travel allowance base approved by the Tax Administration.

Resolutions on the authorizations of the Board of Directors

The Annual General Meeting decided, in accordance with the Board of Directors' proposal, to authorize the Board of Directors to decide on the issuance of shares and the granting of options and other special rights entitling to shares. The Annual General Meeting further decided to authorize the Board of Directors to decide on the repurchase of the company's own shares.

Both authorizations are valid until the next Annual General Meeting, but no later than 30 June 2026, and they revoke the corresponding authorizations granted by the Annual General Meeting on 27 March 2024.

These authorizations are described below in the section on the authorizations of the Board of Directors.

Board of Directors

The members of Betolar's Board of Directors on 31 December 2025 were Anders Dahlblom (Chairman), Jan-Elof Cavander (member), Kalle Härkki (member), Soile Kankaanpää (member), Juha Leppänen (member), and Inka Mero (member).

The Board of Directors of Betolar Plc held its organizational meeting after the Annual General Meeting. The Board elected from among its members the Chairman of the Board, the members of the Audit Committee, and the members of the Personnel and Remuneration Committees.

Tasks of the committees

The role of the Audit Committee is to assist the Board of Directors in ensuring that the company's accounting and financial control is properly organized and that the company has a comprehensive and adequate internal control system covering all its activities. The Committee is also responsible for ensuring that the company's operations and internal controls are organized in accordance with the law, regulations, and principles of good corporate governance.

The Personnel and Remuneration Committee is responsible for assisting the Board of Directors in the preparation of personnel matters related to the activities and remuneration of the CEO and the Executive Board, as well as the company's remuneration and incentive schemes. The Committee is also responsible for monitoring remuneration in the Company and in the industries relevant to the Company.

Composition of committees

The Board elected the committee chairs and members from among its members at its organizational meeting.

The Betolar Board of Directors has two standing committees: the Audit Committee and the Personnel and Remuneration Committee. The Audit Committee is chaired by Jan-Elof Cavander, with Anders Dahlblom, Kalle Härkki, and Soile Kankaanpää as members. The members of the Audit Committee are independent of the company and its significant shareholders, except for Jan-Elof Cavander and Anders Dahlblom, who are dependent on a major shareholder of the company. The Personnel and Remuneration Committee is chaired by Anders Dahlblom, with Soile Kankaanpää and Inka Mero as members. The members of the Personnel and Remuneration Committee are independent of the company and its significant shareholders, except for Anders Dahlblom, who is dependent on a major shareholder of the company.

Shareholders' Nomination Board

The composition of the Betolar Shareholders' Nomination Board was determined on 1 August 2025 based on the holdings entered in the shareholders' register, and its composition was announced on 20 August 2025.

The Nomination Board consists of four members, of whom the four largest shareholders of the company are each entitled to nominate one member. The Nomination Board also includes the Chairman of the Board of Directors as an expert member.

The members of the Nomination Board at the end of the period were: Alexander Ehrnrooth, Chairman of the Shareholders' Nomination Board, representing the shareholder Nidoco Ab; Juha Leppänen, shareholder; Olli-Pekka Kallasvuo, representing the shareholder Ajanta Innovations Oy; and Karoliina Lindroos, representing the shareholder Ilmarinen Mutual Pension Insurance Company. The Nomination Board also includes Anders Dahlblom, Chairman of the Board of Directors of Betolar, as the expert member.

The Committee's task is to prepare and present annually to the Annual General Meeting and, if necessary, to the Extraordinary General Meeting proposals on the composition of the Board of Directors and remuneration. The Nomination Committee is also responsible for identifying candidates to succeed the members of the Board of Directors and for preparing the principles of Board diversity.

Management team

The members of the Betolar Management Team on 31 December 2025 were Tuija Kalpala (CEO and President), Mikko Wirkkala (Chief Financial Officer), Soila Söderström (Senior Vice President & General Counsel), Jyri Talja (Executive Vice President, Mining & Metals), and Amir Wafin (Executive Vice President, Circular Materials).

Betolar's management team grew by two new members during the year. Jyri Talja was appointed to the management team on 23 May 2025, having joined Betolar in December 2024 as Director of New Solutions. He has extensive experience in international sales, various material flows, and the processing of circular economy materials. Amir Wafin (M.Sc. Econ.) was appointed to the management team in December 2025 to be responsible for the development of the circular economy materials business. Wafin previously served as the company's director of procurement and trading and, prior to that, as the company's business development manager from 2022 onwards.

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Auditor

The company's auditor is PricewaterhouseCoopers Oy, with Maija Ant-Wuorinen, Authorized Public Accountant, as the responsible auditor.

Share-based incentive and retention schemes

Option schemes

Betolar has six share option incentive and engagement programs, which are designed to encourage management and selected key personnel and employees to work over the long term to increase the value of shareholdings.

Betolar's existing share option schemes and the related outstanding share options are described in the table below.

The 2019, 2020, and 2021 options were vested in connection with the IPO.

Programs	Subscription price	Number of shares to be issued with options	Subscription deadline
Options 2019			
2019-2A-D	EUR 0.64	0	31.12.2030
Options 2020			
2020	EUR 1.31	168,280	31.12.2030
Options 2021			
2021-1	EUR 1.31	492,219	1.12.2021 - 31.12.2030
2021-2	EUR 1.31	0	1.12.2021 - 31.12.2030
Options 2022			
2022	EUR 5.96	82,568	1.4.2025 - 28.2.2027
Optiot 2023			
2023	EUR 2.59	475,333	1.4.2026 - 28.2.2028
Options 2025			
2025	EUR 0.89	690,000	1.4.2027 - 28.2.2030
Total		1,908,400	

On 31 December 2025, the members of the Board of Directors held a total of 46,257 stock options, which entitle them to subscribe to a total of 167,457 shares in the company. On 31 December 2025, the members of the Company's Management Team held a total of 838,333 option shares entitling them to subscribe to a total of 838,333 shares in the Company. As of 31 December 2025, other employees held a total of 364,410 stock options entitling them to subscribe to a total of 902,610 shares in the company. The number of unsubscribed options issued represented 8.85% of the total number of shares in the company on 31 December 2025.

Betolar's share-based incentive and retention plan is described in note 20 of the financial statements

Share-based payment scheme 2022-2026

The 2022-2026 Incentive Share Award Plan is based on a valid employment or management contract and the continuation of the employment or service relationship for a specified commitment period of at least 12 months, which may end on 31 August 2023, 2024, 2025, 2026, or 2027. The award will be distributed free of charge after the end of the specified commitment period. The scheme is only available to specifically-designated key employees. The fees will be paid partly in Betolar Plc shares and partly in cash. The cash portion of the remuneration is intended to cover taxes and statutory social insurance contributions for the remuneration paid to the participants. The total value of the awards to be allocated under the Incentive Share Award Plan is equivalent to a maximum of 100,000 Betolar Plc shares, including the cash portion. As of 31 December 2025, 85,000 shares had been granted under the scheme, and the vesting periods are still ongoing.

Share and shareholders

At the end of the financial year on 31 December 2025, Betolar's share capital was EUR 80,000 and the company had issued 21,567,570 fully paid shares. The company has one class of shares with ISIN FI4000512587.

At the end of the financial period, Betolar had a total of 5,219 (4,834) shareholders. The table below shows Betolar's ten largest shareholders by number of shares owned as of 31 December 2025. (Data source: Euroland.com)

TEN LARGEST SHAREHOLDERS 31 DECEMBER 2025

Position	Shareholders	Number of shares	% of shares
1	Nidoco AB	5,998,561	27.81
2	Leppänen Juha Markus	1,603,468	7.43
3	Ajanta Innovations Oy	1,542,258	7.15
4	Ilmarinen Mutual Pension Insurance Company	1,080,139	5.01
5	Voima Ventures Fund II Ky	828,186	3.84
6	Entrada Oy	691,150	3.20
7	Skandinaviska Enskilda Banken*	678,980	3.15
8	Säästöpankki Small Cap Mutual Fund	450,000	2.09
9	Citibank Europe Plc*	442,594	2.05
10	Belgrano Inversiones Oy	435,000	2.02
	10 largest, total	13,750,336	63.75
	Other shareholders	7,817,234	36.25
	All shares, total	21,567,570	100.00

*Custodian bank for nominee-registered shareholders

The members of the Board of Directors and Management Team and entities controlled by them held a total of 2,588,426 shares in Betolar at the end of the financial period, accounting for approximately 12 per cent of all shares and votes.

LARGEST SHAREHOLDERS BY SECTOR 31 DECEMBER 2025

Position	Shareholders by sector	Number of shares	% of shares
1	Households	6,802,008	31.54
2	Foreign, total	6,159,803	28.56
3	Private companies	6,074,189	28.16
4	Public organizations	1,080,139	5.01
5	Financial and insurance institutions, total	253,515	1.18
6	Not-for-profit organizations, total	4,634	0.02
	Total	20,374,288	94.47
	Nominee-registered	1,193,282	5.53
	All shares, total	21,567,570	100.00

Of the shares, 5.53 % were held by nominee-registered shareholders.

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SHARE PORTFOLIO DISTRIBUTION 31 DECEMBER 2025

Position	Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1	1–100	2,452	46.98	130,978	0.61
2	101–500	1,520	29.12	400,609	1.86
3	501–1 000	574	11.00	458,124	2.12
4	1 001–5 000	501	9.60	1,128,996	5.24
5	5 001–10 000	73	1.40	536,682	2.49
6	10 001–50 000	66	1.26	1,332,034	6.18
7	50 001–100 000	5	0.10	341,283	1.58
8	100 001–500 000	21	0.40	4,816,122	22.33
9	500 001–Total	7	0.13	12,422,742	57.60
	Nominee-registered	9	0.17	1,193,282	5.53
	Total			21,567,570	100.00

The 100 largest shareholders are listed on Betolar's website: <https://www.betolar.com/investors>.

Flagging notifications

There were no flagging notifications during the financial year.

Price performance and trading

The highest quoted share price during the period was EUR 1.56 and the lowest was EUR 0.60. The volume-weighted average price was EUR 1.07. The closing price for the period was EUR 1.05, giving Betolar a market value of EUR 22,645,948.50. The total number of shares exchanged during the period was EUR 4,870,929 and the trading volume was 4,523,909 shares. The average daily turnover during the period was 18,096 shares.

Authorizations of the Board of Directors

The Board of Directors of Betolar has the following authorizations granted by the Annual General Meeting of 27 March 2025.

Authorization to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the issuance of a total of up to 2,956,757 shares (including shares to be issued under special rights), which corresponds to approximately fourteen (14) percent of the total number of shares in the company at the time of the convening of the Annual General Meeting. This authorization consists of the following two parts: 1) Up to 2,156,757 new and/or treasury shares held by the company (including shares to be issued under special rights), which correspond to approximately ten (10) percent of the total number of shares in the company at the time of the convening of the Annual General Meeting. The authorization may be used to finance acquisitions or other investments related to the company's business, to maintain and increase the solvency of the group, as well as to expand the ownership base and develop the capital structure. 2) Up to 800,000 new and/or treasury shares held by the company (including shares to be issued under special rights), which corresponds to approximately four (4) percent of all the shares in the company at the time of the convening of the Annual General Meeting. The authorization may be used for the implementation of the company's incentive and commitment programs.

The authorization is valid until the next Annual General Meeting, but not later than 30 June 2026, and the authorization granted by the Annual General Meeting of 27 March 2024 to the Board of Directors was revoked.

Authorization to decide on the repurchase of the company's own shares

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the repurchase of a maximum of 2,156,757 shares, which corresponds to approximately ten (10) per cent of the current number of all the company's shares. The company's own shares can only be repurchased with unrestricted equity, and the shares can be repurchased on the repurchase date at a price formed in multilateral trading or otherwise at a price formed in the market. Shares may also be acquired outside public trading at a price that does not exceed the market price in public trading at the time of acquisition.

The Board of Directors decides how the shares are acquired. The company's own shares may be repurchased other than in proportion to the shares held by the shareholders (directed repurchase) if there is a compelling financial reason for doing so. The authorization is valid until the next Annual General Meeting, but not later than 30 June 2026, and the authorization granted by the Annual General Meeting of 27 March 2024 to the Board of Directors was revoked.

Strategy and business models

Betolar's strategy focuses on developing and commercializing low-carbon solutions, particularly in the mining and construction industries. The company's goal is to reduce carbon dioxide emissions and the use of virgin natural resources by utilizing industrial sidestreams. In addition, the company is continuously developing its AI-based data platform, which accelerates solution development and creates value from industrial sidestreams.

During 2025, Betolar has focused on developing solutions for the metal and mining industries in line with its strategy. In the early part of the year, the company made significant progress in developing its metal extraction technology. The technology enables the recovery of metals from unused slag in the metal industry and tailings in the mining industry. The material remaining from the process can be used as a cement-like binder ("circular cement"). The method does not generate any waste. The company's goal is to scale the metal extraction technology to an industrial level and grow its business in material sales, which aims to replace cement in infrastructure projects and construction, among other things. At the same time, Betolar has purposefully strengthened its position in the circular economy value chain by developing solutions that generate both environmental and

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economic value from industrial sidestreams.

Betolar's business model emphasizes the following focus areas:

License-based technology solution sales

- The technologies Betolar has developed for metal extraction and Geoprime® materials are offered to customers as license agreements that generate continuous revenue through volume-based license and material fees.
- Fees may be based, for example, on the volume of material processed or the value added. License agreements can also be linked to measurable environmental impacts, such as emission reductions or benefit-sharing models, in which case the fees reflect the actual sustainable benefit to the customer.

Sales of circular economy materials, such as blast furnace slag and other industrial sidestreams

- The company sells blast furnace slag to customers for use in concrete solutions that replace cement.
- Betolar commercializes and sells new, unutilized industrial sidestreams, such as metals generated as products of the metal extraction process and circular cement.

Sales of research service projects (NRE, non-recurring engineering) and analysis services

- The company offers research and development services (Non-Recurring Engineering, NRE) tailored to the needs of industry, particularly the mining and metal industries and owners of process industry sidestreams.
- The company offers customers services such as sidestream analysis and commercialization. This includes determining the amount of sidestreams, analyzing their value and potential benefits, and designing solutions for processing them into value-added products or materials.

Betolar believes it is better positioned than other players in the industry to meet the needs of research and commercialization of alternative binders. The company has a globally scalable business model, extremely strong metal extraction technology, geopolymers and sidestream expertise, and a competitive advantage in the form of a data-based business ecosystem. The company focuses on the systematic utilization of data in its product development processes. The success of the strategy emphasizes the development and commercialization of untapped industrial sidestreams. The company

continuously evaluates opportunities to improve its position in the value chain and in scalable customer segments in rapidly developing markets.

Business and Financial Targets

On December 16, 2025, Betolar's Board of Directors set the following business targets for the coming years (2026–2028):

- Implementation and scaling of proof of concept for metal extraction technology on an industrial scale using metal industry slag and mining industry tailings.
- Securing commercial agreements related to metal extraction technology with the aim of achieving billion euro-level revenue in the long term.
- Strengthening and growing the value chain of circular economy materials, particularly regarding the procurement and sale of blast furnace slag.

In line with the update of its business objectives, Betolar's Board of Directors has also decided to set a financial target of achieving positive EBITDA by the end of Q4/2027.

This financial target has been set to reflect the company's refined business priorities. Betolar does not consider financial targets to be earnings guidance for any single year.

Main risks and business uncertainties

Risks and risk management

The rapid development of Betolar's business and operating environment requires strong anticipation and management of the risk environment and internal risks. Betolar's risk management supports the implementation of the company's strategy, the continuity of operations, and the achievement of objectives in accordance with the risk management policy approved by the Board of Directors.

The Risk Management Policy describes the basis of Betolar's risk management, the risk environment, the governance model, and the key processes of risk management. Betolar's Board of Directors and Management determine the level of risk that the company is willing and able to accept. The Board directs and oversees the planning and implementation of risk management.

Betolar's CEO is responsible for risk management, while the CFO is responsible for the risk management process, its development and guidance, and the monitoring and coordination of its practical implementation. Business management is responsible for the achievement

of set objectives and for the management and mitigation of the risks that threaten them. Operational management is also responsible for risk management activities and for ensuring that the risk management process is carried out and that adequate resources are avail-

RISK MANAGEMENT PROCESS

Step	Content / categories	Key decisions and assessments
Strategic process	<ul style="list-style-type: none"> • The risk environment related to the strategy and its objectives and implementation 	Risk appetite and tolerance
Business planning	<ul style="list-style-type: none"> • Annual recurrent risk assessment 	Considering risks in the business plan
Risk identification, classification, and assessment	<ul style="list-style-type: none"> • Strategic risks • Operational risks • Financial risks • Compliance risks 	Risk trends Probabilities Criticisms
Mitigating risks	<ul style="list-style-type: none"> • Plan for active management • Avoid risk • Accept the risk 	Mitigation methods Responsibilities
Risk reporting	<ul style="list-style-type: none"> • Internal reporting • External reporting 	The effectiveness of the risk management process Evaluation of risk management results

Ongoing, active communication throughout the organization reinforces risk awareness and culture.

able.

Risk environment

Betolar's risk management policy divides risks into strategic, operational, financial, and compliance risks. In addition, the risk map used in the risk management process takes a more granular view of risks from the perspective of different business areas and processes. This allows for operational accountability, monitoring, and reporting of risks.

Strategic risks: Strategic risks are uncertainties that are mainly related to the operating environment and Betolar's ability to take advantage of or prepare for changes in the operating environment. These may include the general economic situation, the performance

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of strategic projects, intellectual property rights, the business model, the actions of competitors, legislation, and technological developments. Strategic risks can relate to both financial and non-financial objectives.

Operational risks: Operational risks are circumstances or events that could prevent or impede the achievement of objectives or harm people, property, business, information, or other company activities. Operational risks associated with Betolar's activities relate to the performance and capacity of its supply chains, the retention and attraction of the best workforce, and the well-being and safety of its employees and those working in its supply chains. Information security and cyber risks related to the digital environment are a risk category in Betolar's business model which has recently gained importance.

Financial risks: Financial risks are risks related to Betolar's financial position. These include liquidity, risks related to the availability and price of finance, exchange rate movements, and investments.

Compliance risks: Compliance risks are the risks associated with exposure to legal sanctions, financial losses, and material losses that Betolar faces if it does not act in accordance with industry laws and regulations or internal practices. The main risks associated with the highly internationalized nature of operations are managing and complying with the requirements of the regulatory environment in target markets.

Main business risks

The following section describes the main risks that Betolar considers to be significant, which may have an adverse effect on its business, financial position, operating results, and market value.

Strategic risks

Risks related to the business environment: Economic cycles and uncertainty affect the demand for Betolar's products and services. Geopolitical risks and global instability may affect Betolar's markets and expose the company to business risks. Betolar strives to anticipate and mitigate strategic risks by capitalizing on emerging trends and opportunities. Another significant strategic choice is the global geographical diversification of its target markets.

Commercialization risks: Betolar is an early-stage technology company with solutions focused on industrial sidestreams and mining business needs. The development of solutions based on customer needs starts with consulting and piloting. Projects progressing to full commercial production may require significant investment and

may not be realized. Betolar will ensure that the customer is aware of the potential need for investment in production facilities when starting a project. The transition from successful piloting to continuous commercial production may fail due to the customer's reluctance to bring the solution into production for economic, technical, or strategic reasons. Betolar manages the risk of commercialization of the technology and the approach it develops by continuously seeking cheaper, alternative materials, and by complementing its offering with the expertise of its external partners.

Changes in the regulatory environment: Betolar's strategic market and operating environment is affected by regulatory initiatives related to environmental sustainability both at the national and supra-national level. In Betolar's target markets in Europe and Asia, significant regulatory packages are being prepared and implemented to accelerate the uptake of green and other sustainable investment and financing models, reduce the environmental and climate impacts of different sectors, protect biodiversity, and increase the activity of the carbon allowance and credit market.

Betolar estimates that the Geoprime® solution will benefit from the requirements of new regulations and those currently being prepared. However, it is possible that the evolution of the regulatory environment is neutral for the Geoprime® solution, or that the regulatory environment may evolve in a direction that is unfavorable for the Geoprime® solution and the associated value chain.

Operational risks

Success in delivering and selling a strong and scalable solution:

Betolar aims to capture a significant share of the building materials market as a substitute for cement and to create new markets and commercial applications for non-commoditized industrial sidestreams. The strong commercialization and growth of operations, as well as the creation of conditions for scaling up in international markets, require significant growth investments, the development and acquisition of capabilities, and the making of related strategic choices. In a rapidly opening global market, Betolar has decided to accept a higher level of risk in its strategic choices related to defining and creating a new market and commercializing its innovations.

Betolar manages the risk associated with the compliance of materials used in its solutions, such as industrial byproducts, construction products, and materials by actively and proactively managing the product development process. At the beginning of each pilot or implementation project, local regulations, standards, and other local requirements, guidelines, and practices are mapped out. Compli-

ance is defined, produced, and reported in stages as the product development process progresses. Separately from this, Betolar implements the necessary testing programs to ensure long-term durability at the earliest possible stage. The clear phasing of commissioning and continuous customer support significantly reduce the risk of failure in commissioning projects. Betolar's internal control model supports and strengthens project management, risk management, and monitoring.

Price competitiveness of the solution: The price competitiveness of the Geoprime® solution is largely based on the price and availability of the industrial sidestreams, activator components, and binders used in it. Betolar's current recipe emphasizes the market-priced raw material blast furnace slag, which is facing increasing demand and price pressure from competing blended cements as well. Betolar aims to gradually offer alternative, non-commercialized sidestreams and their utilization technologies to be used in addition to, or instead of, blast furnace slag.

Betolar also aims to strengthen its price competitiveness by increasing its position in both the construction and industrial sidestream-producing value chains, particularly in the mining industry. Creating a supply chain and further processing for industrial sidestreams increases the risk of supply chain disruptions in the early stages of operation. Based on its very high research expertise and experience, Betolar can offer technology, research, and development services for new markets such as further processing, commercialization, and utilization of non-commoditized sidestreams.

Betolar aims to target its offerings to markets and customer segments where procurement emphasizes not only price but also environmental and sustainability factors, or where Betolar's solution provides a superior competitive advantage due to its technical or production properties.

Failure in large projects: The widespread adoption and profitability of Betolar's solutions requires commercial, financial, and technical success, especially in projects with the largest potential volumes.

Betolar focuses on project management and risk management. Productizing implementation, clear phasing, and utilizing the control model significantly reduce the risk of failure, especially in broader and larger-scale implementation projects. The control model supports and strengthens project management, risk management, and monitoring.

Failure of continuous recipe management: A particular strength of the geopolymer recipe used in the Geoprime® solution is the

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possibility to use several different types and qualities of industrial sidestreams. To achieve the best possible continuous management of recipes, it is important to ensure sufficient capacity for analyzing various sidestreams. The proactive regulation of in-house analysis capacity and utilizing an external laboratory network are key means of risk management. Additionally, Betolar uses its AI-based platform to analyze new sidestreams.

Protecting intellectual property rights and trade secrets: An essential part of Betolar's strategic competitive advantage is its innovations, intellectual property rights, and confidential information related to technologies, processes, and business operations. Betolar has a strong IPR strategy and portfolio, and management processes to protect its rights through technical, legal, operational, and commercial means.

However, there is a risk that those with access to the company's intellectual property and other confidential information, such as partners, employees, and consultants, may disseminate or otherwise use that information in ways that could reduce the company's competitive advantage. Betolar fully accounts for the protection of intellectual property rights in all its contracts, as well as in the induction and ongoing training of its staff.

Key person risk: Betolar's success is based on its key people and the human capital they form. If one or more key persons decide to leave the company, this could have a significant impact on Betolar's operations, at least in the short term. Betolar invests significantly in its ability to identify, attract, and retain the best talent in its fields. Betolar aims to provide an attractive engagement and reward model, well-being benefits, and a diverse working environment. A strong, meaningful mission, a work community that combines excellence and technology, strong values, and leadership based on these values are strengths that will be nurtured and developed as the company grows and internationalizes.

Digital infrastructure and environment risks: Betolar's business depends on a functioning digital infrastructure, strong data security, and uninterrupted access to digital tools and systems. In recent years, cyber-attacks on public- and private-sector information systems and digital services have become increasingly common due to the changed security situation in Europe and the rise of cybercrime. Incidents can also be caused by human error, negligence, accidents, breakdowns, or data breaches affecting either Betolar or its service providers' systems and data. Betolar manages the protection and availability of its digital infrastructure and data by maintaining both a high level of security and data protection infrastructure

and policies, and a continuous readiness to respond to potential disruptions and attacks. Data management practices aim to ensure the highest possible reliability, integrity, timeliness, and security of data. Events in company information systems are monitored around the clock, and anomalous events are immediately raised as alerts.

Compliance risks

Betolar aims to offer alternative, non-commercialized industrial sidestreams and their utilization technologies to be used alongside or instead of granulated blast furnace slag. The biggest risk associated with industrial sidestreams and other alternative materials is that they are not defined in existing construction standards and therefore need to be further processed or find other uses than construction. Betolar aims to influence construction standards and actively seek other uses for non-standardized materials. However, it is possible that the development of the regulatory environment is neutral from Betolar's perspective or that the regulatory environment develops unfavorably for Betolar's solutions and the related value chain.

Financial risks

Liquidity risk: Betolar's risk management aims to secure sufficient liquid assets to finance operations and repay maturing loans. The company continuously assesses and monitors the amount of financing required by the business to achieve this goal. Business cash flows and liquid assets (financial securities and cash) together with potential new debt or equity financing are the main sources of funding for future payments.

The company has taken active measures to secure its financial position. The company has significantly reduced its cost structure in recent years. However, this does not jeopardize Betolar's ability to meet its contractual commitments, ensure customer satisfaction, or develop its business in line with its strategy.

Betolar uses loan and grant financing as one means of managing financial risks. The company manages the risk associated with the availability of financing by actively mapping its own and third-party sources of financing as well as grant opportunities.

Counterparty and Credit Risks: Counterparty and credit risks are related to all business relationships where Betolar is exposed to the risk that the counterparty's performance does not meet Betolar's requirements and contractual obligations. The risk arises especially from sales and procurement transactions and investments in cash assets. The size of the risk is determined by the size of the trans-

action and the creditworthiness of the counterparty. The goal of counterparty and credit risk management is to prevent and minimize losses resulting from the counterparty's failure to fulfil its obligations. The Group manages credit risk already at the contract stage by assessing the creditworthiness of the counterparty. In addition, the company's financial administration continuously monitors customers' payment behavior.

Estimate of probable future development

The uncertainty of the global economic outlook and the geopolitical situation, as well as a downturn in the construction market, are expected to continue. Interest in metal extraction methods and low-carbon cement-replacing solutions in the mining and metals industries are expected to continue. Betolar will focus on the commercial promotion of metal extraction technology and other solutions in 2026. The company does not expect to pay dividends in the short or medium term

Board of Directors' proposal for the distribution of profit

The parent company's distributable free equity as of 31 December 2025 was EUR -1,076,948.00. The parent company's profit for the financial year was EUR -6,011,701.12.

The company does not expect to pay a dividend in the short or medium term. In addition, the terms of Betolar's financing agreements contain certain restrictions on Betolar's ability to pay dividends or otherwise distribute capital.

The Board of Directors proposes that no dividend be distributed for the financial period 1 January–31 December 2025 and that the loss for the financial period be carried over under retained earnings. The company has no distributable unrestricted equity.

Events after the period under review

- Trading in Betolar's shares will begin on 20 January 2026 on the OTCQX International marketplace in the United States (1/26)
- Betolar Plc's Shareholders' Nomination Committee's proposals to the Annual General Meeting 2026 (1/26)

Annual General Meeting

The Annual General Meeting of Betolar Plc is planned to be held on 18 March 2026. The notice of the Annual General Meeting will be published later.

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Calculation Formulas for Certain Financial Indicators and Operative Indicators

Measure	Definition	Purpose of use
Gross margin	Net sales – materials and services	Gross margin is a measure of the Group's profitability.
EBITDA	Operating profit (loss) before depreciation, amortisation and impairment	EBITDA is a measure of the Group's performance.
Earnings per share, basic, EUR	Profit for the financial period / weighted average number of outstanding shares during the financial period	The measure reflects the distribution of the Company's earnings for each individual share.
Earnings per share, adjusted for dilution, EUR	Profit for the financial period / weighted average number of outstanding shares during the financial period + diluting potential shares	The measure reflects the distribution of the Company's earnings for each individual share, taking dilution into consideration.
Cash, cash equivalents and short-term fund investments	Cash and cash equivalents + current investments	Cash and short-term fund investments describe the company's liquid assets.
Order intake	The value of orders for materials and services received during the reporting period.	The indicator describes the expected future development of the company's sales.
New Non-Recurring Engineering (NRE) projects	The number of new NRE order intakes received in the reporting period.	The indicator describes the development of the contract of the company's research service business.
Equity ratio	Total equity / total assets	This ratio provides useful information on the level of financial risk.
Return on Equity (ROE)	Profit for the financial year / average equity	This ratio provides additional information on the profitability of the business.
Net debt	Net debt Capital loans + loans from financial institutions + government loans – cash and cash equivalents – investments	This indicator describes the total amount of the Group's external interest-bearing debt.
Gearing (Net debt to equity ratio)	Net debt / total equity	This ratio provides additional information on the capital structure.

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Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR	NOTE	1 Jan. - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
Net sales	3	946,061	761,684
Other operating income	4	1,413,847	946,542
Materials and services	5	-222,464	-197,633
Personnel expenses	6	-3,521,504	-4,716,744
Depreciation, amortisation and impairment	7	-2,130,376	-2,147,783
Other operating expenses	8	-2,325,427	-2,609,829
Operating profit (loss)		-5,839,864	-7,963,763
Financial income	9	481,695	550,854
Financial expenses	9	-574,244	-384,677
Profit (loss) before taxes		-5,932,414	-7,797,586
Income taxes	10	0	-5,406
Change in deferred taxes	10	-152,398	71,195
Result for the financial year		-6,084,812	-7,731,797

EUR	NOTE	1 Jan. - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation differences		-10,111	599
Total comprehensive income		-6,094,924	-7,731,199
Profit for the period attributable to			
Shareholders of the parent company		-6,084,812	-7,731,797
		-6,084,812	-7,731,797
Comprehensive income for the period attributable to			
Shareholders of the parent company		-6,094,924	-7,731,199
		-6,094,924	-7,731,199
Earnings per share			
Earnings per share, basic and adjusted for dilution, EUR	11	-0.28	-0.36

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CONSOLIDATED BALANCE SHEET

EUR	NOTE	31 Dec. 2025	31 Dec. 2024
ASSETS			
Non-current assets			
Development expenses	12	3,072,436	3,835,744
Property, plant and equipment	13	938,277	1,010,060
Right-of-use assets	14	240,371	189,104
Other non-current receivables	17	87,186	194,451
Deferred tax assets	10	1,020	130,873
Non-current assets, total		4,339,289	5,360,233
Current assets			
Inventories	15	335,009	0
Trade receivables	16	241,031	133,827
Other receivables	17	102,579	106,270
Accrued income and prepaid expenses	17	430,562	479,843
Investments	22	5,512,890	6,899,153
Cash and cash equivalents	18	1,202,184	2,087,786
Current assets, total		7,824,254	9,706,878
Total assets		12,163,543	15,067,111

EUR	NOTE	31 Dec. 2025	31 Dec. 2024
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	19	80,000	80,000
Invested unrestricted equity reserve	19	47,359,358	47,359,358
Translation differences		-3,239	6,872
Retained earnings		-39,137,567	-31,565,439
Profit for the financial period		-6,084,812	-7,731,797
Total equity		2,213,740	8,148,994
Non-current liabilities			
Capital loans	23	8,247,408	5,149,582
Loans from financial institutions	23	658	3,526
Government loan	23	197,975	287,961
Lease liabilities	14, 23	124,495	70,545
Deferred tax liabilities	10	22,545	97
Non-current liabilities, total		8,593,081	5,511,712
Current liabilities			
Loans from financial institutions	23	2,996	3,662
Government loans	23	111,934	111,934
Lease liabilities	14, 23	120,974	135,703
Accounts payable	23	183,011	173,961
Other payables	24	83,382	83,032
Accruals and deferred income	24	854,426	898,112
Current liabilities, total		1,356,722	1,406,404
Total liabilities		9,949,803	6,918,117
Shareholders' equity and liabilities, total		12,163,543	15,067,111

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CONSOLIDATED CASH FLOW STATEMENT

EUR	NOTE	1 Jan. - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
Cash flow from operating activities			
Profit for the financial period		-6,084,812	-7,731,797
Adjustments:			
Depreciation, amortisation and impairment	7	2,130,376	2,147,783
Net financial income and expenses	9	92,550	-165,756
Share-based payments	20	208,735	-92,883
Other adjustments		19,032	39,753
Income taxes	10	152,151	-71,190
Cash flow before change in working capital		-3,481,969	-5,874,091
Change in working capital:			
Change in trade and other payables	24	-34,287	-688,509
Change in inventories	15	-335,009	0
Change in trade and other receivables	16	-2,401	101,305
Cash flow from operating activities before financing items and taxes		-3,853,665	-6,461,295
Interest paid and payments for other financial expenses	9	9,750	19,261
Net cash flow from operating activities (A)		-3,843,915	-6,442,034
Cash flows from investing activities			
Investments in tangible and intangible assets	12,13	-1,129,716	-1,365,889
Investments in other assets	22	-3,500,000	-1,800,000
Withdrawal from short-term investments	22	5,367,000	8,813,586
Return of rental deposit		0	8,075
Net cash flow from investing activities (B)		737,284	5,655,773

EUR	NOTE	1 Jan. - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
Cash flows from financing activities			
Share issues	19	0	2,352,826
Transaction costs of share issue	19	0	-165,885
Long-term loan disbursements	23	2,500,000	0
Repayment of short-term loans	23	-115,596	-3,484
Repayments of lease liabilities	23	-163,375	-252,345
Net cash flows from financing activities (C)		2,221,029	1,931,111
Change in cash and cash equivalents (A + B + C) increase (+)/decrease (-)		-885,602	1,144,850
Cash and cash equivalents at the beginning of the period		2,087,786	942,937
Change		-885,602	1,144,850
Cash and cash equivalents at the end of the period		1,202,184	2,087,786

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STATEMENT OF CHANGES IN EQUITY

EUR thousand	NOTE	Equity attributable to owners of the parent						Total equity
		Share capital	Invested unrestricted equity reserve	Share issue	Treasury shares	Translation differences	Retained earnings	
Shareholders' equity 1 Jan. 2025		80,000	47,359,358	0	0	6,872	-39,297,236	8,148,994
Comprehensive income								
Profit (loss) for the financial period		0	0	0	0	0	-6,084,812	-6,084,812
Other comprehensive income								
Translation differences		0	0	0	0	-10,111	0	-10,111
Comprehensive income (loss) for the period, total		0	0	0	0	-10,111	-6,084,812	-6,094,924
Transactions with owners								
Issues less transaction costs	19	0	0	0	0	0	0	0
Registration of shares	19	0	0	0	0	0	0	0
Cancellation of treasury shares	19	0	0	0	0	0	0	0
Share-based payments	20	0	0	0	0	0	208,735	208,735
Other adjustments		0	0	0	0	0	-49,066	-49,066
Total transactions with owners		0	0	0	0	0	159,669	159,669
Shareholders' equity 31 Dec. 2025		80,000	47,359,358	0	0	-3,239	-45,222,379	2,213,740

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STATEMENT OF CHANGES IN EQUITY

EUR thousand	NOTE	Equity attributable to owners of the parent						Total equity
		Share capital	Invested unrestricted equity reserve	Share issue	Treasury shares	Translation differences	Retained earnings	
Shareholders' equity 1 Jan. 2024		80,000	45,172,417	0	0	6,274	-31,472,557	13,786,134
Comprehensive income								
Profit (loss) for the financial period		0	0	0	0	0	-7,731,797	-7,731,797
Other comprehensive income								
Translation differences		0	0	0	0	599	0	599
Comprehensive income (loss) for the period, total		0	0	0	0	599	-7,731,797	-7,731,199
Transactions with owners								
Issues less transaction costs	19	0	0	0	0	0	0	0
Registration of shares	19	0	2,186,941	0	0	0	0	2,186,941
Cancellation of treasury shares	19	0	0	0	0	0	0	0
Share-based payments	20	0	0	0	0	0	-92,882	-92,882
Other adjustments		0	0	0	0	0	0	0
Total transactions with owners		0	2,186,941	0	0	0	-92,882	2,094,059
Shareholders' equity 31 Dec. 2024		80,000	47,359,358	0	0	6,872	-39,297,236	8,148,994

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 BASIC INFORMATION ABOUT THE GROUP

The Group's parent company is Betolar Plc. Betolar Plc (hereinafter referred to as the "Company" or "Betolar") is a Finnish public limited company domiciled in Kannonkoski, Finland. The registered address of the company is Mannilantie 9, 43300 Kannonkoski, Finland. Betolar is listed on the Nasdaq First North Growth Market and its shares are also traded on the OTCQX International market in the United States.

Betolar is a circular economy and materials technology company. The company has groundbreaking technology to recover critical and strategic metals from industrial wastes. Through its metal extraction technology, valuable metals are recovered from mine tailings and unutilized industrial sidestreams. The remaining material is processed into a binder that replaces cement, thereby creating two new revenue streams from waste while simultaneously reducing the customer's environmental liabilities.

In addition, Betolar sells circular economy materials for applications in the construction and mining industries. The company's Geoprime® geopolymer solution replaces cement in concrete products with low carbon binders produced from industrial sidestreams. AI based analytics optimize material performance and enable predictive modelling for sustainable production. By building circular economy value chains and enabling environmentally responsible industrial ecosystems globally, Betolar delivers significant benefits to both industry and society. The company's mission is to accelerate the decarbonization of industry by reducing CO₂ emissions and minimizing the use of virgin natural resources through breakthrough technologies.

The Betolar Group consists of the parent company Betolar Oyj and its wholly owned subsidiaries Betolar Chemicals Oy and Betolar India Private Limited.

2. ACCOUNTING PRINCIPLES

2.1. ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IFRS, IAS) and Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB) which are accepted for application in the EU. The financial statements have also been prepared in accordance with the requirements of the Finnish Accounting Act and the Limited Liability Companies Act. The financial statements have been prepared on a going concern basis.

The Group's financial statements are presented in euros, which is the company's functional and presentation currency. The figures presented in these financial statements have been rounded up or down, and therefore the aggregates for individual figures may differ from the total figures presented in the tables. Transactions denominated in foreign currencies are converted into the functional currency at exchange rates prevailing on the date of the transaction. Subsidiary Betolar India Private Ltd has a financial year of 1 April–31 March. For the purposes of preparing the consolidated financial statements, the subsidiary's financial information has been aligned with the Group's reporting period.

Betolar has not yet applied the revised standards already issued by the IASB, which are mandatory for the financial years beginning on or after 1 January 2026.

Betolar Group's accounting principles are described in each note to make them easier to understand. The following table summarises the notes that present each accounting principle.

Accounting principle	Note	IFRS
Revenue recognition principles for sales	3	IFRS 15
Research and development expenses	12	IAS 38
Personnel expenses	6	IAS 19
Income taxes	10	IAS 12
Earnings per share	11	IAS 33
Intangible assets	12	IAS 38
Tangible assets	13	IAS 16
Leases	14	IFRS 16
Government grants	23	IAS 20
Trade receivables	16	IFRS 9
Share-based payments	20	IFRS 2
Financial assets and liabilities	22,23	IFRS 9
Inventory	15	IAS 2

2.2. ACCOUNTING PRINCIPLES REQUIRING MANAGEMENT JUDGEMENT AND KEY UNCERTAINTIES RELATING TO ESTIMATES

Under IFRS, the preparation of financial statements requires management judgement regarding the selection and application of accounting principles. In addition, the management has had to make forward-looking accounting estimates and assumptions that may affect the amounts of assets, liabilities, income and expenses recognised during the reporting period, and the outcomes may differ from these estimates. The estimates and assumptions are based on historical experience and other justifiable assumptions considered reasonable when the financial statements are prepared. It is possible that actual outcomes differ from the estimates used in the financial statements.

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The management judgements, which have the most significant impact on the figures presented in the financial statements concern the following areas:

- Revenue recognition: revenue recognition over time (Note 3)
- Treatment of leases: estimates of lease term and incremental borrowing rate (Note 14)
- Deferred tax assets arising from tax losses and from depreciation not deducted for tax purposes (Note 10)
- Assumptions used in the valuation of the option model (Note 20)

2.3. CONSOLIDATION PRINCIPLES

Subsidiaries

The consolidated financial statements include the parent company Betolar Plc and all of its subsidiaries over which the parent company has control. Control arises when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Intra-Group shareholding has been eliminated using the acquisition cost method. Acquired subsidiaries are consolidated from the moment the Group acquires control and transferred subsidiaries are consolidated until control ceases. All intra-Group transactions, receivables, liabilities and unrealised gains and internal distribution of profit are eliminated in preparing the consolidated financial statements. Where necessary, the accounting policies of subsidiaries have been amended in the consolidation to reflect the accounting principles of the consolidated financial statements. Subsidiary Betolar India Private Ltd has a financial year of 1 April – 31 March. For the purposes of preparing the consolidated financial statements, the subsidiary's financial information has been aligned with the Group's reporting period.

Items denominated in foreign currencies

The figures concerning the profit and loss and financial position of the Group's units are measured in the currency that is the currency in the principal operating environment of each unit ('functional currency'). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the parent company.

Transactions denominated in foreign currencies are recorded in the functional currency using the exchange rates prevailing on the

date of the transaction. Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the end of the reporting period. Gains and losses arising from foreign currency transactions and the translation of monetary items are measured through profit or loss.

The income and expense items of foreign Group companies are translated into euros at the average exchange rates for the reporting period and balance sheets at the exchange rate on the closing date. The translation of the result and comprehensive income for the period at different rates in the statement of comprehensive income and balance sheet results in a translation difference recognised in shareholders' equity on the balance sheet, the change in which is recognised in other comprehensive income.

2.4. NEW AND REVISED STANDARDS AND INTERPRETATIONS TO BE APPLIED IN FUTURE FINANCIAL YEARS

On the date when these financial statements were authorised for release, the Group has not adopted the following new and revised IFRS standards that have been issued but have not yet become effective. The management does not expect them to have a material impact on the consolidated financial statements in future reporting periods. They will be adopted from the date of their entry into force.

IFRS 18 - Presentation and Disclosure in Financial Statements

(Effective for financial years beginning on or after 1 January 2027)

The financial statement standard is not expected to affect materially the presentation of financial statements.

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3. RECOGNITION OF SALES REVENUE

Accounting principles

Betolar recognises revenue from customer contracts when it satisfies its performance obligations by transferring the promised service or material to the customer. Transfer occurs when the customer obtains control of the service or material – that is, the ability to direct its use and obtain substantially all of the remaining benefits – either over time or at a point in time. Upon satisfaction of a performance obligation, Betolar recognises as revenue the amount of consideration to which it expects to be entitled in exchange for the promised services or materials. Revenue mainly consists of sales of materials, services, and licences.

Material sales consist of sales of industrial sidestreams, such as granulated blast furnace slag, and chemicals required for Betolar's solutions. Material sales typically comprise a single performance obligation, which is recognised at a point in time when control of the material is transferred to the customer based on the applicable delivery terms.

Service sales primarily consists of research projects and solution development services. Service sales usually include a single performance obligation that is satisfied over time as the services are rendered and made available for the customer's use. For revenue recognised over time, Betolar applies an input-based method (progress estimated based on costs incurred in relation to expected total costs), measuring progress using costs incurred relative to total expected contract costs when the outcome of the contract can be estimated reliably. Any expected losses are recognised as an expense immediately.

In licence sales, Betolar grants customers rights to use the technologies, recipes, and intellectual property developed by the company. Licence agreements may include one-off licence fees, fixed periodic licence fees, or usage-based royalty fees. Licence revenue may be recognised either at a point in time or over time. One-off licence fees represent right-to-use licences and are recognised at a point in time when the customer obtains control of the licence and can benefit from the licensed intellectual property without requiring ongoing development or updates. Betolar had no right-to-use licence revenue during the financial year. Fixed periodic licence fees rep-

resent right-to-access licences, providing access to technology that is updated or otherwise developed over time, where the customer's benefit arises continuously throughout the licence term and Betolar's ongoing activities affect the value of the licensed right. These fees are recognised over time during the licence period unless the pattern of transfer of benefit requires otherwise. Usage-based royalties, including those linked to the customer's utilisation or production volumes, are recognised when the underlying usage occurs. Betolar had no royalty income in the 2025 financial year.

Management judgement

As described above, Betolar applies an input-based method to revenue recognised over time (progress estimated based on costs incurred in relation to expected total costs) when the outcome of the contract can be estimated reliably. This method has been selected because the nature of the projects typically involves continuous expert work, where labour efforts and corresponding costs arise throughout the project's life cycle, and the customer receives and consumes the benefit simultaneously as Betolar performs the service. Recognising revenue over time for service sales requires management judgement in assessing progress under the input-based method.

Sales revenue distribution

The following table shows a breakdown of Betolar's revenue from customer contracts:

SALES REVENUE DISTRIBUTION

EUR	Revenue recognition	2025	2024
Service and license sales	Over time	680,863	563,466
Material sales	Point in time	265,197	198,217
Sales revenue, total		946,061	761,684

BREAKDOWN OF SALES REVENUE BY MARKET AREA

The table below shows a breakdown of the Group's sales revenue according to the customer's domicile.

EUR	2025	2024
Finland	578,299	280,584
Europe	33,700	298,486
Other countries	334,062	182,614
Total	946,061	761,684

BREAKDOWN OF SALES REVENUE BY REVENUE STREAM

The table below shows the breakdown of the Group's sales revenue by revenue stream:

EUR	2025	2024
Material sales	265,197	198,217
Customer pilot projects and research service projects	660,863	540,394
License sales	20,000	23,072
Total	946,061	761,684

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4. OTHER OPERATING INCOME

EUR	2025	2024
Grants received	1,408,349	943,338
Other income	5,498	3,204
Total	1,413,847	946,542

Accounting principle

The received grants include grant related to projects. The grants consist mainly of project grant from Business Finland

5. MATERIALS AND SERVICES

EUR	2025	2024
Materials, goods and supplies		
Purchases during the period	-557,473	-197,633
Change in inventories	335,009	0
External services	0	0
Total	-222,464	-197,633

Accounting principle

The Group's materials and services consist of purchases and external services. Expenses are recognised as expenses for the financial year in accordance with the accrual principle when they are incurred and when the related sales are recognised.

6. PERSONNEL EXPENSES

EUR	2025	2024
Salaries and fees	-2,774,092	-4,055,851
Pension expenses - defined contribution plans	-460,987	-633,718
Other social security expenses	-77,691	-120,057
Share-based payments	-208,735	92,882
Total	-3,521,504	-4,716,744

	2025	2024
The Group's personnel on average during the financial year	32	46

Accounting principle

The Group's personnel expenses consist of short-term employee benefits, post-employment benefits (statutory defined contribution pension plans) and share-based remuneration. Current service cost is recognised through profit or loss and disclosed in personnel expenses for the period in which the related services are performed. A liability is recognised when a statutory or constructive obligation has arisen for the Group based on the work performed and the amount of the obligation can be estimated reliably. Information about the remuneration of the management is provided in Note 26 on related party transactions and information on share-based payments in Note 20.

Pension obligations

The Group currently has only defined contribution plans in place. Payments for them are recognised as expenses in the income statement for the financial period to which they relate. The Group has no legal or constructive obligation to pay additional contributions if the recipient entity is unable to pay the retirement benefits concerned.

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7. DEPRECIATION, AMORTISATION AND IMPAIRMENT

EUR	2025	2024
Depreciation and amortisation of development expenses	-1,875,727	-1,779,241
Amortisation of intangible assets	0	-2,030
Depreciation of tangible assets	-114,968	-127,887
Amortisation of right-of-use assets	-139,682	-238,625
Total	-2,130,376	-2,147,783

Accounting policy

Tangible fixed assets are valued at their original acquisition cost less accumulated depreciation and any impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset. Depreciation periods and methods are reviewed at least once a year and adjusted if expectations change.

Impairment testing is performed whenever there are indications of impairment. The test is based on cash-generating units and their recoverable amount, which is determined as the fair value less costs to sell or the value in use (discounted future cash flows). If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the income statement.

8. OTHER OPERATING EXPENSES

EUR	2025	2024
Personnel-related expenses	-88,214	-103,747
Facilities expenses	-68,219	-73,447
Vehicle expenses	-21,347	-4,436
IT expenses	-289,598	-333,644
Other machinery and equipment expenses	-52,996	-111,774
Marketing and communication expenses	-124,659	-171,479
Travel and entertainment expenses	-215,012	-225,905
Research and development expenses	-306,427	-277,342
Administrative services	-929,837	-982,526
Other expenses	-229,118	-325,529
Total	-2,325,427	-2,609,829

Accounting principle

The Group's other operating expenses consist of voluntary personnel expenses, IT expenses and research and development expenses, which are not capitalised as part of balance sheet development expenses and administrative services.

Auditor's fees

EUR	2025	2024
PricewaterhouseCoopers Oy		
Audit fee	78,000	77,291
Assignments referred to in section 1.1,2 of the Auditing Act	0	0
Tax advice	0	0
Other fees	0	15,008
Total	78,000	92,299

The other services included in the auditors' fees for 2024 consists of consulting and separate project audit.

9. FINANCIAL INCOME AND EXPENSES

Financial income EUR	2025	2024
Interest income and other financial income	481,695	550,854
Foreign exchange gains	0	838
Other financial income	0	0
Total	481,695	551,692

Financial expenses EUR

Interest expenses	-549,003	-348,291
Exchange rate losses	-11,939	-2,123
Interest expenses on lease liabilities	-11,648	-27,602
Other financial expenses	-1,655	-7,499
Total	-574,244	-385,515

Accounting principle

Financial income for the financial year mainly consists of capital gains related to short-term investments and changes in the fair value of the short-term investment. Interest expenses consist mainly of interest expenses on financial liabilities. In addition, the other most significant items of financial expenses consist of interest expenses in accordance with IFRS 16.

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10. TAXES

10.1. Income taxes

EUR	2025	2024
Tax through profit or loss	0	-5,406
Change in deferred taxes	-152,398	71,195
Total	-152,398	65,789

Reconciliation between the tax expense of the income statement and the taxes calculated at the company's domestic tax rate:

EUR	2025	2024
Profit before taxes	-5,932,414	-7,797,586
Income taxes calculated at the Finnish tax rate, 20%	1,186,483	1,559,517
Non-deductible expenses and tax-exempt income	-1,836	21,842
Share-based payments	-41,747	18,576
Difference between foreign tax rates and Finnish tax rate	-6,469	1,395
Tax losses and temporary differences for which no deferred tax asset has been taken into account	-1,317,830	-1,535,556
Other items	29,001	13
Income taxes on the income statement	-152,398	65,789

Accounting principle

The tax expense consists of current tax and deferred tax. Taxes are recognised through profit or loss, except when they relate directly to items recognised in equity or other comprehensive income. In this case, taxes are also recorded in these items. The Group has not recognised income taxes in other comprehensive income.

Current tax is calculated on the basis of the current tax rate in each country or the rate actually adopted by the closing date. The Group deducts current tax assets and tax liabilities if, and only if, the Group has a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred taxes are calculated from temporary differences between the carrying amount and the tax base. However, a deferred tax liability is not recognised on initial recognition of goodwill or if it arises from initial recognition of an asset or liability, if it is not a business combination and if the transaction, at the time it takes place, does not affect accounting profit or taxable income.

10.2. Deferred tax

EUR	1 Jan. 2025	Recognised through profit or loss	Recognised in equity	31 Dec. 2025
Changes in deferred tax assets				
IFRS 16 accounting entries	3,429	-2,409	0	1,020
Other items*	127,444	-127,444	0	0
Total	130,873	-129,853	0	1,020

*Other items relate to accounting entries for interest treatment on subordinated loans from the parent company

EUR	1 Jan. 2024	Recognised through profit or loss	Recognised in equity	31 Dec. 2024
Changes in deferred tax assets				
IFRS 16 accounting entries	1,051	2,378	0	3,429
Other items	58,721	68,723	0	127,444
Total	59,772	71,100	0	130,873

EUR	1 Jan. 2025	Recognised through profit or loss	Translation differences	Recognised in equity	31 Dec. 2025
Changes in deferred tax liabilities					
Other items	97	22,451	-3	0	22,545
Total	97	22,451	-3	0	22,545

EUR	1 Jan. 2024	Recognised through profit or loss	Translation differences	Recognised in equity	31 Dec. 2024
Changes in deferred tax liabilities					
Other items	187	-94	4	0	97
Total	187	-94	4	0	97

	31 Dec. 2025	31 Dec. 2024
Tax losses and other temporary differences for which no deferred tax asset has been recognised		
Confirmed losses	42,343,464	38,325,573
Depreciation on research and development expenditure not deducted for tax purposes	5,260,622	3,409,254
Other differences	52,890	63,728
Total	47,656,975	41,798,554

Tax losses for which no deferred tax has been recorded are due to the Group's strong investments in technology development, commencement of commercialisation and acquisition of the necessary competencies. No deferred tax asset has been recognised for depreciation and other differences related to R&D expenditure that are not deducted for tax purposes, as there is uncertainty regarding their recoverability.

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Significant decisions based on management judgement

Tax assets and liabilities are based on an estimate of the amount of tax payable or refundable on the basis of current taxable income. Long-term tax assets are not discounted.

The company has deferred tax assets and liabilities that are expected to be recognised in the income statement during certain periods in the future. The management has made assumptions and used certain estimates in relation to the tax consequences for the years to come resulting from differences in the carrying amounts of assets and liabilities recognised in the financial statements and their tax bases.

The main assumptions relate, for example, to the fact that the recovery period of the estimated deductible confirmed tax losses remains unchanged and that the current tax laws and tax rates will remain unchanged for the foreseeable future.

At each balance sheet date, the recoverability of the deferred tax assets is assessed, and if circumstances indicate that there will be no future taxable profit against which the temporary difference can be utilised, the deferred tax asset is written off to the available amount.

10.3. Confirmed losses

Confirmed losses expire in 10 years. Tax losses expire as follows:

EUR	2025	2024
Due in 5 years	2,307,157	924,939
Due later than in 5 years	40,036,307	37,400,634
Total	42,343,464	38,325,573

11. EARNINGS PER SHARE

The basic and diluted loss per share is calculated by dividing the loss for the period by the weighted average of ordinary shares.

EUR	2025	2024
Profit for the financial period	-6,084,812	-7,731,797
Weighted average number of ordinary shares issued	21,567,570	21,567,570
Loss per share, undiluted and adjusted for dilution	-0.28	-0.36

Accounting principle

Earnings per share are calculated by dividing the profit for the financial year by the average number of ordinary shares outstanding during the year weighted by issuance dates. The Group's potential dilutive instruments consist of stock options issued in 2019, 2020, 2021, 2022, 2023 and 2025 as well as the

convertible bond issued and converted in 2021. Since the Group has made a loss, the stock options and the convertible bond would not have a dilutive effect and are therefore not included in the calculation of the diluted loss per share. Therefore, there is no difference between the basic and diluted adjusted earnings per share. In the future, these options may have a dilutive effect on earnings per share.

12. INTANGIBLE ASSETS

Intangible rights	Development expenses	Other intangible assets	Total
Acquisition cost on 1 January 2025	9,566,025	42,016	9,608,041
Increases	1,112,419	0	1,112,419
Deductions	0	0	0
Acquisition cost on 31 December 2025	10,678,443	42,016	10,720,459
Accumulated depreciation on 1 January 2025	-5,730,280	-42,016	-5,772,296
Accumulated depreciation of deductions and transfers	0	0	0
Depreciation for the financial period	-1,875,727	0	-1,875,727
Impairment	0	0	0
Accumulated depreciation on 31 December 2025	-7,606,007	-42,016	-7,648,023
Book value on 1 January 2025	3,835,744	0	3,835,744
Book value on 31 December 2025	3,072,436	0	3,072,436

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EUR Intangible rights	Development expenses	Other intangi- ble assets	Total
Acquisition cost on 1 January 2024	8,258,020	42,016	8,300,036
Increases	1,308,004	0	1,308,004
Deductions	0	0	0
Acquisition cost on 31 December 2024	9,566,025	42,016	9,608,041
Accumulated depreciation on 1 January 2024	-3,949,009	-42,016	-3,991,025
Accumulated depreciation of deductions and transfers	0	0	0
Depreciation for the financial period	-1,781,271	0	-1,781,271
Impairment	0	0	0
Accumulated depreciation on 31 December 2024	-5,730,280	-42,016	-5,772,296
Book value on 1 January 2024	4,309,011	0	4,309,011
Book value on 31 December 2024	3,835,744	0	3,835,744

Accounting principle

The company's intangible assets consist of development costs.

Development costs are recognized in the balance sheet at their original acquisition cost if the acquisition cost can be reliably determined and it is probable that the expected future economic benefits arising from the asset will flow to the Group. The residual value, useful life, and amortization method of the asset are reviewed at least at the end of each financial period and, if necessary, adjusted to reflect changes in the expected economic benefits.

Research and development expenses

Betolar recognises research expenses, such as the acquisition of new knowledge and the search for product and process alternatives, as expenses on an accrual basis, i.e. at the time the expenses are incurred.

Betolar capitalises development expenses in intangible assets if they are expected to generate income in several financial years. When the company classifies an intangible asset as development expenses, completion is technically feasible so that the asset is available for use or sale, the entity has the ability, intention and resources to complete the asset and use or sell it. The company estimates that an asset has probable future economic benefits that can be demonstrated and that the company can reliably measure the costs incurred from the intangible asset during its development phase.

At the end of each reporting period, the company evaluates whether there are indications that the capitalised development expenses have decreased in value. Estimates of capitalised development costs are subject to uncertainties and it is possible that, as conditions change, the expected return on development projects will change. The value of capitalised development costs may decrease if the expected economic benefits change. If the expected return on a capitalised asset is less than the sum of the development expenses recognised on the balance sheet, the value of the capitalised development expenses is adjusted by means of an impairment charge to correspond to the expected return.

Capitalised development costs are depreciated on a straight-line basis over their useful life of 5 years.

Borrowing costs

EUR 26 thousand of borrowing costs related to development expenses were capitalised during the financial year (2024: EUR 30 thousand). The interest rate used is the effective interest rate on loans.

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13. PROPERTY, PLANT AND EQUIPMENT

EUR Property, plant and equipment	Machinery and equipment	Buildings and structures	Land and Waters	Other tangible assets	Right-of-use assets	Total
Acquisition cost on 1 January 2025	611,881	793,838	52,845	42,750	945,998	2,447,311
Increases	37,800	5,141	0	0	190,948	233,889
Deductions	0	0	0	0	0	0
Translation differences	243	0	0	0	0	243
Acquisition cost on 31 December 2025	649,923	798,979	52,845	42,750	1,136,946	2,681,443
Accumulated depreciation, amortisation and impairment on 1 January 2025	-387,590	-103,663	0	0	-756,894	-1,248,147
Depreciation for the financial period	-66,296	-48,672	0	0	-139,682	-254,649
Impairment	0	0	0	0	0	0
Accumulated depreciation, amortisation and impairment on 31 December 2025	-453,885	-152,336	0	0	-896,576	-1,502,796
Book value on 1 January 2025	224,291	690,174	52,845	42,750	189,104	1,199,164
Book value on 31 December 2025	196,038	646,644	52,845	42,750	240,370	1,178,647
EUR Property, plant and equipment	Machinery and equipment	Buildings and structures	Land and Waters	Other tangible assets	Right-of-use assets	Total
Acquisition cost on 1 January 2024	611,831	706,199	52,845	42,750	932,114	2,345,739
Increases	0	87,639	0	0	19,528	107,167
Deductions	0	0	0	0	-5,644	-5,644
Translation differences	50	0	0	0	0	50
Acquisition cost on 31 December 2024	611,881	793,838	52,845	42,750	945,998	2,447,311
Accumulated depreciation, amortisation and impairment on 1 January 2024	-311,651	-51,715	0	0	-518,269	-881,635
Depreciation for the financial period	-75,938	-51,949	0	0	-238,625	-366,512
Impairment	0	0	0	0	0	0
Accumulated depreciation, amortisation and impairment on 31 December 2024	-387,590	-103,663	0	0	-756,894	-1,248,147
Book value on 1 January 2024	300,180	654,484	52,845	42,750	413,845	1,464,104
Book value on 31 December 2024	224,291	690,174	52,845	42,750	189,104	1,199,164

Accounting principle

Property, plant and equipment consists mainly of machinery and equipment, buildings and structures and right-of-use assets subject to IFRS 16, which in the financial years 2025 and 2024 have concerned the company's premises leases and machine and equipment leases. These are set out in more detail in Note 14.

Tangible fixed assets are valued at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an item of property, plant and equipment. Assets are depreciated at the maximum residual depreciation rates for tax purposes.

The estimated useful lives are as follows:

- Machinery and equipment 5 years
- Buildings and structures 10–20 years
- Other tangible assets 5 years

The residual values, useful lives and depreciation methods of assets are reviewed at the end of each financial period and, if necessary, adjusted to reflect the changes in the expected economic benefits.

14. LEASES

Betolar Group acts as a lessee and has leased office premises and machinery and equipment through leasing agreements. A contract is considered to be, or contain, a lease if the contract conveys the right to control the use of an identified asset for a limited period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a lease liability. A right-of-use asset is recognised on the balance sheet at an amount that corresponds to the lease liability, advances paid and direct expenses of the lease. Subsequently, right-of-use assets are measured at the acquisition cost less any accumulated depreciation and impairment losses. It is adjusted for certain remeasurements of the lease liability. The lease liability corresponds to the present value of the lease payments at the reporting date. The income statement recognises depreciation that is related to lease assets and interest expenses that are related to the lease liability.

At the commencement date, right-of-use assets that are capitalised under leases and the corresponding lease liability are meas-

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ured at the present value of the minimum lease payments that are not paid at that date. The Group uses the incremental borrowing rate as the discount rate for lease payments.

For open-ended contracts that include an option to extend or terminate, the Group assesses whether the options will be used to determine the lease term. Considering the operating environment of the company at the moment, making estimates of more than two years is challenging. For this reason, the company has decided to use a probable two-year extension option for contracts of indefinite duration.

IFRS 16 provides practical expedients for the derecognition of right-of-use assets and lease liabilities that relate to:

- short-term leases (lease term up to 12 months).
- leases of low-value assets (the value of each asset as new does not exceed approximately EUR 5,000).

Significant decisions based on management judgement

The Group's leases consist mainly of business premises, the leases of which remain in effect until further notice. The management has to assess the likelihood of exercising such an extension option, which will have a corresponding impact on the estimated duration of the lease term and the amounts of the right-of-use asset, lease liability, depreciation and interest expenses. The impact of the exercise of the options on the financial benefits received by the Group has been taken into account in the assessment. Extension options are included in the lease period until their exercise is reasonably certain.

Lease liabilities are presented on the balance sheet line Lease liabilities, divided into long-term and short-term items according to their maturity dates.

Right-of-use asset items on the balance sheet	31 Dec. 2025	31 Dec. 2024
Business premises	228,062	171,617
Machinery and equipment	12,309	17,487
Total	240,371	189,104

Lease liabilities on the balance sheet	31 Dec. 2025	31 Dec. 2024
Long-term	124,495	70,545
Short-term	120,974	135,703
Total	245,469	206,248

Additions to right-of-use assets for the financial year 2025 amounted to EUR 190,948 (2024: EUR 19,528).

Items recognised through profit or loss	2025	2024
Interest expenses on lease liabilities (included in financial expenses)	-11,648	-27,602
	-11,648	-27,602

Amortisation of right-of-use assets	2025	2024
Business premises	-116,944	-228,501
Machinery and equipment	-22,738	-10,124
Total	-139,682	-238,625

Expenses of right-of-use assets	2024	2024
Expenses in the income statement that are related to leases of minor value	-40,338	-710
Expenses in the income statement that are related to short-term leases (less than 12 months)	-39,852	-9,996
Total	-80,190	-10,706

The outgoing cash flow from leases in 2025 totalled EUR 163,375 (2024: EUR 252,345).

15. INVENTORY

Accounting principle

Inventory is valued at the lower of cost or net realizable value. Cost includes the purchase price, freight, and other costs incurred in bringing the inventory to its present location and condition. The acquisition cost is determined using the FIFO (First-in, First-Out) method.

The net realizable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale.

EUR	2025	2024
Materials and supplies	335,009	0
	335,009	0

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16. TRADE RECEIVABLES

Age distribution of trade receivables

EUR		31 Dec. 2025	Provision	31 Dec. 2024	Provision
Not due	0%	171,659	0	65,768	0
1–30 days past due	0%	40,340	0	57,498	0
31–60 days past due	5%	11,697	585	5,345	267
61–90 days past due	10%	8,006	801	0	0
91–180 days past due	25%	12,847	3,212	1,828	457
181–360 days past due	50%	2,158	1,079	8,225	4,113
Over 360 days past due	100%	5,342	5,342	58,891	58,891
Total		252,049	11,018	197,555	63,728

Reconciliation for loss allowances of trade receivables

	31 Dec. 2025	31 Dec. 2024
Provision for credit losses 1 January	63,728	5,886
Net change in provision for credit losses during the period	39,642	57,842
Recognised as credit losses during the financial year	-92,351	0
Credit loss allowance 31 December	11,018	63,728

Accounting principle

Trade receivables are recognised on the balance sheet at the original invoice value less any impairment losses. An impairment loss is recognised immediately through profit or loss. For the recognition of expected credit losses, the Group applies the simplified procedure set out in IFRS 9 for recognising expected lifetime credit losses on trade receivables. The expected credit loss is determined by estimating the impairment of the exposures of individually material clients on the basis of their probability of default. In the financial year 2025, the company recognised a credit loss allowance of EUR 11,018 (2024: EUR 63,728).

A trade receivable is written off from the balance sheet as a final credit loss when it is not reasonably expected to be collected. Such a situation may arise in the event of a customer's bankruptcy, debt restructuring, permanent insolvency, or other circumstances indicating the final loss of the receivable.

Realised impairment losses on trade receivables recognised in 2025 amounted to EUR 92,351 (2024: EUR 0).

17. OTHER RECEIVABLES AND ACCRUED INCOME AND PREPAID EXPENSES

Other non-current receivables EUR	31 Dec. 2025	31 Dec. 2024
Rental security deposits paid	60,315	40,035
Credit card guarantees paid	25,000	150,000
Other non-current receivables	150	0
Financial leasing receivables	1,722	4,416
Total	87,186	194,451

Other current receivables EUR	31 Dec. 2025	31 Dec. 2024
VAT receivables	100,052	106,269
Other receivables	2,527	0
Total	102,579	106,269

Current accrued income and prepaid expenses EUR	31 Dec. 2025	31 Dec. 2024
Grant accruals	291,744	366,024
Other	138,817	113,818
Total	430,562	479,843

Accounting principle

Other accounts receivable and accrued income and prepaid expenses comprise accruals related to taxes and other expenses and securities paid. Accrued income also includes accruals related to grants, which are recognized when the grant is certain to be received and allocated to the corresponding expenses.

18. CASH AND CASH EQUIVALENTS

EUR	31 Dec. 2025	31 Dec. 2024
Cash and bank accounts	1,202,184	2,087,786
Total	1,202,184	2,087,786

Accounting principle

Cash and cash equivalents are comprised of bank balances.

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19. SHARE CAPITAL AND EQUITY RESERVES

	Number of outstanding shares (qty)	Treasury shares (qty)	Number of shares (qty)	Share capital (EUR)	Share issue (EUR)	Treasury shares (EUR)	Reserve for invested unrestricted equity (EUR)	Translation differences (EUR)
1 Jan. 2024	19,606,882	0	19,606,882	80,000	0	0	45,172,417	6,274
Cancellation of treasury shares	0	0	0	0	0	0	0	0
Registration of shares	0	0	0	0	0	0	0	0
Share issue, less transaction costs	1,960,688	0	1,960,688	0	2,186,941	0	2,186,941	0
Change in translation differences	0	0	0	0	0	0	0	599
31 Dec. 2024	21,567,570	0	21,567,570	80,000	2,186,941	0	47,359,358	6,872
Cancellation of treasury shares	0	0	0	0	0	0	0	0
Registration of shares	0	0	0	0	0	0	0	0
Share issue, less transaction costs	0	0	0	0	0	0	0	0
Change in translation differences	0	0	0	0	0	0	0	-10,111
31 Dec. 2025	21,567,570	0	21,567,570	80,000	2,186,941	0	47,359,358	-3,239

Company shares

The number of the company's shares on 31 December 2025 is 21,567,570.

The company's shares are included in the book-entry system maintained by Euroclear Finland Oy. The company's share capital is EUR 80,000.

Share capital

The subscription price of the shares received in connection with the share issues is recorded in the share capital to the extent that the subscription price has not been decided to be recorded in the reserve for invested unrestricted equity.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity investments and the subscription price of shares to the extent that it is not recognised in share capital according to an explicit decision.

Translation differences

Translation differences include translation differences arising from the translation of the financial statements of foreign operations. The Group's accumulated translation differences on 31 December 2025 totalled EUR -10,111 (31 December 2024: EUR 599).

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20. SHARE-BASED PAYMENTS

Betolar has option and share -based incentive and commitment plans, aimed to encourage the management and selected key persons and employees to work to increase shareholder value in the long term. The different option programs and their terms and conditions are presented in the tables below.

Share and option-based remuneration is measured at fair value on the date of grant and recognized as an expense in personnel expenses and retained earnings/accumulated losses on a straight-line basis over the vesting period. The amount recognized as an expense for 2025 is EUR 209 thousand (2024: EUR -93 thousand). The change is explained by new option-based remuneration granted during

the 2025 period. During 2024, as a result of restructuring measures, the company received a return of option rights and shares from incentive programs.

The fair value of options on the grant date is determined using the Black-Scholes-model, which takes into account the exercise price, the duration of the option, the effect of dilution (if material), the share price on the grant day, the expected volatility of the price, the expected dividend yield, the risk-free interest rate for the option's validity period. Volatility is determined using the company's own share price data for the period during which the company has been publicly traded, and otherwise using the share price data of comparable companies.

The model used the following as inputs for options granted in 2025:

Plan	Option plan 2019	Option plan 2020	Option plan 2021	Option plan 2021	Option plan 2022	Share plan 2022	Option plan 2023	Option plan 2023
Type	OPTION	OPTION	OPTION	OPTION	OPTION	SHARE	OPTION	OPTION
Instrument	2019-2A - 2019-2D	2020A - 2020G	2021-1A - 2021-1C	2021-2A - 2021-2B	Options 2022	Restricted stock option plan 2022-2026	Options 2023	Options 2025
Grant date	5.6.2019	16.9.2020	05.06.2019, 16.09.2020, 23.02.202, 27.07.2021	16.09.2020, 23.02.2021	23.3.2022	23.3.2022, 9.10.2024	21.06.2023, 09.10.2024	3.6.2025
Number of options/shares granted, qty	207	280	1,004	202	500,000	100,000	710,000	800,000
Subscription ratio, qty	601	601	601	601	1	n/a	1	1
Initial exercise price, EUR	382	790	790	790	n/a	n/a	n/a	n/a
Dividend adjustment	No	No	No	No	No	No	Yes	Yes
Initial exercise price after share split, EUR	0,635607	1,314476	1,314476	1,314476	5,96	n/a	2,59	0,89
Original allocation date	30.8.2019	22.11.2020	22.1.2021	26.9.2021	8.7.2022	1.11.2022	21.6.2023	3.6.2025
Release date	1.1.2020, 1.1.2021, 9.12.2021	22.11.2020, 1.1.2021, 1.4.2021, 1.7.2021, 1.10.2021, 9.12.2021	9.12.2021	1.12.2021, 9.12.2021	1.4.2025	31.8.2024	1.4.2026	1.4.2027
Release criterion	Obligation to work	Obligation to work	Obligation to work	Obligation to work	Obligation to work	Obligation to work	Obligation to work	Obligation to work, Revenue and Gross Margin Targets
Expiration date	31.12.2030	31.12.2030	31.12.2030	31.12.2030	28.2.2027	1.9.2026	28.2.2028	28.2.2030
Maximum duration, years	11.3	8.5	9.9	9.3	4.6	0	4.7	4.7
Running time remaining, years	5.0	5.0	5.0	5.0	1.2	n/a	2.2	4.2
Persons at the end of the financial year	0	1	4	0	4	7	8	12
Method	In shares	In shares	In shares	In shares	In shares	In shares	In shares	In shares

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Plan	2019-2A - 2019-2D	2020A - 2020G	2021-1A - 2021-1C	2021-2A - 2021-2B	Options 2022	Restricted stock unit plan 2022-2026	Options 2023	Options 2025
1 Jan. 2025								
Outstanding at the beginning of the period	52	280	883	0	97,568	93,750	546,333	0
Changes during the period								
Issued	0	0	0	0	0	3,750	0	745,000
Lost	52	0	64	0	15,000	12,500	71,000	55,000
Exercised	0	0	0	0	0	0	0	0
Expired	0	0	0	0	0	0	0	0
Weighted average exercise price, EUR	0.635607		1.314476	1.314476				
Average share value, EUR	3.118, 2.331		2.959	2.834, 2.465, 2.572, 2.82, 2.734				
31 Dec. 2025								
Exercised at the end of the period	0	0	0	0	0	0	0	0
Outstanding at the end of the period	0	280	819	0	82,568	85,000	475,333	690,000
Exercisable at the end of the period	0	280	819	0	0	0	0	0

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The model used the following as inputs for options granted in 2024:

Plan	Option plan 2019	Option plan 2020	Option plan 2021	Option plan 2021	Option plan 2022	Share plan 2022	Option plan 2023
Type	OPTION	OPTION	OPTION	OPTION	OPTION	SHARE	OPTION
Instrument	2019-2A - 2019-2D	2020A - 2020G	2021-1A - 2021-1C	2021-2A - 2021-2B	Options 2022	Restricted stock unit plan 2022–2026	Options 2023
Grant date	5.6.2019	16.9.2020	05.06.2019, 16.09.2020, 23.02.2021, 27.07.2021	16.09.2020, 23.02.2021	23.3.2022	23.3.2022	21.06.2023, 09.10.2024
Number of options/shares granted, qty	207	280	1,004	202	500,000	100,000	710,000
Subscription ratio, qty	601	601	601	601	1	n/a	1
Initial exercise price, EUR	382	790	790	790	n/a	n/a	n/a
Dividend adjustment	No	No	No	No	No	No	No
Initial exercise price after share split, EUR	0.635607	1.314476	1.314476	1.314476	5.96	n/a	2.59
Original allocation date	30.8.2019	22.11.2020	22.1.2021	26.9.2021	8.7.2022	1.11.2022	21.6.2023
Release date	1.1.2020, 1.1.2021, 9.12.2021	22.11.2020, 1.1.2021, 1.4.2021, 1.7.2021, 1.10.2021, 9.12.2021	9.12.2021	1.12.2021, 9.12.2021	1.4.2025	31.8.2024	1.4.2026
Release criterion	Obligation to work	Obligation to work	Obligation to work	Obligation to work	Obligation to work	Obligation to work	Obligation to work
Expiration date	31.12.2030	31.12.2030	31.12.2030	31.12.2030	28.2.2027	31.8.2024	28.2.2028
Maximum duration, years	11.3	8.5	9.9	9.3	4.6	0	4.7
Running time remaining, years	6.0	6.0	6.0	6.0	2.2	n/a	3.2
Persons at the end of the financial year	1	1	6	0	5	0	11
Method	In shares	In shares	In shares	In shares	In shares	In shares	In shares

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Plan	2019-2A - 2019-2D	2020A - 2020G	2021-1A - 2021-1C	2021-2A - 2021-2B	Options 2022	Restricted stock unit plan 2022-2024	Options 2023
1 Jan. 2024							
Outstanding at the beginning of the period	52	280	920	101	366,191	40,000	666,333
Changes during the period							
Issued	0	0	0	0	0	93,750	390,000
Lost	0	0	37	101	268,623	40,000	510,000
Exercised	0	0	0	0	0	0	0
Expired	0	0	0	0	0	0	0
Weighted average exercise price, EUR	0.635607		1.314476	1.314476			
Average share value, EUR	3.118. 2.331		2.959	2.834. 2.465. 2.572. 2.82. 2.734			
31 Dec. 2024							
Exercised at the end of the period	0	0	0	0	0	0	0
Outstanding at the end of the period	52	280	883	0	97,568	93,750	546,333
Exercisable at the end of the period	52	280	883	0	0	0	0

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Inputs used in the valuation of options

The tables below describe the inputs and fair values used to calculate the fair value of each option and restricted stock option plan.

	Option 2025	Option 2023	Option 2022	RSU 2022
Share value at the time of issue, EUR	1.29	2.56	3.76	1.05
Share value at the time of reporting, EUR	1.05	1.29	3.05	1.05
Subscription price, EUR	0.89	2.59	5.96	n/a
Expected volatility	54.38%	36.04%	43.30%	52.15%
Maturity, years	4.7	4.7	4.5	1.8
Risk-free interest rate	2.18%	3.27%	1.50%	2.05%
Expected dividends, EUR	0	0	0	0
Valuation model	Black-Scholes	Black-Scholes	Black-Scholes	Fair value at grant date
Weighted fair value of options granted	0.70	0.86	0.90	n/a

Betolar has option-based incentive and commitment plans, aimed to encourage the management and selected key persons and employees to work to increase shareholder value in the long term. The plans have been approved by the Board of Directors. Persons participating in the plan are granted options not subject to special conditions. The Board of Directors decides who participates in the plan, and no one has a contractual right to participate in the plan or to receive any guaranteed benefits.

The options granted before 2022 expired in connection with the listing and their subscription period expires at the end of 2030. The subscription period for new options approved in 2025 is 1 April 2027 - 28 February 2030, and their vesting period ends on 31 March 2027.

The options are granted without consideration and do not carry any dividend or voting rights.

The expected volatility of the price is based on the realised volatility (based on the remaining maturity of options), adjusted, according to publicly available information, to reflect expected changes.

According to Finnish tax laws, Betolar Plc withholds an amount equal to the employee's tax obligation related to the granting of options and remit it to the tax authorities on behalf of the employee.

The amount withheld and remitted to the tax authorities in conjunction with the options granted in the financial year 2025 was EUR 0.

21. FINANCIAL RISK MANAGEMENT

In its normal business operations, the Group is exposed to a number of financial risks. The main financial risks are credit, solvency, currency and interest rate risks.

The Group's financial risk management focuses on the above-mentioned risks and aims to reduce the

uncertainty that financial market changes may cause to the company's profit and cash flows. The aim is to secure continuous operations in different market conditions and to support the Group's long-term strategic development.

The Board of Directors and the CEO are responsible for the organisation and supervision of internal control and risk management. The CEO is responsible for the implementation of risk management together with the finance organization.

21.1 Counterparty and credit risk

Counterparty and credit risks are related to all business relationships where Betolar is exposed to the risk that the counterparty's performance does not meet Betolar's requirements and contractual obligations. The risk arises especially from sales and procurement transactions and the investment in cash assets. The size of the risk is determined by the size of the transaction and the creditworthiness of the counterparty. The goal of counterparty and credit risk management is to prevent and minimize losses resulting from the counterparty's failure to fulfil its obligations. The Group manages credit risk already at the contract stage by assessing the creditworthiness of the counterparty. In addition, the company's financial administration continuously monitors customers' payment behaviour. The age distribution of trade receivables and the recognition of credit loss provisions are presented in Note 16.

The Group's fund investments are in a fund that is quoted on the public market.

21.2 Liquidity risk

The objective of the Group's risk management with regard to liquidity risk is to secure sufficient liquid assets to finance operations and repay maturing loans. The company assesses and monitors the amount of financing required for its business operations and explores financing options to achieve the above objective.

Cash flows from business operations and liquid assets (financial securities and cash and cash equivalents), together with any new debt or equity financing, are the most important sources of financing for future payments. Betolar estimates that its liquid assets will be sufficient for a period of more than 12 months from the end of the financial year and that the conditions for the continuity of operations will be met.

In January, Betolar drew down the final installment of EUR 2,500 thousand from the Climate Fund's EUR 7,000 thousand loan. Betolar has received public support for its research and development activities. Betolar has received public financing for research and development. Business Finland granted Betolar EUR 2,700 thousand for a research and development project on alternative sidestreams during financial year 2023. The remaining EUR 712 thousand of the grant remains undrawn, and the remainder will be drawn down at the end of the project in 2026 in proportion to the actual costs incurred. In addition, in 2024, Finnpartnership granted the company a subsidy of EUR 370 thousand for the development of factory production of low-carbon hollow core slabs. The project will end in early 2026, after which the portion of the grant corresponding to the actual costs incurred will be drawn down.

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Maturities of contractual financial liabilities at the end of 2025.

EUR	2026	2027	2028	2029-later	Total	Book value on 31 Dec. 2025
Loans from credit institutions	2,939	658			2,939	3,654
Subordinated loans				7,000,000	7,000,000	7,000,000
<i>Interest on subordinated loan *</i>				1,585,306	1,585,306	1,247,408
Government loan	114,515	113,401	112,287	0	340,203	309,909
Accounts payable	183,011				183,011	183,011
Lease liabilities	134,528	129,068	0	0	263,596	245,469
Total	434,992	243,127	112,287	8,585,306	9,375,055	8,989,450

Maturities of contractual financial liabilities at the end of 2024.

EUR	2025	2026	2027	2028-later	Total	Book value on 31 Dec. 2024
Loans from credit institutions	3,681	2,939	0	0	6,620	7,189
Subordinated loans	0	0	0	4,500,000	4,500,000	4,500,000
<i>Interest on subordinated loan *</i>				1,366,536	1,366,536	649,582
Government loan	115,629	114,515	113,401	112,287	455,833	399,895
Accounts payable	173,961	0	0	0	173,961	173,961
Lease liabilities	141,458	72,074	0	0	213,532	206,248
Total	434,729	189,528	113,401	5,978,823	6,716,482	5,936,875

* The capital may be repaid and interest paid only to the extent that the company's unrestricted equity and all capital loans at the time of payment exceed the amount of the loss confirmed for the company's most recent financial year or included in the balance sheet of a more recent financial statement.

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21.3 Foreign exchange risk

Foreign exchange risk arises from transactions in currencies other than the functional currencies of the Group companies. The functional currencies of the Group companies are the euro and the Indian rupee. The majority of the Group companies' sales and purchase transactions are denominated in euros. The Group seeks to avoid foreign exchange risk by negotiating contracts in euros, as far as possible.

The general objective of foreign exchange risk management is to limit the short-term negative effects of exchange rate changes on profit and cash flow, thereby increasing the predictability of earnings. The Group manages the effects of foreign exchange risk by regularly monitoring risk exposures and, if necessary, hedging relevant cash flows. The Group has not had currency hedges in the reporting or comparison periods. Betolar India Private Ltd's operations mainly consist of the sale of blast furnace slag and related purchases. All sales and material procurement agreements in India are conducted in the company's local currency, the Indian rupee.

The table below shows the currency breakdown of the Group's trade receivables, financial securities, cash and cash equivalents and trade payables. Assets and liabilities denominated in a foreign currency are translated into euros at the exchange rate prevailing at the end of the reporting period.

31 Dec. 2025	EUR	INR	Total
Trade receivables	166,203	85,846	252,049
Financial securities	5,512,890	0	5,512,890
Cash and cash equivalents	1,137,954	64,230	1,202,184
Accounts payable	188,535	-5,525	183,011
Net position	7,005,582	144,552	7,150,133

31 Dec. 2024	EUR	INR	Total
Trade receivables	179,992	17,563	197,555
Financial securities	6,899,153	0	6,899,153
Cash and cash equivalents	2,077,583	10,203	2,087,786
Accounts payable	150,392	23,569	173,961
Net position	9,307,120	51,335	9,358,455

21.4 Interest rate risk

Interest rate risk is the risk that the fair values or future realised cash flows of a financial instrument fluctuate due to changes in market interest rates. The Group's income and operating cash flows are mainly independent of fluctuations in market interest rates. Any increase in interest rates as a result of changes in market interest rates may have a direct impact on the costs of available financing and the company's

existing financing costs. The company has not had derivatives to hedge interest rate risk at the balance sheet date or during the comparison periods.

The Group had financial liabilities totalling EUR 8,561 thousand (2024: 5,557 thousand), consisting of bank loans, subordinated loans and the Business Finland loan. All of the Group's financial liabilities are fixed-rate liabilities. The average interest rate on financial liabilities in 2025 was 8.03 percent (2024: 8.02 percent).

The Group's fund investments include a short-term interest rate fund. The fund is exposed to interest rate risk through fluctuations in fair value.

21.5 Capital management

The purpose of the Group's capital management is to ensure the continuity of operations in different market conditions and to support the company's long-term strategic development in all circumstances. The Company assesses the development and adequacy of its capital structure and equity ratio on a regular basis. There are no specific targets for the equity ratio. The equity ratio was 18 percent (2024: 54 percent).

22. FINANCIAL ASSETS

Betolar classifies its financial assets according to IFRS 9 as financial assets at amortised cost and financial assets at fair value through profit or loss. At initial recognition, financial assets are classified based on their business model and cash flow characteristics.

All purchases and sales of financial assets are recorded on the balance sheet on the trade date. Trade receivables are recorded at the transaction cost. Other financial assets are recognised on the balance sheet at their original cost, which corresponds to their fair value at the time of acquisition. In the case of an item that is not measured at fair value through profit or loss, transaction costs are included in the original book value of the financial assets. After initial recognition, these items are measured at amortised cost using the effective interest method.

A financial asset is derecognised when the Group no longer has a contractual right to cash flows or has transferred the material risks and rewards of the financial asset outside the Group. Financial assets are included in non-current balance sheet items when they have a maturity of more than 12 months.

Financial assets at fair value through profit or loss include financial securities consisting of a short-term interest rate fund. These financial instruments are measured at fair value and any revaluation is recognised through profit or loss in the period in which they are incurred.

Financial assets at amortised cost include trade receivables and cash and cash equivalents. Trade receivables are measured at amortised cost less any impairment losses. Items classified as cash and cash equivalents have a maturity of three months or less from the date of acquisition. Cash and cash equivalents include cash and cash in bank accounts and financial securities.

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EUR	Fair value hierarchy	Book value on 31 Dec. 2025	Fair value on 31 Dec. 2025	Book value on 31 Dec. 2024	Fair value on 31 Dec. 2024
Financial assets at fair value through profit or loss					
Financial securities	1	5,512,890	5,512,890	6,899,153	6,899,153
Financial assets at amortised cost					
Trade receivables	N/A	241,031	N/A	133,827	N/A
Guarantees given	N/A	87,186	N/A	194,451	N/A
Cash and cash equivalents	N/A	1,202,184	N/A	2,087,786	N/A
Total financial assets		7,043,291		9,315,218	

The book values of trade receivables, guarantees and cash and cash equivalents correspond substantially to their fair values.

Accounting principle

Fair value items are defined according to hierarchy levels 1 to 3 as follows:

Level 1: The fair values of financial instruments are based on prices quoted for identical assets or liabilities in active markets.

Level 2: The fair value of financial instruments is calculated on the basis of inputs other than level 1 quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3: The fair value of financial instruments is calculated based on inputs that are not observable for the asset or liability

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23. FINANCIAL LIABILITIES

Betolar classifies its financial liabilities as financial liabilities at amortised cost. At initial recognition, the classification of financial liabilities is made on the basis of the purpose of the asset. Financial liabilities at amortised cost are initially recognised at their original value, which corresponds to the amount of consideration received. Transaction costs are included in the original book value of the financial liability. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities are included in long-term and short-term liabilities. Borrowing costs are recognised as interest expense in the period when they are incurred. Borrowing costs are capital-

ised on the balance sheet to the extent that they relate to borrowed assets that have acquired an asset to be capitalised on the balance sheet.

The financial liability, or portion of it, is derecognised when the obligation identified in the contract has been settled, extinguished or terminated. A financial liability is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Financial liabilities measured at amortised cost include the Group's external financial loans, lease liabilities, trade payables and other interest-bearing liabilities.

EUR	Fair value hierarchy	Book value on 31 Dec. 2025	Fair value on 31 Dec. 2025	Book value on 31 Dec. 2024	Fair value on 31 Dec. 2024
Financial liabilities at amortised cost					
Loans from credit institutions	2	3,654	3,654	7,189	7,189
Subordinated loans	2	8,247,408	8,247,408	5,149,582	5,149,582
Government loan	2	309,909	309,909	399,895	399,895
Accounts payable	N/A	183,011	N/A	173,961	N/A
Lease liabilities	N/A	245,469	N/A	206,248	N/A
Total financial liabilities		8,989,450		5,936,875	

The book values of trade payables correspond substantially to their fair values.

Accounting principle

Fair value items are defined according to hierarchy levels 1 to 3 as follows:

Level 1: The fair values of financial instruments are based on prices quoted for identical assets or liabilities in active markets

Level 2: The fair value of financial instruments is calculated on the basis of inputs other than level 1 quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3: The fair value of financial instruments is calculated based on inputs that are not observable for the asset or liability

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Loans from credit institutions

The Group's loans from credit institutions include one instalment credit arrangement. The interest rate is 4.99% and the term of the loan is 5 years. The loan was drawn down in the 2021 financial year.

Government loan

The Group has one product development loan issued by the State Treasury. Two tranches of the total loan granted have been drawn down during the financial year 2021. The interest rate for the loan was 1% in 2025. The loan interest rate was during the period 1 January - 30 June 2024 1.25% and during the period 1 July - 31 December 2024 1%. Before the reporting period the interest rate was 1%. The loan period is 7 years, of which the first four years are free of repayment. The loan is a government loan that meets the interpretation of IFRS because its interest rate is below the market rate. The benefit of a government loan at a rate lower than the market rate is treated as a government grant under IAS 20. The actual loan is recognised initially at its present value in accordance with IFRS 9 and subsequently measured at amortised cost. The benefit of a loan at a rate lower than the market rate, that is, a government grant, is determined as the difference between the present value of the loan at initial recognition of the loan, calculated in accordance with IFRS 9, and the cash payment receivable from the lender.

Subordinated loan

The Group has a subordinated loan of a total of EUR 7 million, of which the first tranche, EUR 2 million, was drawn down in February 2022, the second tranche, EUR 2.5 million, was drawn down in November 2023, and the final tranche of EUR 2.5 million was drawn down in January 2025. The maturity date of the subordinated loan is January 2029. Until the first reference date, 30 June 2023, the annual interest rate was 9.6%. As of 1 July 2023 the interest rate has been 7.75%. The subordinated loan complies with the terms and conditions of a capital loan set forth in chapter 12 of the Limited Liability Companies Act, and Betolar has the right to repay the loan in part or in full, provided that the conditions set forth in the Limited Liability Companies Act for unrestricted equity are met. The subordinated loan has been amortised to its acquisition cost. The accrued interest on the loan, EUR 1,247 thousand, is amortised into interest expenses and interest liability. The capital loan has been transferred to Finnish Industry Investment Ltd as it merged the Climate Fund into its own operations.

Changes in liabilities arising from financing operations

The table below provides a reconciliation of the opening and closing balances of financial liabilities.

EUR	Loans from credit institutions	Subordinated loans	Government loan	Lease liabilities	Total
Balance on 1 Jan. 2024	10,461	4,801,712	374,609	419,100	5,605,882
Cash flow	-4,073	0	0	-252,345	-256,418
Conversion into equity	0	0	0	0	0
Other non-monetary changes	801	347,870	25,285	39,493	413,449
Balance on 31 Dec. 2024	7,189	5,149,582	399,895	206,248	5,762,913
Cash flow	-4,073	2,500,000	-111,934	-163,375	2,220,618
Conversion into equity	0	0	0	0	0
Other non-monetary changes	538	597,826	21,948	202,595	822,907
Balance on 31 Dec. 2025	3,654	8,247,408	309,909	245,469	8,806,439

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24. OTHER PAYABLES AND ACCRUALS AND DEFERRED INCOME

Other payables

EUR	31 Dec. 2025	31 Dec. 2024
Tax liabilities	0	0
Withholding tax liability	82,922	81,932
Other payables	460	1,100
Total	83,382	83,032

Accruals and deferred income

EUR	31 Dec. 2025	31 Dec. 2024
Payroll liabilities	117,467	266,612
Holiday pay liabilities	422,489	425,014
Interest liabilities	2,990	0
Other payables	311,480	206,487
Total	854,426	898,112

Accounting principle

Other payables and accruals and deferred income include accruals related to salaries, taxes and other expenses.

25. COMMITMENTS AND CONTINGENT LIABILITIES

Liabilities for which collaterals have been given

EUR	31 Dec. 2025	31 Dec. 2024
Loans from financial institutions	3,654	10,461
Business mortgages	150,000	150,000

The company has no other reportable collaterals or contingent liabilities.

Disputes and legal proceedings

The company's management is not aware of any open disputes or litigation that could have a significant impact on the company's financial position.

26. RELATED PARTY TRANSACTIONS

Betolar's related parties include the subsidiaries of the parent company Betolar Plc. Related parties also include the key employees of Betolar's management as well as their close family members and the entities under their control. The key management personnel are the members of Betolar's Board of Directors, the CEO and other members of the Management Team. Transactions with related parties are made on normal commercial terms. The transactions include consultancy services related to business development purchased from a member of the Board of Directors and a member of the Management Team. In addition, share subscriptions made by related parties and options granted to related parties have been identified as related party transactions during the year 2024.

No loans or any other guarantees or securities were issued to any related parties.

Remuneration of key management personnel

EUR	2025	2024
Chair	40,800	44,400
Members	110,800	119,200
Total	151,600	163,600

CEO	2025	2024
Salaries and other short-term benefits	306,485	348,874
Post-employment benefits	0	0
Share-based remuneration	0	0
Total	306,485	348,874

Key management personnel	2025	2024
Salaries and other short-term benefits	623,844	639,571
Post-employment benefits	0	0
Share-based remuneration	0	0
Total	623,844	639,571

The key personnel of the company's management include the members of the Board of Directors and the Management Team. In the financial year 2025, the Management consisted of 5 members (2024: 3 members) and the Board of Directors consisted of 6 members (2024: 7 members).

Betolar Plc's Board of Directors for the financial year 2025 consisted of Anders Dahlblom (chair), Jan-Elof Cavander, Kalle Härkki, Soile Kankaanpää, Juha Leppänen and Inka Mero.

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Management's shareholding	31 Dec. 2025	31 Dec. 2024
Number of shares (qty)	3,542	0
Shareholding, percentage	0.02%	0.0%

Shareholding of the Board of Directors	31 Dec. 2025	31 Dec. 2024
Number of shares (qty)	2,584,884	2,584,884
Shareholding, percentage	12.0%	12.0%
Total number of outstanding shares (qty)	21,567,570	21,567,570

Related party transactions and outstanding balances

The following transactions have been concluded with related parties

Purchases from entities controlled by key management personnel

EUR	2025	2024
Consulting services	157,942	127,999
	157,942	127,999

EUR	2025	2024
Trade payables, consulting services	14,119	10,730
	14,119	10,730

During the financial periods 2025 and 2024, management has been granted options (qty) as follows:

	2025	2024
Members of the Board of Directors	0	0
CEO	200,000	120,000
Other members of the Management Team	320,000	110,000
Total	520,000	230,000

27. GROUP STRUCTURE

Information about the Group companies Company name	Registered office	2025 Shareholding (%)	2024 Shareholding (%)
Parent company Betolar Plc	Finland		
Betolar Chemicals Ltd	Finland	100%	100%
Betolar India Private Limited	India	100%	100%

28. NEAR-TERM RISKS AND UNCERTAINTIES

Economic cycles and prevailing uncertainty affect demand for Betolar's products and services, posing a risk to the implementation of Betolar's growth strategy. Geopolitical risks and global instability may affect Betolar's markets and expose the company to business risks.

The adoption of Betolar's solutions and ensuring their profitability require commercial, financial, and technical success in projects. The clear phasing of implementation and continuous customer support significantly reduce the risk of failure in implementation projects.

Betolar also aims to offer alternative, non-commercialized industrial sidestreams and technologies for utilizing them alongside or instead of blast furnace slag. The biggest risk associated with industrial sidestreams and other alternative materials is that they are not defined in existing construction standards and therefore need to be further processed or find other uses than construction.

Regarding liquidity risk, the objective is to secure sufficient liquid assets to finance operations and repay maturing loans. The company will continuously assess and monitor the level of funding required for its operations to achieve the above mentioned objective.

Betolar's most significant risks and business uncertainties are described in more detail in the Report of the Board of Directors in the annual report.

29. EVENTS AFTER THE END OF THE REPORTING PERIOD

Trading in Betolar's shares began on 20 January 2026 on the OTCQX marketplace in the United States.

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PARENT COMPANY INCOME STATEMENT

Currency EURO	NOTE	1 Jan - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
NET SALES	5.	682,633.45	697,665.11
Other operating income	6.	1,413,846.85	946,558.39
Materials and services			
Materials, supplies and goods			
Purchases during the period		-337,482.86	-141,847.31
Inventory increase (+) or decrease (-)		335,008.66	0.00
Materials and services, total		-2,474.20	-141,847.31
Personnel expenses			
Salaries and fees		-2,743,399.74	-3,967,449.48
Indirect employee costs		-515,763.66	-661,531.62
Pension expenses		-460,986.82	-633,717.81
Other social security expenses		-54,776.84	-27,813.81
Total personnel expenses	7.	-3,259,163.40	-4,628,981.10

Currency EURO	NOTE	1 Jan. - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
Depreciation and impairment			
Depreciation according to plan		-1,989,630.94	-1,907,595.94
Depreciation and impairment, total	8.	-1,989,630.94	-1,907,595.94
Other operating expenses	9.	-2,629,254.12	-3,144,863.48
Operating profit (loss)		-5,784,042.36	-8,179,064.33
Financial income and expenses			
Other interest and financial income		481 188.52	548,727.19
Impairment losses on investments in non-current assets		-116 964.60	0.00
Interest and other financial expenses		-591,882.68	-11,519.41
Total financial income and expenses	11.	-227,658.76	537,207.78
PROFIT BEFORE APPROPRIATIONS AND TAXES		-6,011,701.12	-7,641,856.55
PROFIT FOR THE FINANCIAL PERIOD		-6,011,701.12	-7,641,856.55

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PARENT COMPANY BALANCE SHEET

Currency EURO	NOTE	31 Dec. 2025	31 Dec. 2024
A S S E T S			
NON-CURRENT ASSETS			
Intangible assets			
Development expenses	12.	2,991,739.32	3,756,332.15
Other capitalised long-term expenditures		79,997.69	104,356.49
	12.	3,071,737.01	3,860,688.64
Tangible assets			
Land and waters		52,845.16	52,845.16
Buildings and constructions		646,643.30	690,174.08
Machinery and equipment		195,696.49	223,128.64
Other tangible assets		42,750.00	42,750.00
	12.	937,934.95	1,008,897.88
Investments			
Holdings in Group undertakings		0.11	0.11
	13.	0.11	0.11
NON-CURRENT ASSETS, TOTAL		4,009,672.07	4,869,586.63

Currency EURO	NOTE	31 Dec. 2025	31 Dec. 2024
CURRENT ASSETS			
Inventories			
Materials and supplies		335,008.66	0.00
		335,008.66	0.00
Non-current receivables			
Receivables from Group companies		113,492.03	116,964.60
Other receivables		85,314.80	190,035.19
		198,806.83	306,999.79
Current receivables			
Trade receivables		166,202.89	179,992.23
Receivables from Group companies		0.00	1,331.85
Loan receivables		2,527.32	0.00
Other receivables		73,676.70	75,047.23
Accrued income and prepaid expenses		400,351.90	478,891.35
	14.	642,758.81	735,262.66
Financial securities			
Other shares and holdings		5,512,889.81	6,899,152.65
		5,512,889.81	6,899,152.65
Cash and cash equivalents			
		1,102,967.57	2,038,155.09
CURRENT ASSETS, TOTAL		7,792,431.68	9,979,570.19
TOTAL ASSETS		11,802,103.75	14,849,156.82

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SHAREHOLDERS' EQUITY AND LIABILITIES

Currency EURO	NOTE	31 Dec. 2025	31 Dec. 2024
SHAREHOLDERS' EQUITY			
Share capital		80,000.00	80,000.00
Invested unrestricted equity reserve		50,466,579.93	50,466,579.93
Retained earnings (losses)		-42,540,087.49	-34,898,230.94
Profit for the financial period		-6,011,701.12	-7,641,856.55
TOTAL EQUITY	15.	1,994,791.32	8,006,492.44

Currency EURO	NOTE	31 Dec. 2025	31 Dec. 2024
LIABILITIES			
Non-current			
Loans from credit institutions		223,867.00	338,668.88
Subordinated loans		8,344,203.35	5,256,848.92
	16.	8,568,070.35	5,595,517.80
Short-term			
Loans from credit institutions		114,801.88	115,595.89
Accounts payable		188,227.88	149,634.92
Other payables		82,821.93	83,803.54
Accruals and deferred income		853,390.39	898,112.23
	17.	1,239,242.08	1,247,146.58
TOTAL LIABILITIES		9,807,312.43	6,842,664.38
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		11,802,103.75	14,849,156.82

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PARENT COMPANY CASH FLOW STATEMENT

Currency EURO	1 Jan. - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
Cash flow from operating activities		
Loss before appropriations and taxes	-6,011,701.12	-8,020,920.57
Adjustments:		
Depreciation and impairment	1,989,630.94	1,907,595.94
Financial income and expenses	232,574.51	-153,545.16
Other adjustments	-598,100.91	-541,104.92
Cash flow before change in working capital	-4,387,596.58	-6,807,974.71
Changes in working capital:		
Change in accounts and other payables	95,976.42	135,717.91
Change in inventories	-335,008.66	0.00
Change in trade and other receivables	-3,740.22	-672,462.57
Cash flow from operating activities before financing items and taxes	-4,630,369.04	-7,344,719.37
Interest paid and payments for other financial expenses	-12,415.12	-15,668.87
Return of security	125,000.00	8,080.00
Payment of security	-20,279.61	0.00
Interest received from business operations	0.00	252.77
Other financial income	481,188.52	548,474.42
CASH FLOWS FROM OPERATING ACTIVITIES (A)	-4,056,875.25	-6,803,581.05

Currency EURO	1 Jan. - 31 Dec. 2025	1 Jan. - 31 Dec. 2024
Cash flows from investing activities:		
Investments in tangible and intangible assets	-1,129,716.38	-1,365,888.59
Investments in other assets	-3,500,000.00	-1,800,000.00
Withdrawal from short-term investments	5,367,000.00	8,813,586.00
Investments in subsidiary shares	0.00	-0.11
INET CASH USED IN INVESTING ACTIVITIES (B)	737,283.62	5,647,697.30
Cash flows from financing activities:		
Paid increase in equity	0.00	2,352,825.60
Repayment of short-term loans	-115,595.89	-3,484.49
Long-term loan disbursements	2,500,000.00	0.00
CASH FLOWS FROM FINANCING ACTIVITIES (C)	2,384,404.11	2,349,341.11
CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	-935,187.52	1,193,457.36
Cash and cash equivalents at the beginning of the period	2,038,155.09	844,697.73
Cash and cash equivalents at the end of the period	1,102,967.57	2,038,155.09

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NOTES TO THE FINANCIAL STATEMENTS

1 BASIC INFORMATION ABOUT THE ENTITY

Betolar Plc is the Group's parent company. It is a Finnish public limited company domiciled in Kannonkoski, Finland. The registered address of the company is Mannilantie 9, 43300 Kannonkoski, Finland. Betolar Plc has a subsidiary, Betolar Chemicals Ltd, which is 100% owned by Betolar Plc. Betolar Plc also owns 1% of Betolar India Private Ltd.

2 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the accrual basis, the going concern principle and the prudential principle independent of the result of the financial period. The financial statements have been prepared in accordance with Finnish accounting legislation.

Corrections of errors relating to previous financial periods

The company had a capital loan of EUR 4.5 million in accordance with Chapter 12 of the Finnish Limited Liability Companies Act (OYL) at the reporting date of December 31, 2024. The conditions for recording interest on the capital loan were met in the 2024 financial year and in previous financial years. The company has previously presented the above-mentioned interest as unrecognized interest in the notes to the financial statements, even though the recognition requirements under the Finnish Limited Liability Companies Act have been met and the accounting treatment has therefore been incorrect in the 2024 financial year.

The company has corrected the unrecorded capital loan interest of EUR 756,848.92 in previous periods in accordance with KILA's statement 1705/2005 through retained earnings from previous financial years. The unrecorded interest for the 2024 financial year is EUR 379,064.02, and the unrecorded interest for previous periods is EUR 377,784.90. The company has adjusted the balance sheet, notes to the balance sheet, and cash flow statement for the comparison period, but the income statement and notes to the income statement have not been adjusted. After this adjustment, the company has no unrecorded interest.

Changes in the presentation of the financial statements

During the financial year, the parent company reassessed the classification of financial securities and aligned the presentation of its cash flow statement more closely with the presentation used in the Group's consolidated statement of cash flows. Previously, the line item cash and cash equivalents in the cash flow statement included both cash and short-term investments. Following the changes, the line item includes only cash and cash equivalents, and purchases and changes in short-term investments are presented within investing cash flows, consistent with the Group's consolidated financial statements.

3 MEASUREMENT AND ACCRUAL PRINCIPLES

Development expenses

Betolar Oyj records research expenses, such as the acquisition of new information and the search for product and process alternatives, as expenses on an accrual basis, i.e., when the expenses are incurred. The company records capitalized development expenses in the income statement through the Capitalization account for each account group, reducing the relevant expense group, i.e., personnel and other operating expenses. Betolar capitalizes development expenses in the balance sheet under intangible assets if they are expected to generate income over several financial periods. When the company classifies an intangible asset as development expenditure, the completion of the asset is technically feasible in such a way that the asset is available for use or sale, and the company has the ability, intention, and resources to complete and use or sell the asset. The company estimates that the asset has probable future economic benefits that can be identified, and the company is able to reliably determine the expenditure attributable to the intangible asset during its development phase.

At the end of each reporting period, the company assesses whether there are any indications that the value of capitalized development costs has been impaired. There are uncertainties associated with the estimates related to capitalized development costs in the balance sheet, and it is possible that changes in circumstances may alter the expected return on development projects. The value of capitalized development costs may decrease if the expected economic benefits change. If the expected return on an asset recognized in the balance sheet is less than the total development costs recognized in the balance sheet, the value of the capitalized development costs is adjusted by an impairment loss to reflect the expected return. Capitalized development costs are amortized on a straight-line basis over their estimated useful life of five years. When presenting distributable funds, the remaining capitalized development costs are deducted from unrestricted equity.

Financial assets

Securities classified as financial assets are measured at cost or lower in the financial statements. Securities are presented in the balance sheet under current financial assets.

Inventory

Inventory is valued at the lower of cost or net realizable value. Cost includes the purchase price, freight, and other costs incurred in bringing the inventory to its present location and condition. The acquisition cost is determined using the FIFO (First-in, First-Out) method. The net realizable value is the estimated selling price in the ordinary course of business, less the costs of production and the costs necessary to make the sale.

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Receivables

Receivables are recorded in the balance sheet at their nominal value or at a lower probable value. Impairment or credit losses on receivables are recognized as an expense if it is probable that the receivable will not be collected in full. The assessment is based on the age of the receivables and customer-specific payment behavior. Inventory expenses and income as well as receivables are recognized on an accrual basis, with income and related expenses for the financial period allocated to the same financial period regardless of the payment date.

Capitalisation of development expenses

Personnel expenses and other operating expenses are capitalised in development expenses as follows:

EURO	2025	2024
Personnel expenses	-561,685.12	-555,928.39
Other operating expenses	-525,090.04	-636,821.39
Total production for own use	-1,086,775.16	-1,192,749.78

Intangible and tangible assets - depreciation according to plan

Intangible and tangible assets are expensed as depreciation according to plan over their estimated useful life. The depreciation periods according to plan are:

Development expenses	5 years
Other capitalised long-term expenditures / intangible assets	5 years
Buildings and structures	10–20 years
Machinery and equipment	5–10 years

Revenue recognition principles for grants received

Grants are recognised as income in other operating income to the extent that the project concerned gives rise to acceptable costs in accordance with the grant decision and terms and conditions. The income recognition of grants also takes into account any self-financing related to the grants.

4 MATERIAL EVENTS AFTER THE END OF THE FINANCIAL YEAR

Trading in Betolar's shares began on 20 January 2026 on the OTCQX marketplace in the United States.

5 NET SALES

	2025	2024
Sales domestic	578,298.75	280,584.10
Sales Europe	26,200.00	298,485.73
Sales in other continents	78,134.70	118,595.28
	682,633.45	697,665.11

6 OTHER OPERATING INCOME

	2025	2024
Grants received	1,408,348.90	943,337.53
Other operating income	5,497.95	3,220.86
	1,413,846.85	946,558.39

Grants received include grants that have been earmarked for expensed projects. The grants received consist mostly of a project grant from Business Finland.

7 PERSONNEL EXPENDITURE

Personnel expenses	2025	2024
Wages and salaries	-2,743,399.74	-3,967,449.48
Pension expenses	-460,986.82	-633,717.81
Other social security expenses	-54,776.84	-27,813.81
Total personnel expenses	-3,259,163.40	-4,628,981.10

Number of employees	2025	2024
Average number of persons employed during the financial year	31	43

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NOTES TO THE FINANCIAL STATEMENTS

8 DEPRECIATION AND AMORTISATION

	2025	2024
Development expenses	-1,851,367.92	-1,766,887.32
Other intangible rights	-24,358.80	-14,383.80
Buildings and structures	-48,672.07	-51,948.59
Machinery and equipment	-65,232.15	-74,376.23
Depreciation according to plan, total	-1,989,630.94	-1,907,595.94

9 OTHER OPERATING EXPENSES

	2025	2024
Voluntary personnel expenses	-110,962.97	-186,848.12
Facilities expenses	-205,816.17	-302,601.68
Vehicle expenses	-26,111.96	-22,119.23
IT expenses	-289,598.30	-333,643.57
Other machinery and equipment expenses	-73,894.35	-119,320.10
Marketing and communication expenses	-189,497.93	-344,952.86
Travel and entertainment expenses	-212,721.96	-220,193.32
Research and development expenses	-306,427.04	-276,729.12
Administrative expenses	-935,295.17	-1,071,490.72
Other expenses	-278,928.27	-266,964.76
Total other operating expenses	-2,629,254.12	-3,144,863.48

10 AUDITOR'S FEES

	2025	2024
Audit fee	78,000.00	70,000.00
Assignments referred to in section 1.1,2 of the Auditing Act	0.00	0.00
Tax advice	0.00	0.00
Other services	0.00	15,008.02
Total auditor's fees	78,000.00	85,008.02

The other services presented in the 2024 auditor's fee consists mainly of consulting and a separate project audit.

11 FINANCIAL INCOME AND EXPENSES

	2025	2024
Other interest and financial income	481,188.52	548,727.19
Other interest and financial income, total	481,188.52	548,727.19
Impairment losses on investments in non-current assets	-116,964.60	0.00
Other interest and financial expenses	-591,882.68	-11,519.41
Interest expenses and other financial expenses, total	-591,882.68	-11,519.41
RFinancial income and expenses, total	-227,658.76	537,207.78

Accounting principles

Financial income for the financial year consists mainly of capital gains related to fund investments. In addition to capital gains, the figures for the comparison period include reversals of impairment losses. Financial expenses for the financial year mainly consist of loan interest and management fees related to fund investments.

Financial expenses for the financial year mainly consist of interest expenses on the capital loan. The company had a capital loan of EUR 4.5 million in accordance with Chapter 12 of the Finnish Companies Act (OYL) as at the reporting date 31 December 2024. The conditions for recognising interest on the capital loan were met during the 2024 financial year and in earlier financial years. The company had previously presented these interest amounts in the notes as interest not recognised in accounting, even though the recognition criteria under the Companies Act had been met; therefore, the accounting treatment was incorrect in the 2024 financial year.

The company has corrected the previously unrecognised capital loan interest of EUR 756,848.92 through retained earnings from prior periods, in accordance with the Finnish Accounting Board's opinion 1705/2005. The unrecognised interest for the 2024 financial year amounts to EUR 379,064.02, and the unrecognised interest for earlier periods amounts to EUR 377,784.90. The company has restated the balance sheet, the related notes, and the cash flow statement for the comparative period, but the income statement and its notes have not been restated. Following this correction, the company no longer has any unrecognised interest.

The impairment recognized during the financial year relates to a loan granted to the subsidiary Betolar Chemicals Oy, which has been impaired because the receivable has been measured at its probable value at the balance sheet date in accordance with Chapter 5 of the Accounting Act.

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NOTES TO THE ASSETS ON THE BALANCE SHEET

12 INTANGIBLE AND TANGIBLE ASSETS

	2025	2024
Development expenses 1 January	9,428,971.13	8,236,221.35
Increases	1,086,775.09	1,192,749.78
Deductions	0.00	0.00
Cost on 31 December	10,515,746.22	9,428,971.13
Accumulated depreciation and impairment on 1 January	-5,672,638.98	-3,905,751.66
Depreciation for the financial period	-1,851,367.92	-1,766,887.32
Development expenses - Book value on 31 December	2,991,739.32	3,756,332.15
Intangible rights 1 January	171,761.07	86,261.07
Increases	0.00	85,500.00
Deductions	0.00	0.00
Cost on 31 December	171,761.07	171,761.07
Accumulated depreciation and impairment on 1 January	-67,404.58	-53,020.78
Depreciation for the financial period	-24,358.80	-14,383.80
Intangible assets - Book value on 31 December	79,997.69	104,356.49
Land and waters 1 January	52,845.15	52,845.15
Increases	0.00	0.00
Deductions	0.00	0.00
Cost on 31 December	52,845.15	52,845.15

	2025	2024
Buildings and constructions on 1 January	793,837.54	706,198.73
Increases	5,141.29	87,638.81
Deductions	0.00	0.00
Cost on 31 December	798,978.83	793,837.54
Accumulated depreciation and impairment on 1 January	-103,663.46	-51,714.87
Depreciation for the financial period	-48,672.07	-51,948.59
Buildings and constructions - Book value on 31 December	646,643.30	690,174.08

	2025	2024
Machinery and equipment on 1 January	606,513.03	606,513.03
Increases	37,800.00	0.00
Deductions	0.00	0.00
Cost on 31 December	644,313.03	606,513.03
Accumulated depreciation and impairment on 1 January	-383,384.39	-309,008.16
Depreciation for the financial period	-65,232.15	-74,376.23
Machinery and equipment - Book value on 31 December	195,696.49	223,128.64
Other tangible assets on 1 January	42,750.00	42,750.00
Increases	0.00	0.00
Deductions	0.00	0.00
Cost on 31 December	42,750.00	42,750.00
Other tangible assets - Book value on 31 December	42,750.00	42,750.00

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13 INVESTMENTS

	2025	2024
Holdings in Group undertakings on 1 January	0.11	0.00
Increases	0.00	0.11
Deductions	0.00	0.00
Book value on 31 December	0.11	0.11

14 CURRENT RECEIVABLES

	2025	2024
Trade receivables	166,202.89	179,992.23
Loan receivables	2,527.32	1,331.85
Other receivables	73,676.70	75,047.23
Accrued income and prepaid expenses	400,351.90	478,891.35
Total current receivables	642,758.81	735,262.66

	2025	2024
Accrued income items		
Grant accruals	291,744.40	366,024.47
Purchase accruals	108,607.50	112,866.88
Total	400,351.90	478,891.35

15 SHAREHOLDERS' EQUITY

	2025	2024
Share capital on 1 January	80,000.00	80,000.00
Share capital on 31 December	80,000.00	80,000.00
Reserve for invested unrestricted equity on 1 January	50,466,579.93	48,113,754.33
Increases	0.00	2,352,825.60
Invested unrestricted equity reserve on 31 December	50,466,579.93	50,466,579.93
Retained earnings/losses on 1 January	-42,540,087.49	-34,141,382.02
Correction of errors in previous financial periods	0.00	-377,784.90
Adjusted retained earnings 1.1	0.00	-34,519,166.92
Correction of errors in previous financial periods	0.00	-379,064.02
Retained earnings (losses) on 31 December	-42,540,087.49	-34,898,230.94
Result for the financial year	-6,011,701.12	-7,641,856.55
Total equity	1,994,791.32	8,006,492.44

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Calculation of the distributable unrestricted equity of the parent company

	2025	2024
Reserve for invested unrestricted equity	50,466,579.93	50,466,579.93
Retained earnings/losses	-42,540,087.49	34,898,230.94
Profit for the financial period	-6,011,701.12	-7,641,856.55
Total unrestricted equity	1,914,791.32	7,926,492.44
Capitalised development expenses	-2,991,739.32	-3,756,332.15
Distributable equity, total	-1,076,948.00	4,170,160.29

The Board of Directors' proposal on the use of distributable unrestricted shareholders' equity

The Board of Directors proposes that the loss of EUR 6,011,701.12 for the financial period be transferred to retained earnings. The company has no distributable unrestricted equity.

Number of shares of the Company by share class and the main provisions of the Articles of Association for each class

The number of the company's shares on the closing date 31 December 2025 is 21,567,570.

All the decisions of the Annual General Meeting, the authorisations of the Board of Directors and the decisions of the Board of Directors mentioned below have been registered in the Trade Register during the financial period.

Shares and share capital:

The company's shares are included in the book-entry system maintained by Euroclear Finland Oy. The company's share capital is EUR 80,000.

Valid authorisations of the Board of Directors

Betolar's Board of Directors has the following authorisations issued by the Annual General Meeting on 27 March 2025.

Authorization to decide on the issuance of shares, stock option rights and other special rights entitling to shares

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the issuance of a total of up to 2,956,757 shares (including shares to be issued under special rights), which corresponds to approximately fourteen (14) percent of the total

number of shares in the company at the time of the convening of the Annual General Meeting. This authorization consists of the following two parts: 1) Up to 2,156,757 new and/or treasury shares held by the company (including shares to be issued under special rights), which corresponds to approximately ten (10) percent of the total number of shares in the company at the time of the convening of the Annual General Meeting. The authorization may be used to finance acquisitions or other investments related to the company's business, to maintain and increase the solvency of the group, as well as to expand the ownership base and develop the capital structure. 2) Up to 800,000 new and/or treasury shares held by the company (including shares to be issued under special rights), which corresponds to approximately four (4) percent of all the shares in the company at the time of the convening of the Annual General Meeting. The authorization may be used for the implementation of the company's incentive and commitment programs.

The authorisation is valid until the next Annual General Meeting, but not later than 30 June 2026 and the authorisation granted by the Annual General Meeting of 27 March 2025 to the Board of Directors was revoked.

Authorisation to acquire treasury shares

The Annual General Meeting resolved to authorise the Board of Directors in accordance with the proposal of the Board to resolve on the repurchase of a maximum of 2,156,757 shares, which corresponds to approximately ten (10) per cent of the current number of all the company's shares. The company's own shares can only be repurchased with unrestricted equity and the shares can be repurchased on the repurchase date at a price formed in multilateral trading or otherwise at a price formed in the market. Shares may also be acquired outside public trading at a price that does not exceed the market price in public trading at the time of acquisition.

The Board of Directors decides how the shares are acquired. Own shares may be repurchased other than in proportion to the shares held by the shareholders (directed repurchase) if there is a compelling financial reason for doing so. The authorization is valid until the next Annual General Meeting, but not later than 30 June 2026 and the authorization granted by the Annual General Meeting of 27 March 2024 to the Board of Directors was revoked.

Option decisions:

On 2 June 2025, the Board of Directors decided to issue a maximum of 800,000 options based on the authorization granted by the Annual General Meeting on 27 March 2025.

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16 NON-CURRENT LIABILITIES

	2025	2024
Loans from financial institutions	223,867.00	338,668.88
Subordinated loans	8,344,203.35	5,256,848.92
Total	8,568,070.35	5,595,517.80
Loans due in more than five years	0.00	0.00

Subordinated loan

The Climate Fund has granted Betolar Plc a subordinated loan of a total of EUR 7 million, of which the first tranche of EUR 2 million was drawn down on 8 February 2022, the second tranche, EUR 2.5 million, was drawn down on 29 November 2023 and the final tranche of EUR 2.5 million was drawn down in January 2025. The loan is due on 1 January 2029. Until the first review date, June 30, 2023, the annual interest rate on the loan was 9.6%. Since July 1, 2023, the interest rate has been 7.75%. The terms and conditions of the capital loan comply with Chapter 12 of the Finnish Limited Liability Companies Act. Betolar has the right to repay the loan in part or in full, provided that the conditions for unrestricted equity under the Finnish Limited Liability Companies Act are met. The capital loan has been amortized to its acquisition cost. The accrued interest on the loan, EUR 1,344 thousand, has been capitalized.

The company had a capital loan of EUR 4.5 million in accordance with Chapter 12 of the Finnish Limited Liability Companies Act at the reporting date of December 31, 2024. The conditions for recording interest on the capital loan have been met in the 2024 financial year and in previous financial years. The company has previously presented the above-mentioned interest as unrecognized interest in the notes to the financial statements, even though the recognition requirements under the Finnish Limited Liability Companies Act have been met and the accounting treatment has therefore been incorrect in the 2024 financial year.

The company has corrected the previously unrecognised capital loan interest of EUR 756,848.92 through retained earnings from prior periods, in accordance with the Finnish Accounting Board's opinion 1705/2005. The unrecognised interest for the 2024 financial year amounts to EUR 379,064.02, and the unrecognised interest for earlier periods amounts to EUR 377,784.90. The company has restated the balance sheet, the related notes, and the cash flow statement for the comparative period, but the income statement and its notes have not been restated. Following this correction, the company no longer has any unrecognised interest. The capital loan has been transferred to Finnish Industry Investment Ltd as it merged the Climate Fund into its own operations.

17 CURRENT LIABILITIES

	2025	2024
Loans from financial institutions	114,801.88	115,595.89
Accounts payable	188,227.88	149,634.92
Other current liabilities	82,821.93	83,803.54
Accruals and deferred income	853,390.39	898,112.23
Total	1,239,242.08	1,247,146.58

Significant items in accruals and deferred income	2025	2024
Salary expenses, bonus salaries	116,431.07	195,530.21
Holiday pay expenses	422,489.33	425,013.87
Other accruals and deferred income	314,469.99	277,568.15
Total	853,390.39	898,112.23

18 GUARANTEES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES

	2025	2024
Lease liabilities (incl. VAT 25.5%)	200,051.25	51,072.70
VAT refund liability on real estate investment	163,218.48	185,186.92
Other liabilities, total	363,269.73	236,259.62
Business mortgages	150,000.00	150,000.00

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19 TRANSACTIONS WITH RELATED PARTIES

Betolar Plc's related parties include Betolar Plc's subsidiary Betolar Chemicals Ltd. Related parties also include the key employees of Betolar Plc's management as well as their close family members and the entities under their control. The key management personnel are the members of the Board of Directors, the CEO and other members of the Management Team. Transactions with related parties are made on normal commercial terms. The transactions include consultancy services related to business development purchased from a member of the Board of Directors and a member of the Management Team. In addition, share subscriptions made by related parties have been identified as related party transactions during the year 2024.

No loans or any other guarantees or securities were issued to any related parties.

The following transactions were carried out with related parties

	2025	2024
Income statement		
Purchased services	157,941.87	127,999.34
Balance sheet		
Subordinated loan to Betolar Chemicals Ltd	0.00	116,964.60
Loan to Betolar India Private Ltd	113,492.03	1,331.85
Accounts payable	14,118.75	10,730.25

Management salaries and fees	2025	2024
Remuneration to the members of the Board of Directors	151,600.00	163,600.00
CEO		
Salaries and fees	253,965.44	288,683.47
Pension expenses	44,139.19	51,876.42
Indirect employee costs	8,380.86	8,314.08
	306,485.49	348,873.97
Other Management Team		
Salaries and fees	516,940.71	529,227.25
Pension expenses	89,844.30	95,102.14
Indirect employee costs	17,059.04	15,241.74
Total	623,844.05	639,571.13

During the financial periods 2025 and 2024, management has been granted options (qty) as follows:

	2025	2024
Members of the Board of Directors	0	0
CEO	200,000	120,000
Other members of the Management Team	320,000	110,000
Total	520,000	230,000

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Signatures to the Financial Statements and the Board of Directors' Reports

Place: Kannonkoski, Finland
Date: 22 February 2026

Tuija Kalpala
President and CEO

Jan-Elof Cavander
Member of the Board of Directors

Soile Kankaanpää
Member of the Board of Directors

Inka Mero
Member of the Board of Directors

Anders Dahlblom
Chair of the Board of Directors

Kalle Härkki
Member of the Board of Directors

Juha Leppänen
Member of the Board of Directors

Auditor's note

Our auditor's report on the audit was issued today.

Place: Helsinki, Finland
Date: 25 February 2026

PricewaterhouseCoopers Oy
Audit firm

Maija Ant-Wuorinen
APA

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Auditor's Report (Translation of the Finnish Original)

To the Annual General Meeting of Betolar Oyj

Report on the Audit of the Financial Statements

Statement

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of Betolar Oyj (business identity code 2800638-3) for the year ended 31 December 2025. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there

is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.

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- 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 parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

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

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

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

Helsinki, 25 February 2026
PricewaterhouseCoopers Oy
Authorised Public Accountants

Maija Ant-Wuorinen
Authorised Public Accountant (KHT)

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Information for Shareholders

Betolar's Investor Relations

Betolar's Investor Relations are the responsibility of the CEO and CFO. Our email addresses are in the format firstname.lastname@betolar.com.

Tuija Kalpala President and CEO
Mikko Wirkkala CFO

Objectives and principles of investor communications

The objective of Betolar's investor communications is to provide reliable, timely and accurate information to support the correct valuation of the company's shares in accordance with the disclosure policy approved by the company's Board of Directors.

In investor relations and related communication situations, Betolar's principle is to ensure equal service for stakeholders, good availability and quick reaction of the company's representatives, high ethics and compliance with the guidelines and regulations concerning listed companies.

The disclosure policy approved by Betolar's Board of Directors is available in full at www.betolar.com/disclosure-policy

Annual General Meeting

The Annual General Meeting will be held on Wednesday 18 March 2026. The notice of the Annual General Meeting, including the proposals of the Shareholders' Nomination Committee and the Board of Directors to the Annual General Meeting, will be published as a company release and also on Betolar's website.

Further information: <https://www.betolar.com/general-meeting>

Dividend proposal

In the years to come, Betolar will focus on financing its growth and developing its business in line with its strategy. The company does not expect to pay a dividend in the short or medium term.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year 1 January 2025 – 31 December 2025 and that the loss for the financial year be carried over under retained earnings.

Financial reports in 2026

Betolar will publish the following financial reports in 2026

- Business Review 1–3/2026 will be published on 23 April 2026
- Half-year financial report 2026 will be published on 12 August 2026
- Business Review 1–9/2026 will be published on 28 October 2026

Betolar share

Betolar Plc's share is listed on Nasdaq First North Growth Market Finland maintained by Nasdaq Helsinki Ltd. The trading code of the share is BETOLAR and the ISIN code is FI4000512587. The company's shares can also be traded in the United States on the OTCQX marketplace under the trading code BTLRF.

The company has one class of shares and each share carries one vote. At the end of the financial year 31 December 2025, the number of Betolar's shares was 21,567,570 and the registered share capital EUR 80,000.

Share key information 31 December 2025

- Year high: EUR 1.56
- Year low: EUR 0.60
- Volume weighted average price: EUR 1.07
- Total turnover during the year: 4,870,929 shares
- Closing price: EUR 1.05
- Market capitalisation: EUR 22.6 million

The shares have been entered into the book-entry securities system maintained by Euroclear Finland Ltd. The company's shareholder register is maintained, and the list of shareholders is available at Euroclear Finland Oy at Itämerenkatu 25, 00180 Helsinki.

Silent period and closed window

Betolar observes a 30-day silent period in its investor and media relations prior to the publication of business reviews, half-year financial reports or financial statements releases. During the silent period, the company does not comment to the media or other parties on the company's financial situation, markets or future prospects. During the silent period, the company also does not meet with representatives of the capital markets.

Betolar observes a closed window of 30 days, during which persons discharging managerial responsibilities in Betolar may not trade, on their own account or on behalf of a third party, in the company's shares or debt instruments or related derivatives or other financial instruments or engage in any other transactions. Betolar also applies the closed window to persons who participate in or have access to the financial reporting information during the preparation phase.

The company's certified adviser in accordance with the First North Rulebook is Aktia Alexander Corporate Finance.

BETOLAR

Betolar Plc

43300 Kannonkoski, Finland

www.betolar.com