



SHAPING THE FUTURE OF SAFETY

TROAX GROUP AB – ANNUAL REPORT 2025

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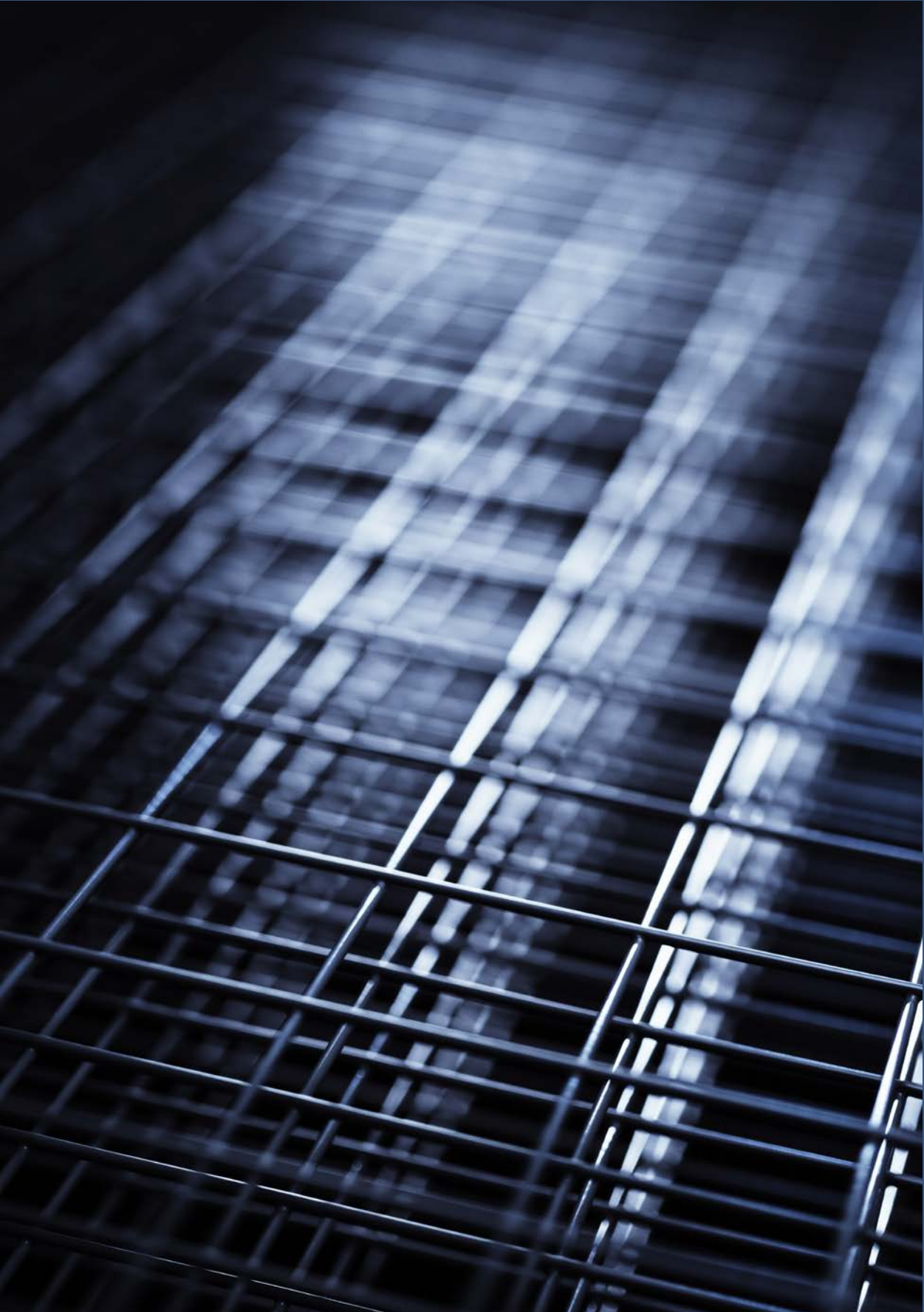
THE FORMAL ANNUAL REPORT
COMPRISES PAGES 38–160.
THE STATUTORY SUSTAINABILITY
REPORT COMPRISES PAGES 42–117.

SHAPING THE FUTURE OF SAFETY

04

ANNUAL REPORT 2025 TROAX GROUP

Safety has never been static. It evolves with the world it protects. So do we. At Troax Group, safety is deliberately shaped through leadership that sets direction and defines standards, rather than waiting for them to emerge. As the only global player in industrial safety solutions, Troax Group holds a unique position in defining what comes next. With the widest offering on the market, unmatched domain expertise, the most advanced supply chain, and the largest dedicated sales force, we operate at a depth and scale no one else can match. That gives us the ability, and the responsibility, to shape the future of safety.





TROAX IN BRIEF

Troax Group is a world-leading supplier of safety solutions for industrial manufacturing, warehousing and storage environments. The Group offers a comprehensive range of products and services that create safe and efficient production and warehouse processes for customers globally. With a presence in over 40 countries, an expanding international sales and distribution network and a growing portfolio, Troax meets the industry's need for both advanced and standardised safety solutions.

OUR PURPOSE: TO SHAPE THE FUTURE OF SAFETY



EVERYTHING WE DO IS DRIVEN BY OUR COMMITMENT TO SHAPE THE FUTURE OF SAFETY. AS A TRUSTED SAFETY AUTHORITY, WE SUPPORT OUR CUSTOMERS IN CREATING SAFER WORKPLACES BY PROVIDING EXPERTISE, HIGH-QUALITY SOLUTIONS, AND CONSISTENT GUIDANCE THROUGHOUT THE ENTIRE SAFETY JOURNEY.

OUR PRODUCTION UNITS

The Troax Group's production facilities are strategically located in key markets globally, close to our customers and in the environments where our products and services have the greatest impact. Our factories form a network that ensures quality, innovation and reliable delivery. In total, our production facilities cover an area equivalent to around 30 football pitches.

EMEA



SWEDEN

Hillerstorp

Full range production of machine guarding, warehousing and storage solutions.

40,000 m²

Värnamo

Development and production of high-end wire mesh solutions. Specialised in the warehousing segment.

22,000 m²

DENMARK

Slangerup

Production of flexible barriers and polymer safety solutions

7,000 m²

UK

Birmingham

Partitions for offices and industries to minimise noise and dust

4,100 m²

ITALY

Bulciago

Production of modular protection solutions for machine guarding

20,000 m²

Rubiera

Production of polymer safety barriers for industrial and logistics environments

4,200 m²

APAC



CHINA

Changshu

Solutions for machine guarding and warehousing

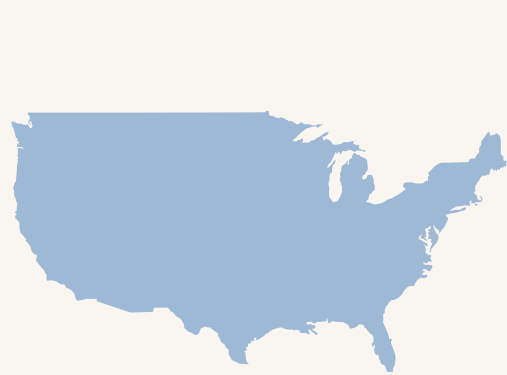
15,500 m²

Ningbo

Solutions for machine guarding, warehousing and data centres

59,000 m²

AMERICAS



USA

Chicago*

Metal mesh panel solutions for machine guarding, warehouses, and property protection

15,400 m²

Portland**

Metal mesh panel solutions for machine guarding, warehouses, and property protection

28,500 m²

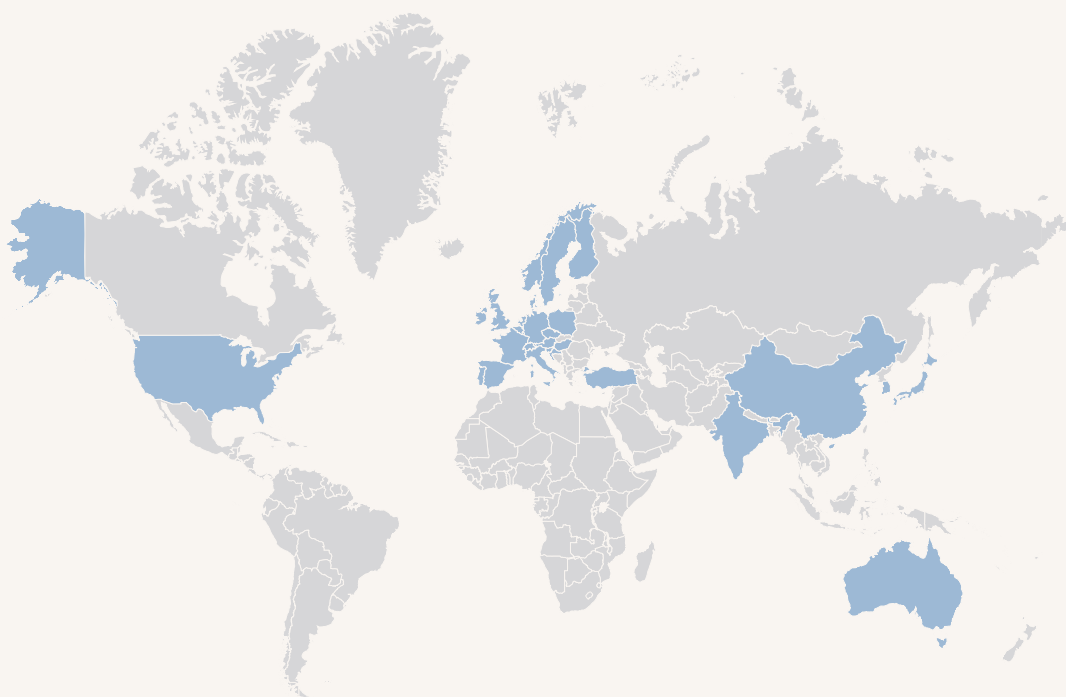
* To be closed in mid-2026

**Operational in mid-2026

TROAX GROUP IN NUMBERS

12

ANNUAL REPORT 2025 TROAX GROUP



262

SALES IN MILLION EUR (2025)

8.7%

EBITA MARGIN (2025)

9.9%

CAGR (2020–2025)

PRESENT IN

40+

COUNTRIES

~1200

EMPLOYEES (2025)

3

CONTINENTS

SALES MEUR



EBITA MARGIN MEUR



THE YEAR IN BRIEF

STABLE STRATEGIC PROGRESS DESPITE WEAKER DEMAND

2025 was characterised by weak and uncertain demand across several markets. This resulted in reduced profitability due to lower volumes, restructuring measures and one-off costs. Nevertheless, Troax strengthened its long-term position through three strategically important acquisitions and continued efficiency initiatives, including consolidating European production and preparing for a new production facility in the United States. Together with a more clear and pointed strategy and new financial targets, these measures create a stronger platform for enhanced competitiveness and sustainable growth.

Income statement, EUR million	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016¹
Net sales	262.4	278.5	264.3	284.1	282.3	163.6	168.0	161.0	152.1	115.8
Operating expenses	-239.7	-233.5	-214.4	-238.8	-199.9	-132.8	-135.0	-128.1	-121.5	-90.5
Operating profit	22.7	45.0	49.9	49.6	52.4	30.8	33.0	32.9	30.6	25.3
Net financial income/expense	-4.9	-4.3	-2.5	-1.4	-1.0	-0.7	-0.9	-0.8	-5.2	-3.9
Profit before tax	17.9	40.7	47.4	48.2	51.4	30.1	32.0	32.1	25.4	21.4
Taxes	-4.4	-9.5	-11.7	-11.4	-11.6	-6.8	-7.7	-7.7	-8.4	-5.1
Profit for the year	13.5	31.2	35.7	36.8	39.8	23.2	24.4	24.4	17.0	16.3

¹ Column 2016 does not include the acquisition of Folding Guard.

Balance sheet, EUR million	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Non-current assets	257.1	211.8	207.5	165.8	162.9	152.8	135.3	119.6	114.8	121.5
Other current receivables	102.1	88.3	86.7	87.8	93.2	60.0	54.6	49.2	43.4	38.8
Cash and cash equivalents	39.7	29.5	33.2	37.5	35.2	32.5	30.3	22.7	14.1	12.2
Total assets	398.9	329.7	327.4	291.1	291.3	245.3	220.2	191.5	172.3	172.5

Equity	177.4	180.1	172.3	154.9	142.6	114.0	95.7	82.6	69.2	65.9
Non-current liabilities and provisions	170.8	100.4	103.9	88.8	98.2	100.5	91.3	78.1	77.1	83.4
Other current liabilities	50.8	49.2	51.2	47.4	50.5	30.8	33.2	30.8	26.0	23.2
Total equity and liabilities	398.9	329.7	327.4	291.1	291.3	245.3	220.2	191.5	172.3	172.5

Cash flow, millions of EUR	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cash flow from operating activities	34.5	42.5	55.0	48.8	32.2	26.3	29.4	26.1	19.2	16.1
Cash flow from investing activities	-41.0	-16.2	-45.1	-13.2	-14.6	-14.8	-8.7	-9.0	-3.3	-27.3
Cash flow from financing activities	16.7	-29.9	-14.3	-32.4	-15.3	-9.5	-12.7	-8.0	-14.9	12.9
Cash flow for the period	10.2	-3.6	-4.4	3.2	2.3	2.0	8.0	9.1	1.0	1.7

KEY NUMBERS

SIGNIFICANT EVENTS DURING THE YEAR

CHANGES TO THE EXECUTIVE MANAGEMENT TEAM

Some changes were made to the Executive Management Team in order to further strengthen the organisation and support the Troax Group's strategic direction.

Camilla Davidsson joined Troax at the beginning of the year as Vice President of Marketing, bringing valuable experience to the group's commercial leadership. In June, Jonas Lindqvist succeeded Mikael Carlsson as Vice President of Strategy and Offering, while Mikael Carlsson took on the role of Vice President of Sales and Marketing for the Americas region, thereby strengthening the company's regional focus and customer relationships.

In December, Troax announced that Anders Eklöf, the CFO, would be leaving the company after nine years to pursue new opportunities. The recruitment process for his successor began immediately.

ADAPTING OUR OPERATIONS TO A CHANGING MARKET

During the first half of 2025, Troax initiated a comprehensive restructuring programme to enhance efficiency and adapt to a prolonged period of

weaker market demand. This involved streamlining the organisational structure, reducing the white-collar workforce and consolidating production in Europe by closing the manufacturing site in Poland and moving production to Sweden. In total, around 225 employees were affected by the restructuring programme during the year, corresponding to almost 20% of the total workforce. These initiatives are part of Troax's long-term plan to optimise its operational footprint, reduce fixed costs, and creating a more resilient and competitive organisation for the future.

In parallel, Troax continued to prepare for the relocation of its US operations to a new, more automated facility in Tennessee – an important step in increasing capacity and improving service levels for customers in the Americas.

DIVESTING LAGERMIX

As part of the Group's strategic portfolio review aimed at increased focus and streamline operations, Troax divested its subsidiary LagerMix Rullportar AB, due to its limited connection to the core business. Since joining Troax in 2015, LagerMix has developed self-storage solutions for the Nordic market. The transaction was announced on 9 September 2025.

CAPITAL MARKETS DAY AND 2030 FINANCIAL GOALS

At Troax's first ever Capital Markets Day, we presented our new long-term financial objectives for 2030. More detailed information about these objectives and how they fit into our long-term strategic agenda can be found in the Strategy section (see p. 24).

STRATEGIC EXPANSION THROUGH KEY ACQUISITIONS

Widening our product portfolio into flexible barriers

In November and December 2025, Troax expanded its offering in industrial safety through the acquisitions of D-Flexx (previously part of Dancop) and the Italian company Stomppy SpA. D-Flexx adds a strong portfolio of flexible safety barriers for intralogistics and holds a market-leading position

in safety mirrors. Stomppy brings high-quality flexible barrier technology with a strong position in sectors requiring the highest safety standards, such as food & beverage and pharmaceuticals.

Together, these companies significantly expand Troax's presence in adjacent safety segments and strengthen the Group's barrier product offering.

Market leadership in APAC with Vichnet

Troax also strengthened its position in the Asia-Pacific region (APAC) by acquiring Vichnet, a market leader in China within manufacturing and warehouse safety and cable management systems. Headquartered in Ningbo, Vichnet has a turnover of 26 MEUR and around 300 employees (2024).

The acquisition provides attractive global exposure to data centres and broadens Troax's portfolio, particularly within wire trays.





CEO'S STATEMENT

Dear Shareholder,

2025 was a challenging year characterised by uncertainty and subdued demand across our main markets. We have been actively adapting to the situation while making significant progress and efforts to strengthen the Group in areas that provide us with higher growth and profitability potential in the long term. This is my summary of 2025.

LOWER VOLUMES CONTRIBUTED TO LOWER FULL-YEAR RESULTS

With new organisation and new strategy in place, we entered the year with some optimistic prospects about improved demand. Unfortunately, our hopes that the automated warehouse segment would begin to recover after several weak years, and that deferred investment in the automotive industry in North America would start to pick up, were dashed. Instead, demand remained subdued – significantly lower in Europe and North America, while Asia saw strong growth.

Organic sales decreased mainly as a result of weaker demand in the construction, warehousing, and automotive industries, while industrial automation saw positive development. In our assessment, we have broadly managed to maintain our market share during the course of the year, but we have had to put in more effort than before in achieving that.

The lower volumes also contributed to a reduction in the utilisation rate of our factories. Coupled with efforts in sales and digitalisation activities, this negatively impacted profitability. Cost trends varied between our regions. In Europe and Asia, cost levels were stable, while North America saw increased material and shipping costs. We have largely maintained our strong pricing discipline, but towards the end of the year we were unable fully to offset the cost increases in the US. Therefore, the full-year gross margin was slightly lower than it was previously, and below our unofficial benchmark.

Although the result is lower than in previous years, I consider it to be stable given the uncertainty and the weak economic climate. With increased market activity and a slight tailwind from the wider economic environment, our results are set to improve going forward, and we are well-positioned to deliver in line with our financial targets once again.

HIGHLIGHTS IN 2025

This year, there have been many significant steps forward. Here are a few examples:

Breakthroughs in active safety

We continued to focus on growth in our Active Safety business. The solutions help our customers prevent incidents before they happen. Having built up our capabilities in several key markets, we see a continued strong interest in these solutions. Over the year, we achieved significant progress in this area, with our growth journey taking several important steps forward.

Digital initiatives that enhance the customer experience

Our digitalisation journey has continued with a focus on improving customer experience and increasing efficiency. Work on the web platform, the configuration tools and our sales processes is ongoing, with updates being rolled out on a continuous basis with the aim of constantly improving quality and efficiency.

Optimised portfolio and acquisitions for continued growth

During the year, we conducted a strategic review of our operations. As a result, we decided to divest Lagermix AB which focuses on self-storage solutions. This is because we do not see the business as part of our core operation.

Toward the end of 2025, we acquired three companies, as part of our strategic growth.

Through the acquisitions of D-Flexx and Stompy, we expanded our offering in areas such as flexible safety barriers and technology that enables us to operate in sectors with high safety requirements, such as the food and pharmaceutical industries. The acquisition of Vichnet significantly strengthens our presence in the Asia-Pacific region and enhances our position in cable management and security solutions for data centres. Overall, this strengthens our offering and the value we can deliver to our customers.

Continuous development and improvements in our supply chain

We have also continued our journey of improvement within the supply chain, with the aim of becoming the leader in terms of cost and quality in all regions.

Work on our new factory in North America, which will deliver a higher level of automation and efficiency as well as increased capacity, has continued throughout the year. The new facility outside of Nashville will be inaugurated in mid-2026, at the same time as our former Chicago factory closes.

Following the acquisitions of Polish company Natom Logistics in 2020 and Swedish company Garantell in 2023, we have consolidated and streamlined our product range and relocated production to Sweden. This makes our offer more complete, while also enabling faster customer service and lower costs from 2026. In addition, our highly automated factory in China, which was inaugurated in 2024, has been ramped up and further streamlined.

Troax 70 Years

This year, we celebrated the group's 70th birthday. Across the globe, we highlighted this anniversary in a variety of ways alongside our employees and customers.

Capital markets day and new financial targets

In November, Troax held its first capital markets day, and we presented our strategy, while launching updated financial targets to 2030. Read more about these later in the report.

SUSTAINABILITY AS A LONG-TERM COMPETITIVE ADVANTAGE

In the field of sustainability, we have continued our long-term efforts to contribute to safe and

productive industrial environments while minimising our environmental footprint. Our most significant environmental impact comes from steel and transportation. We are therefore working to increase the percentage of recycled steel and to optimise transport routes and fill rates. Within the production environment, we assess all investments from an environmental and sustainability perspective. Most of our plants are already using green energy, or are planning for solar cells for example. That several of our businesses have been awarded the Ecovadis Silver medal is a clear indication of our progress and leadership.

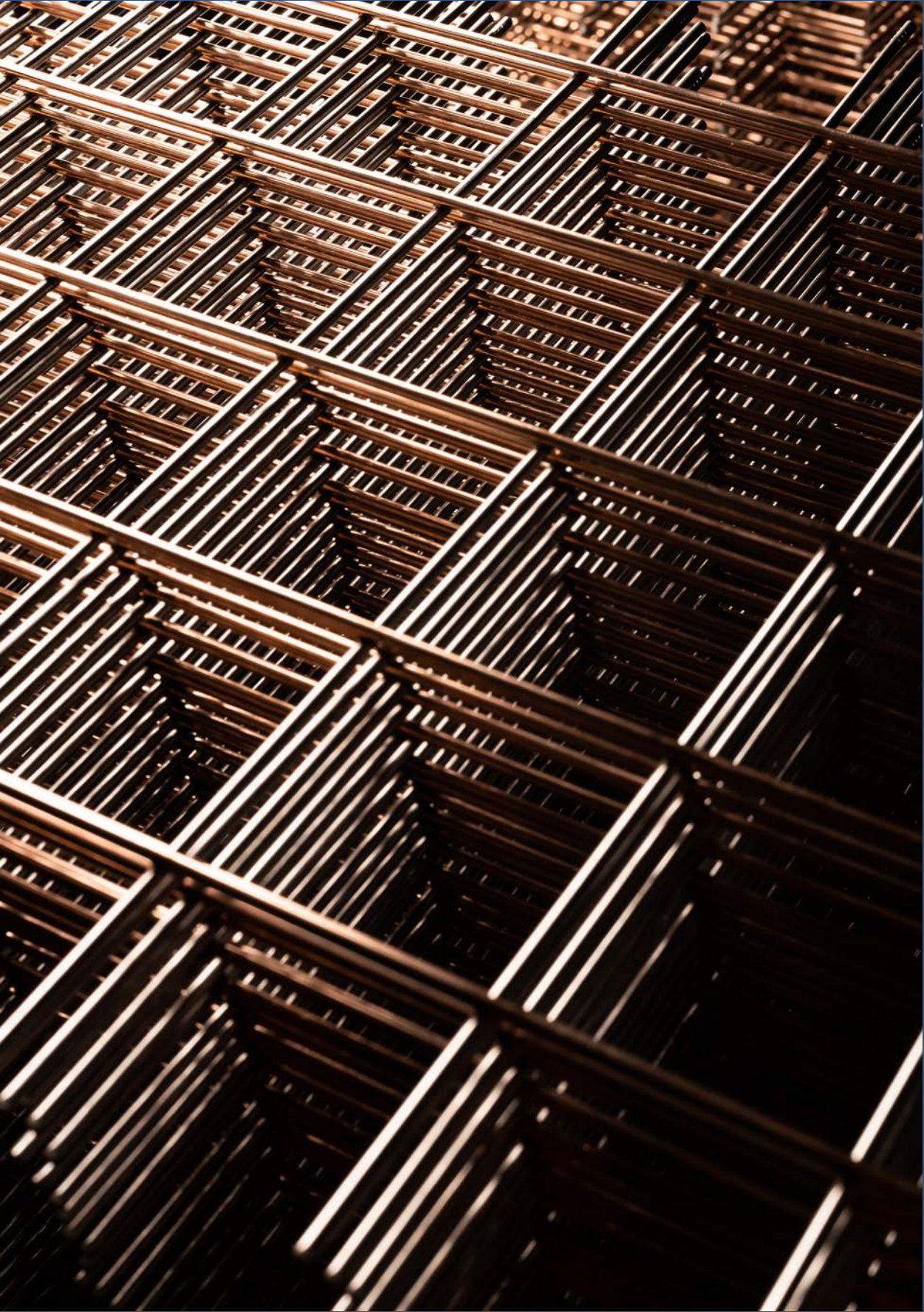
You can read more about this work in the Sustainability Report on pages 42–117.

EXPECTATIONS FOR 2026

The Group aims to achieve continued profitable growth across all our regions and solution areas. The market is likely to remain cautious in early 2026, but there are many areas of growth where we can focus. In 2025, we have also shifted some of our commercial focus to segments where we are not yet leading but where the potential is high. The evolution towards a more complete safety offering, which takes a holistic approach to customer safety needs, feels exciting and highlights our forward-thinking focus. With a wider portfolio of products and services, we can offer more value and peace of mind for both existing and new customers. We have made clear progress in 2025 and I look forward to developing our work further in 2026. With our strong product range offer, our dedicated employees and our solid financial position, the Troax Group is well equipped to face the future! Last but not least, I would like to take this opportunity to say thank you to all of our people around the world for your devoted work meeting customers and their needs. With your efforts, the future prospects remain bright and safe!

MARTIN NYSTRÖM

President and CEO



In late October 2025, Troax communicated the new financial targets for 2030. Martin Nyström, President and CEO of Troax Group, said: "Until 2030, Troax Group's focus on profitable growth will continue and intensify. By continuing to gain market share in our core segments and supplementing with selected acquisitions, we aim double turnover to at least 550 MEUR by 2030. At the same time, we have renewed our profitability target of at least 20% adjusted operating margin (adjusted EBITA). In the coming years, the goal is to strengthen and expand the business, evolving from a product company into a reputable partner for industrial safety solutions. We will also continue to focus on disciplined capital use and return on invested capital".

OUR STRATEGY AND FINANCIAL GOALS

OUR NEW FINANCIAL TARGETS 2030

	PREVIOUS TARGETS	NEW FINANCIAL TARGETS
Sales growth	> Market growth growth through the cycle	Sales of at least 550 MEUR – i.e. at least 15% sales growth (CAGR)* *2025 net sales as baseline
Profitability	> 20% over the cycle Adjusted EBITA-margin	At least 20% over the cycle Adjusted EBITA-marginal
Capital structure	< 2.5x Net Debt to EBITDA	<2.5x Net debt to EBITA over time
Dividend policy	50% Pay-out ratio	Interval 40–60% Pay-out ratio of adjusted Earnings Per Share (EPS)

The following sections explain the key strategic themes and priorities that support our long-term ambition.

SALES GROWTH – DOUBLING SALES TO 550 MEUR BY 2030

Troax aims to double its business by 2030, reaching sales of at least 550 MEUR. This corresponds to a CAGR of ~15% from the 2025 baseline. This growth will come from geographical expansion, especially in the Americas and APAC, where market shares remain low. It will also come from gaining additional market share with existing customers and increasing penetration in market segments where Troax currently has a comparatively small presence. A strong M&A pipeline and selected acquisitions will also support this growth ambition.

PROFITABILITY: AT LEAST 20% ADJUSTED EBITA

The Group is maintaining its long-term financial ambition of achieving an EBITA margin of at least 20% throughout the business cycle.

To reach this goal, Troax is implementing various initiatives, including streamlining and consolidating its European supply chain, increasing

automation and efficiency at its new facility in Tennessee (Americas), optimising its pricing and product mix, and reducing overhead costs through digitalisation. As market volumes recover, these operational improvements will support further margin expansion.

CAPITAL STRUCTURE – NET DEBT/EBITDA BELOW 2.5X

Troax’s target is to maintain a Net Debt/EBITDA ratio below 2.5x, to ensure a robust and flexible balance sheet.

Currently, the Group’s leverage is below this level, providing significant financial capacity to accelerate growth through acquisitions. The Group continues to prioritise reinvestment in operations, bolt-on and adjacent acquisitions, and stable shareholder distributions through a disciplined approach to capital allocation.

DIVIDEND POLICY – 40–60% OF ADJUSTED EPS

The revised dividend policy aims to distribute 40–60% of adjusted earnings per share. This ensures an attractive and predictable return for shareholders while retaining sufficient funds for organic and acquisitive growth.

WHY AND HOW WE DO IT

SHAPING THE FUTURE OF SAFETY

Everything we do is driven by our commitment to shaping the future of safety. As a trusted safety authority, we support our customers in creating safer workplaces by providing expertise, high-quality solutions, and consistent guidance throughout the entire safety journey.

GROW MARKET SHARE IN CORE SEGMENTS

We aim to strengthen our position as a leader by continuing to increase our market share in our core areas: safety solutions for manufacturing, warehousing and logistics, storage and data centres. Supported by strong megatrends and a solid global presence, we see significant room for growth with existing customers and in emerging markets.

INNOVATE FOR SUSTAINABLE LEADERSHIP

Innovation is central to staying ahead. We focus on continuous product development – including incremental improvements and the use of more sustainable materials and designs. This involves reducing complexity, improving recyclability, and enhancing the long-term environmental performance of our solutions.

SECURING A BEST-IN-CLASS CUSTOMER EXPERIENCE

Our ambition is to deliver a seamless customer journey from initial contact to installation and after-sales support. Faster service, improved digital tools and structured key-account management all help us to build stronger partnerships and increase customer satisfaction across regions.

ACQUIRE AND GROW AN ADJACENT SAFETY PORTFOLIO

M&A (Mergers and acquisitions) is a natural part of our strategy. We selectively acquire companies that strengthen our position in existing niches, open new

markets, or add complementary safety technologies. This expands our customer value proposition while supporting long-term profitable growth.

IMPROVE COST AND CAPITAL EFFICIENCY

We continuously optimise our cost base and capital use. Initiatives include streamlining the European footprint, increasing automation in the Americas, simplifying product ranges, and minimising waste. These efforts improve resilience, profitability, and the efficiency of our global operations.

SAFETY AND SUSTAINABILITY IN EVERYTHING WE DO

Our strategy builds on two foundations: safety and sustainability. As a safety company, we apply the same standards internally as we recommend to our customers. We are committed to sustainability in all areas of our work, from the use of responsible materials to reduction of emissions through regionalised production and continuous efficiency improvements.

A CULTURE OF SPEED AND ACCOUNTABILITY

Our decentralised operating model empowers teams to make decisions close to our customers, ensuring responsiveness, accountability, and effective execution. This culture of speed, accountability and integrity enables Troax to remain agile while continuing to grow globally.

SHAPING THE FUTURE OF SAFETY





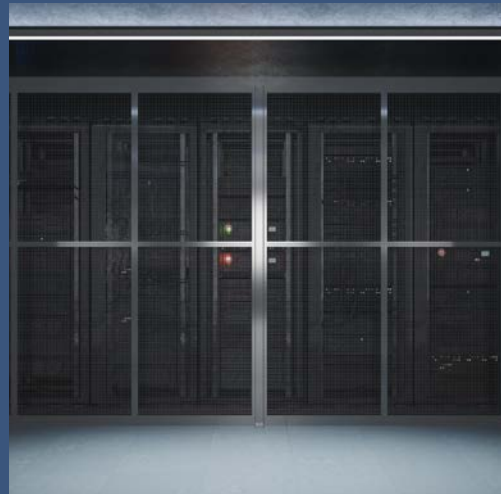
WAREHOUSE & LOGISTICS



MANUFACTURING



DATA CENTRES



STORAGE

MACHINE GUARDING, FLEXIBLE BARRIERS, INDUSTRIAL WALLS, AREA PROTECTION, SHELVING, FALL PROTECTION, CONSULTANCY, MONITORING...

OUR APPLICATION AREAS

Trox Group's solutions are used in environments where safety, organisation and operational reliability are paramount. Through a wide range of products and services, we support some of the most critical application areas in businesses worldwide. Our focus is on the manufacturing, warehousing and logistics sectors, as well as storage facilities and data centres. Here, our machine guards, flexible barriers, industrial walls, area protection, shelving and fall protection, together with our consultancy and monitoring services, contribute to safer workplaces and more efficient workflows. We also help our customers gain better control over machinery, equipment and materials. In one way or another – it is quite simply safety.



HOW WE CREATE CUSTOMER VALUE

We create value for our customers by understanding their safety challenges from the start and helping them to comply with regulations and best practice. The result is increased productivity through safeguarding people, processes and productivity. We achieve this by combining our expertise, our solutions and working methods. Our value creation is built on these reinforcing elements:

SAFETY EXPERTISE THAT GUIDES CUSTOMERS TO THE RIGHT SOLUTION

We support customers throughout their entire safety journey – from risk assessment and design to installation and after-sales. By understanding specific industry requirements, production setups and regulatory frameworks, we help customers make informed decisions that improve safety and operational uptime.

A COMPLETE AND SCALABLE PRODUCT OFFERING

Our wide portfolio of safety solutions for manufacturing, warehouse and logistics, storage and data centres enables customers to meet all their major safety needs through a single, reliable and trusted supplier. Modular design and standardised components ensure easy installation, fast adaptation, and long-term flexibility as operations grow or change.

GLOBAL PRESENCE WITH LOCAL RESPONSIVENESS

With sales offices, partners and production in key markets across EMEA, APAC and the Americas, we combine global reach with fast, local support. Our decentralised business model brings decision-making closer to the customer, ensuring

quicker lead times, improved service levels and solutions adapted to local standards.

RELIABLE QUALITY AND LONG-TERM PERFORMANCE

Customers rely on Troax solutions to protect workers and critical assets. Our products are tested to stringent standards and are designed for durability, ensuring consistent performance even in demanding industrial environments. This reduces downtime, lowers maintenance costs, and extends lifecycle value.

INNOVATION THAT IMPROVES SAFETY AND EFFICIENCY

Our ability to deliver safer, smarter and more sustainable solutions is driven by continuous innovation. We develop products that simplify installation, enhance impact resistance and reduce environmental footprint, enabling customers to increase productivity without compromising on safety.

SEAMLESS CUSTOMER EXPERIENCE SUPPORTED BY DIGITAL TOOLS

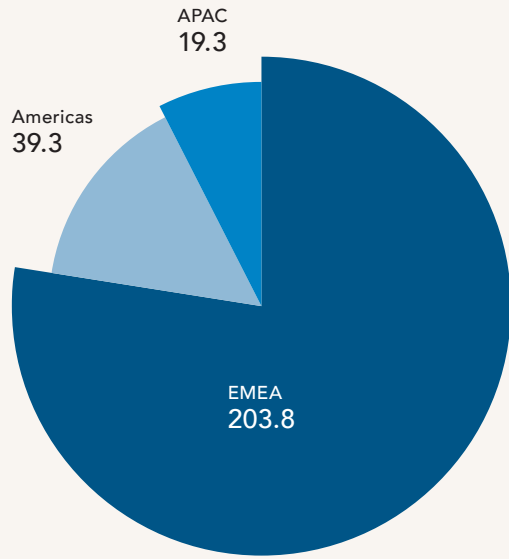
We invest in digital platforms that facilitate the design, visualisation and configuration of safety solutions. Our tools support faster quotation processes, clearer documentation and smoother project management — improving efficiency for customers, installers and partners alike.

A DEPENDABLE PARTNER THROUGHOUT THE ENTIRE LIFECYCLE

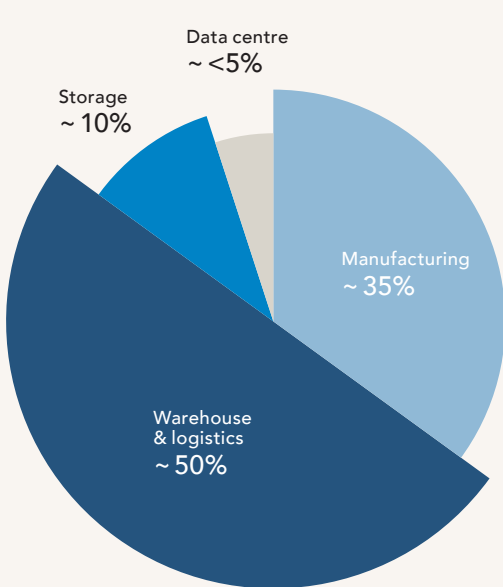
From advisory and project planning to installation support and long-term service, we build lasting relationships. Our global footprint and stable financial position give customers confidence that Troax is a trusted partner today and in the future.

At Troax, we work to ensure that everyone can get to work, carry out their duties and return home with a sense of security. This brings peace of mind and stability to the companies that rely on our solutions. Our mission is to make everyday life safer and more efficient, regardless of when, where or how our safety solutions are used. Through a comprehensive range of products, services and digital functionality, we support our customers across a wide spectrum of application areas – from manufacturing and warehousing & logistics to storage and data centres.

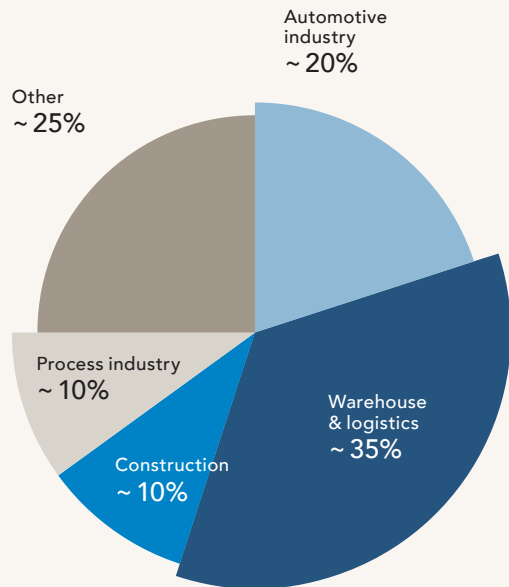
SAFETY FOR OUR CUSTOMERS' EVERYDAY LIVES



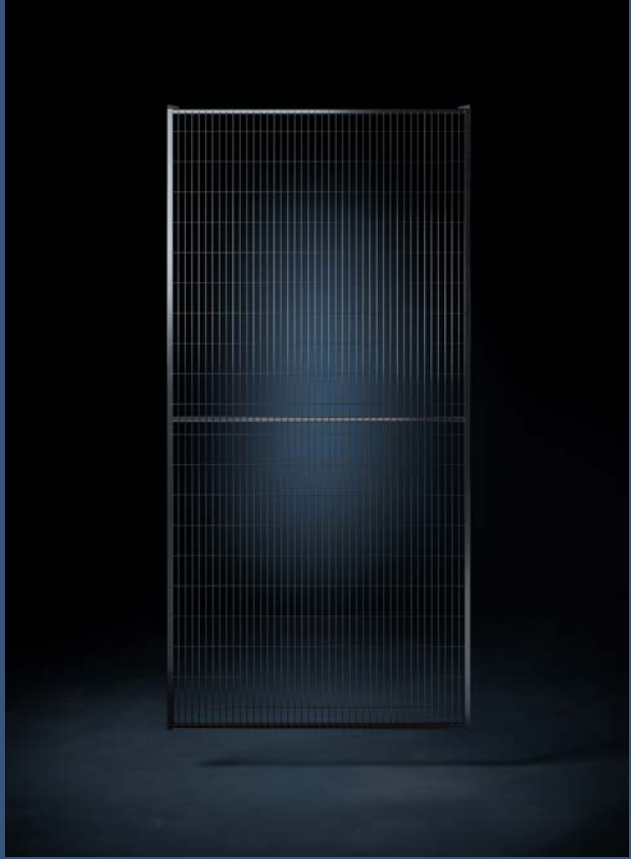
SALES
PER REGION
2025



SALES BY
APPLICATION AREA
2025



SALES BY
MARKET SEGMENT
2025



ADVANCES IN SUSTAINABILITY

Troax continues to take a leadership role in the industry's sustainability efforts. In 2025, we have strengthened our climate and environmental initiatives, improved data quality across the value chain, and developed the structures needed to run a business that is sustainable and competitive in the long term. We have also introduced a new global employee survey platform.

Below you can read about some of the year's most significant achievements.

ENHANCED CLIMATE MANAGEMENT – CLIMATE PLAN IN DEVELOPMENT AND PLANNED SBTI CONNECTION

Troax is working towards joining the Science Based Targets initiative (SBTi) by November 2026, in line with ESRS requirements. In 2025, the group began developing a science-based climate plan, including improved mapping of scope 1, 2, and 3, enhanced data collection procedures, and preparation to formulate targets in line with the 1.5°C target.

ENHANCED ENERGY AND CLIMATE PERFORMANCE IN OPERATIONS

In 2025, Troax increased the share of renewable energy to almost 35% and continued to invest in energy efficiency. Additionally, the Group is striving toward the goal of having 100% renewable electricity by 2030, with monthly tracking and enhanced energy data and reporting processes.

ADVANCES IN CIRCULAR RESOURCE UTILISATION

Troax has continued to strengthen circular material handling in production. Throughout the year, we have further developed the closed-loop powder coating system and continued to optimise design and material usage to reduce resource usage. The Group also plans to implement a common model to collect and recycle all steel scrap from manufacturing. These efforts help to reduce waste and lower the environmental impact within the steel-intensive value chain.

REDUCED CLIMATE IMPACT IN THE VALUE CHAIN

During the year, Troax reduced its scope 3 emissions by 15% compared to 2024. The reduction is mainly due to lower sales volumes and therefore reduced steel purchases, which is the group's largest source of emissions. Meanwhile, improved calculation methods and increased access to

primary data from suppliers have resulted in more reliable and well-informed climate data.

ENHANCED SUSTAINABILITY MANAGEMENT THROUGH DIGITALISATION AND STANDARDISED PROCESSES

The implementation of Position Green has established a uniform, traceable and audit-safe data model for all ESG reporting within the Group. With clear controls, improved internal stewardship, and monthly ESG follow-up, Troax has significantly enhanced the quality and robustness of sustainability stewardship.

NEW GLOBAL EMPLOYEE SURVEY PLATFORM

In 2025, Troax launched a global employee survey platform and conducted the first corporate employee survey. Starting in 2026, all employees will participate, and the surveys are conducted twice a year to reinforce the workings of the psychosocial work environment.

ASSURED LIVING WAGES GLOBALLY

In 2025, as part of the CSRD report, Troax conducted a Group-wide analysis of wage levels across all countries where we have employees. The analysis showed that no employee wages fall below local living wage levels as recommended by the UN. This work is monitored through annual living-wage reviews to ensure continued compliance.

OUR SUSTAINABILITY GOALS BY 2030:

- » Increase recycled steel to 80% of all steel we purchase
- » The use of solely renewable electricity in all operations
- » Halve the number of workplace accidents leading to absences

You can find out more about the goals and outcomes in the full sustainability statement on pages 42–117.

**TROAX AS AN
INVESTMENT –
WE HAVE DONE
WELL BUT
THERE IS MORE
TO COME**

LEADER IN OUR NICHE AND THE ONLY GLOBAL PLAYER

Strong offering and customer value

Troax continues to hold the leading position in our niche, and we remain the only truly global supplier in the safety industry. This gives us a uniquely strong offering and enables us to deliver superior customer value across all major markets.

WELL POSITIONED FOR ORGANIC GROWTH

The market trends are in our favour

The underlying macro trends are favourable, and market conditions are gradually improving. With our global footprint, strong brands and competitive portfolio, we are well positioned to capture organic growth as demand normalises.

PROFITABILITY TARGET OF 20% EBITA OVER THE CYCLE

Improvements from supply footprint consolidation and development are underway

Our long-term target of achieving at least 20% EBITA remains firm. Several initiatives are underway to strengthen profitability, including footprint consolidation, efficiency improvements and continued optimisation in North America.

ATTRACTIVE OPPORTUNITIES FOR M&A

We aim to lead the market sophistication

We see a healthy and growing pipeline of acquisition opportunities. With clear strategic rationale and strong industrial fit, our aim is to lead market sophistication – both within our core niches and by driving the development of safer solutions across the industry.

STRONG FINANCIAL POSITION

Strong balance sheet

Troax maintains a solid financial foundation and a strong balance sheet. This provides stability and creates room to act more actively on the acquisitive side as the right opportunities arise..

LONG-TERM COMMITMENT TO SUSTAINABILITY

We are at the forefront of our industry and strive to remain the leader in the future

Sustainability is an integral part of our strategy, and we remain at the forefront of our industry. We will continue to invest in safer, more resource-efficient solutions and maintain our commitment to leading the sector with responsible practices.





DIRECTOR'S REPORT

INFORMATION ABOUT THE BUSINESS

The Board of Directors and the CEO of Troax Group AB (publ) hereby submit the Annual Report and consolidated financial statements for the financial year 2025. The Troax Group AB group of companies (hereinafter referred to as "Troax") is an international group that provides safety solutions for manufacturing, warehousing and storage. Our focus is on solutions for safer indoor conditions in manufacturing and warehouse environments in order to ensure the productivity of the industrial processes and to protect the people who work within them.

As a global market leader, the Troax Group has a high level of customer service and innovation. For years, the Group has worked with world-leading customers in the automotive, warehousing and construction industries. Our safety solutions can be found in manufacturing industries within robotic cells and automation solutions, within automated warehouses with fall protection, shelving, partitioning and compartmentalisation walls, sensor-based monitoring for accident reduction, and storage rooms.

We focus mainly on five industry sectors

- » Automotive industry
- » Warehouse industry
- » Construction and civil engineering
- » Process industry
- » Other general industry

Within every industry sector there is a multitude of applications, and the breadth of what we offer and our customer base makes us relatively resilient over the business cycle.

Sales, installation and consultancy are mostly carried out through companies in Europe and North America, as well as Asia. For markets where we do not have our

own sales and service companies, we have a network of distributors, mainly in Asia and Latin America.

Headquartered in Hillerstorp (Sweden), the Group has production facilities in Hillerstorp and Värnamo (Sweden), Birmingham (UK), Changshu (China), Bulciago and Rubiera (Italy), Chicago (US), Slangerup (Denmark) and Sroda (Poland). By mid-2025, it was decided that existing operations would be moved from the Sroda factory to the Värnamo factory, which was implemented in the second half of 2025. The Troax Group's revenue decreased in 2025 compared to the previous year, which, similarly to 2023 and 2024, mainly due to weak demand in the warehouse segment in Europe, as well as the storage segment in the Nordic region.

GROUP STRUCTURE

Troax Group AB (publ) is the parent company of the group with 46 directly and indirectly wholly owned subsidiaries, as shown in Note 34. Operationally, the Group operates as a single business segment; however, sales and order intake are managed by geographical region (EMEA, Americas, APAC) as well as New Business, and the operations are further divided into product areas (Machine Guarding, Racking and Industrial Partitioning, Storage Solutions, Polymeric Safety Barriers, and Active Safety).

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

During the year, two acquisitions were completed, both within the new polymer safety barriers product segment. In November, Troax acquired the Danish company Dancop A/S with two associated subsidiaries. Dancop develops and manufactures flexible safety barriers and high-quality traffic, observation and safety mirrors within the field of industrial safety. In December, Troax acquired the Italian company Stomppy SpA with an associated subsidiary. Stomppy develops high-quality flexible barriers that differ from those of the major competitors, and the

company has a strong position in high-demand customer segments, such as food and pharmaceuticals. During the year, a decision was made to close the company's Polish factory and move that production to Värnamo.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In October 2025, Troax signed an acquisition agreement with the Chinese company Vichnet, which was completed in early January 2026. The company, headquartered in Ningbo, China, had sales of EUR 26 million and approximately 300 employees (in 2024). The purchase difference totalled approx. EUR 45 million.

ORDER INTAKE AND NET SALES

The Group's order intake in 2025 amounted to EUR 261.4 million, a decrease of 6 percent compared to the previous year. Adjusted for currency and acquired and divested operations, order intake decreased by 5 percent. Net sales in 2025 amounted to EUR 262.4 million, a decrease of 6 percent compared to the previous year. Adjusted for currency and acquired and divested operations, net sales decreased by 6 percent. APAC and Americas have increased their Sales figures while EMEA have decreased their turnover compared to the previous year.

FINANCIAL PERFORMANCE

Operating profit (EBIT) in 2025 was 22.7 MEUR which is a reduction of EUR 22.3 million compared to the previous year. The negative performance trend is mainly affected by lower volumes, as well as one-time costs of EUR 10.2 million related to costs associated with closing the factory in Poland, termination costs associated with staff downloads, as well as duplicated costs associated with moving operations in the US from Chicago to Nashville. In addition to this, we have continued to make significant investments in digital solutions to help our customers and our sales team. The increase in financial expenses in 2025 is mainly due to an increase in borrowing. Profit after tax in 2025 were EUR 13.5 million which is EUR 17.8 million lower than the previous year.

INVESTMENTS

Troax continually invests in the maintenance of production facilities and production equipment. In addition to maintenance investments, other investments are made to expand or upgrade production units, with the aim of increasing productivity and/or capacity. In the 2025 financial year, investments in property, plant and equipment mainly relate to a number of investments to expand capacity in the USA. In addition to this, Troax has acquired two subsidiaries as mentioned above. This year's investments in tangible, intangible and financial plant assets totalled EUR 35.9 (15.9) million for 2025.

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow from operating activities in 2025 amounted to EUR 34.5 million and total cash flow for the year amounted to EUR 10.2 million. The difference is mainly explained by dividends paid to shareholders and various investments mentioned above. Net assets as of 31 December 2025 were EUR 39.7 million and the

interest-bearing net liability excluding effects of IFRS 16 was EUR 75.3 million. Net interest-bearing debt in relation to EBITDA amounted to 1.7x. This compares to the group's financial target of less than 2.5. On 31 December 2025, the Group's equity amounted to EUR 177.4 million and the equity ratio was 44.5 percent.

FIVE-YEAR SUMMARY

Group, million EUR	2025	2024	2023	2022	2021
Net sales	262.4	278.5	264.3	284.1	252.3
Gross profit	94.5	103.0	100.1	95.8	94.2
Operating profit before depreciation and amortisation (EBITDA)	49.1	60.1	62.2	61.2	62.3
Operating income before acquisition-related depreciation (EBITA)	36.3	48.2	51.9	51.1	53.5
Operating profit (EBIT)	22.7	45.0	49.9	49.6	52.4
Profit after tax	13.5	31.3	35.7	36.8	39.8
Equity	177.4	180.1	172.3	154.9	142.6
Total assets	398.9	329.7	327.4	291.1	291.3

EMPLOYEES

At the end of 2025, the Group had 1,132 employees compared to 1,191 employees at the end of 2024. Other staff information is presented in Note 7.

SHARES

At the end of 2025, there were 60,000,000 shares in the company. At the end of the year, the share price was SEK 149. The number of shareholders at the end of the year was 5,895. See note 20 for additional share information.

OWNERSHIP STRUCTURE

On 31 December 2025, Investment AB Latour owned 30.1 percent of the shares and is thus the largest shareholder. No other shareholders had holdings exceeding 10%.

PARENT COMPANY

Troax Group AB (publ) corp. ID no. 556916-4030, is the Parent Company for the activities within the Troax Group. The Parent Company's activities comprise Group functions. The Parent Company's net sales amounted to EUR 4.4 million (EUR 2.7 million) and the Parent Company reported an operating loss of EUR -3.8 million (EUR -1.5 million). Profit after financial items amounted to EUR 1.1 million (EUR -1.9 million). Profit after tax totalled EUR 14.1 million (EUR 8.3 million).

RISKS AND UNCERTAINTIES MACRO-ECONOMIC FACTORS

MACROECONOMIC FACTORS

The customer base for Troax solutions is broad. For example, the end customers are well-known OEMs, automated production line integrators, logistics companies, retail companies, housing associations and property owners. Many of Troax's end customers are affected by changes in the general economy in the markets and geographical areas where they operate.

This means that macroeconomic changes affect end customers' demand for Troax solutions. Furthermore, fluctuations in local or regional economic conditions may also affect Troax's end customers and the demand for its products.

RAW MATERIALS PRICES

The Group is exposed to variations in the prices of the raw materials used to manufacture our solutions and to changes in the prices of the raw materials used in the manufacture of the components that Troax purchases from external suppliers. Purchases of raw materials for the production of mesh panel solutions include steel tubes, wire and powder paint for painting. The raw materials used by Troax in its production are mainly standard products used in a number of industries.

UNFORESEEN PRODUCTION STOPPAGES

Troax's business depends on the main production units in Hillerstorp and Värnamo, Sweden, in Bulciago, Italy, in Chicago, USA, and in Shanghai, China. If any of these production units should be totally or partially destroyed, for example by fire or natural disaster, should have to be closed, or if any equipment in the plants should be seriously damaged, the production and distribution of the company's products may be hindered or interrupted. To the extent that unforeseen production interruptions, property damage or other value chain disruptions are not fully covered by insurance, they may also have a material adverse effect on the company's business, financial condition or results of operations.

COMPETITION

Troax operates in markets that are fragmented and generally characterised by fierce competition and is expected to continue to do so in the future. Alternative products that currently compete with Troax solutions include simpler wire and mesh solutions and motion sensors that detect when people are near machines. There may also be alternative products or production techniques that have been or are being developed of which the Company is not aware. Such products or production technologies may also be developed in the future and may, in one or more respects, compete with or outperform the Company's products or production efficiency. Troax currently enjoys a strong position as the leading company in its main markets and such a leading position always poses a risk in itself.

Failure to compete successfully could result in a weakened market position, which could have a material adverse effect on the Group's business, financial condition or results of operations.

PRODUCT LIABILITY AND OTHER PRODUCT-RELATED CLAIMS

The Group is exposed to product liability and warranty claims to the extent that its products are defective or cause damage to persons or property. If a product is defective, the Group is normally responsible for repairing or replacing the defective products. This happens in relevant cases in both consumer and industrial markets. Because of the above risk, the Group may be subject to product liability

and other claims if the products it manufactures or purchases from external suppliers are defective, cause production stoppages or personal or property damage.

ENVIRONMENTAL RISKS

Our business activities in Sweden have been subject to notification since 2015. Troax's primary impact on the environment is linked to the fact that our safety solutions largely consist of steel products. The largest negative environmental impact in terms of CO₂ emissions occurs during the production of steel, particularly in the context of the extraction and processing of steel. Our second-largest impact comes from transport, and we continually work on optimising load factors, etc. The production of products in our factories has a relatively low environmental impact and we are actively working to optimise material usage, streamline our internal processes, and collaborate with suppliers to ensure that the materials we source have a minimal negative impact on the environment. You can find out more in our Sustainability Report.

FINANCING OF THE GROUP

The Group's liabilities primarily comprise loans from credit institutions. The level of indebtedness has implications for shareholders, including that Troax must allocate part of the business's cash flow to meet its obligations in this regard. This could lead to reduced resources for Troax's business, and also for investments, working capital, dividends etc. Troax's ability to manage its debt is dependent on future performance, which in turn is affected by the prevailing economic climate as well as financial, business, regulatory and other factors. If this means that the Group is unable to generate sufficient cash flow for its debt obligations, it could have a material adverse effect on the Group's business, financial condition and results of operations.

CURRENCY RISK

Currency risk is the risk that changes in foreign exchange rates will adversely affect the Group's income statement, balance sheet or cash flow. Exposure to foreign exchange risk arises from the purchase or sale of products or services in a currency other than the local currencies of the respective subsidiaries (transaction exposure) and from the translation of the subsidiaries' balance sheets and income statements in foreign currencies into EUR (translation exposure). The Group's global operations generate significant cash flows in foreign currencies. The Group is mainly exposed to movements in the SEK against the EUR.

WORK OF THE BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the general meeting of shareholders. The Board of Directors' principal role is to decide on the company's business strategy, resources and capital structure, as well as the company's organisation and management of the company's affairs. The Board's general duties also include the ongoing assessment of the company's financial situation and the approval of the company's business plan. The general duties include the Board of Directors being responsible for overarching issues such as the company's strategy,

acquisitions, major investments, divestments, submissions of annual reports and interim reports, appointment of the CEO, etc.

The Board of Directors follows written rules of procedure that are adopted annually at the statutory board meeting. The rules of procedure set out the obligations and decision-making powers of the Board of Directors, the division of responsibilities between the Board of Directors and the CEO etc. The Board meets according to a pre-agreed annual schedule. In addition to these meetings, further meetings can be arranged in exceptional circumstances. Some of the cases are prepared in one of the two committees the Audit Committee, as well as the Compensation Committee.

In addition to the Board meetings, the Chairman of the Board and the Chief Executive have an ongoing dialogue on the management of the company. The division of labour between the Board and the CEO is regulated in the Board's Rules of Procedure and in an instruction to the CEO. The CEO is responsible for the implementation of the business plan and the day-to-day management of the company's affairs as well as the day-to-day operations of the company. This means that the CEO has the right to take decisions on matters which can be considered to fall within the scope of the day-to-day management of the company.

In addition, the CEO may take measures without the authorisation of the Board of Directors which, having regard to the scale and nature of the company's activities, are of an unusual nature or of major importance and the decision of the Board of Directors cannot be awaited without significant inconvenience to the company's activities. The instruction to the CEO also regulates his responsibility for reporting to the Board.

The Board held eleven minuted meetings in 2025 and has held two minuted meetings so far in 2026. In 2025, the Troax Board of Directors consisted of seven ordinary members elected by the Annual General Meeting in April 2025. The Chairman of the Board does not participate in the operational management of the company.

GUIDELINES FOR REMUNERATION OF THE CEO AND GROUP MANAGEMENT

The guidelines currently in force from 2023 include the possibility for the Chief Executive Officer and other senior executives to receive long-term variable remuneration. The guidelines also include a proposal that remuneration may be supplemented by share-based incentive programs provided that these promote long-term commitment to the business and provided that they are issued on market terms. The next time the guidelines are to be set is at the Annual Meeting 2027.

INTANGIBLE KEY RESOURCES

Intangible key resources are assets without physical form on which the Group relies and which are valuable. Within the Group, there are intangible key resources in terms of the employees and their combined skills, experiences and capabilities.

FUTURE PROSPECTS

Troax does not make forecasts for the future. The Group does, however, prepare business plans which reinforce the positive view of growth in Troax's underlying market.

PROPOSED APPROPRIATION OF PROFITS

Non-restricted equity in the Parent Company in EUR thousand:

Share premium reserve	16,842
Retained earnings	-
Profit for the year	14,067
Total	30,909

The Board proposes to distribute to the shareholders EUR 0.24 (0.34) per share, totalling EUR 14.4 million (20.4). The proposed dividend to shareholders reduces the parent company's equity ratio to 13.8% and the group's equity ratio to 42.4%. The equity/assets ratio is satisfactory in view of the fact that the company's and Group's business remains profitable.

It is estimated that liquidity in the company and Group can be maintained at an equally satisfactory level. It is the Board's view that the proposed distribution does not prevent the company, or other companies in the Group, from fulfilling their short-term or long-term obligations, nor from completing required investments. The proposed distribution can therefore be justified with regard to what is recommended in the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2-3 (the rule of caution). The record date for payment is 24 April 2026.

**SAFETY IS
SUSTAINABILITY.
SUSTAINABILITY
IS SAFETY.**

AT TROAX GROUP, SAFETY AND SUSTAINABILITY ARE TWO SIDES OF THE SAME COIN. EVERYTHING'S CONNECTED. EVERY SOLUTION IS DESIGNED TO BE SAFE, AS WELL AS TECHNICALLY REFINED, RESOURCE-EFFICIENT, AND MADE TO LAST. WHEN SAFETY AND SUSTAINABILITY WORK TOGETHER, WE CREATE MORE THAN PROTECTION. WE BUILD TRUST AND LONG-TERM VALUE FOR EVERYONE WHO CHOOSES TROAX GROUP.

A JOURNEY WITH NO END

We have a long tradition of developing safe, innovative, and responsible solutions. But we aim higher than simply creating protection systems. Across the group, we strive to contribute to positive progress for people, businesses, and the communities in which we operate. That's why we take a systematic approach to using resources responsibly, reducing our climate impact, and developing solutions that are safe for both people and the environment. We care about what happens to the world tomorrow, while recognising sustainability as a strong competitive advantage today. Join us on a journey with no end. After all, that's the very essence of sustainability at Troax Group. We can always be better.



GENERAL DISCLOSURES

BASIS FOR PREPARATION

BP-1

FRAMEWORKS AND SCOPE OF THE REPORT

The Sustainability Statement constitutes Troax Group AB's statutory sustainability report in accordance with the Swedish Annual Accounts Act. The report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy Regulation.

The report covers the 2025 financial year and the entire Troax Group AB (publ), including the parent company and all wholly owned subsidiaries (see Note 34 in the financial statement). It is based on the Group's double-materiality assessment and addresses material impacts, risks, and opportunities across the full value chain.

Upstream disclosures include procurement of materials, procurement and management of suppliers, while downstream includes distribution, product use, end-of-life treatment as well as user

safety. These parts are reflected in relevant ESRS disclosures on climate change, resource use, the circular economy, workers in the value chain, and consumers and end-users.

Greenhouse gas emissions are reported in accordance with the GHG Protocol. No information has been omitted due to intellectual property or ongoing negotiations.

CONSOLIDATION

The information in the sustainability report is consolidated using the same principles as in the financial reports. Thus, the same method is used to consolidate all quantitative data in the sustainability report, unless otherwise stated in the accounting policies presented under the respective topical standards.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

BP-2

TIME HORIZONS

The sustainability statement adheres to the time horizons specified in the ESRS guidelines, which are:

- » **Short term:** up to one year
- » **Medium term:** one to five years
- » **Long term:** more than five years

ESTIMATION AND OUTCOME UNCERTAINTY

We strive for high transparency regarding our sustainability data. We are aware that data maturity is an ongoing process, and we work systematically to ensure that our climate calculations are both reliable and audit-ready. For the key performance indicators presented in this report, we primarily apply a standardised calculation method where internal activity data is combined with recognised secondary emission factors.

To ensure a comprehensive inventory of our climate impact within Scope 3, we have used estimation methods for the following categories in the value chain where primary data is not yet fully available:

- » Category 1: Purchased goods and services.
- » Category 4: Upstream transportation and distribution.
- » Category 9: Downstream transportation and distribution.
- » Category 12: End-of-life treatment of sold products.

The basis for these calculations consists of purchase volumes, material weight and transport distances retrieved from our internal ERP systems. These figures are multiplied by average emission factors from recognised secondary-emission databases for recognised secondary-emission sources, in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard. For Category 12, estimates are based on the total mass of sold products and packaging, with average market shares applied for waste treatment, such as recycling versus landfill.

Although this methodology follows the GHG Protocol standard, precision is limited compared to supplier-specific primary data. Since we rely on industry average values, these estimates can identify emission hotspots in our value chain, but they do not yet reflect any specific efficiency improvements implemented by our individual partners. The accuracy is assessed as moderate, as it is based on a mixture of internal data and recognised secondary factors.

Improving data quality remains a priority, and we view it as an ongoing process. Gradually, we are introducing methods to collect primary data, such as carbon footprints at the product or activity level, directly from our suppliers and logistics partners. This reduces our dependence on generic emission factors. Furthermore, we are improving our internal data collection procedures to replace cost-based

calculations with more accurate physical data, such as actual weights and distances, at all production facilities.

CHANGES IN PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

Transition to CSRD and ESRS

From the 2025 financial year, Troax Group's sustainability reporting is prepared in accordance with CSRD and ESRS. This sustainability report marks the official introduction of the CSRD/ESRS framework, which entails a significant improvement in our reporting methodology compared to previous years. The process and methodology have been revised to harmonise with ESRS, the GHG Protocol and SBTi, which overall has resulted in a substantial change in our reporting. Key changes include a shift from an entity-level to a consolidated Group-level approach and enhanced calculation methodologies using more granular activity data and updated emission factors.

To support improved data quality and internal controls, Troax implemented the Position Green sustainability reporting system, enabling standardised data collection and traceability across all entities.

Comparability and base year

Reporting boundaries were expanded in 2024 to cover all legal entities globally, rather than only production units, aligning sustainability reporting with financial consolidation. Due to revised methodologies and expanded boundaries (particularly within Scope 3) full comparability with prior periods is not practicable. Historical figures have therefore been estimated where necessary, and 2024 has been established as the new base year for sustainability targets and monitoring of climate performance.

No additional disclosures required under other legislation have been included in the sustainability statement.

PHASE-IN PROVISIONS

Troax applies the phase-in provisions set out in ESRS 1 Appendix C. The reliefs relate to the material areas Workers in the value chain (S2) and Consumers and end-users (S4), as well as certain disclosure requirements under the topical standard Own workforce (S1).

Troax Group also applies the phase-in provisions set out in ESRS 1 Appendix C concerning disclosures of anticipated financial effects related to the material sustainability matters Climate change mitigation (E1) and Resource use and circular economy (E5).

Necessary data collection is being established to enable the introduction of these disclosures in future sustainability reporting, in line with the applicable phase-in schedule.

MINIMUM REQUIREMENTS FOR PHASED-IN TOPICAL STANDARDS

Workers in the value chain (S2)

Material impact and its interaction with business strategy and model

Troax Group's value chain extends globally, where we source materials and components from a broad network of suppliers and partners worldwide. Given the global nature of our supply chain, where production and extraction of raw materials take place further upstream, we have identified potential indirect negative impact on workers in the value chain. This impact is linked to our business relationships and is particularly prominent when suppliers do not fully comply with our standards for business ethics, working conditions, and human rights. The exposure is considered particularly high among subcontractors outside Europe, where regulations and oversight may differ.

Ensuring responsible labour practices across our value chain is fundamental to Troax's business model and to uphold the business strategy, as our ability to deliver safe, high quality safety solutions and protecting people, property and processes in the whole value chain relies on suppliers who uphold strong environmental, social and ethical standards. Troax actively partners with suppliers that share our sustainability ambitions in areas such as environmental performance, labour rights, human rights, and business ethics, principles aligned with the UN Global Compact. This includes promoting and requiring fair labour practices, respecting human rights, and ensuring equal treatment and opportunities for all across the value chain.

As a result of the double materiality analysis conducted in 2025, workers in the value chain became a material topic linked to:

- » Other work-related rights
- » Equal treatment and opportunities
- » Working conditions

The double materiality assessment has been informed by ongoing supplier engagement, on-site audits, structured supplier dialogues, and the review of grievance mechanisms accessible to all workers throughout the value chain.

Policies and actions related to workers in the value chain

Troax Group is committed to upholding human rights, fair working conditions, and equal treatment throughout the value chain. These principles are integrated into our Supplier Code of Conduct, which is a prerequisite for initiating and maintaining business relationships. The Code of Conduct is in line with internationally recognised standards, including the UN Guiding Principles on Business and Human Rights, and includes requirements for compliance with laws, business ethics, and safe and healthy working conditions. It prohibits discrimination, harassment, forced labour, and child labour, and ensures fundamental rights, including written employment contracts, fair compensation,

and regulated working hours. Suppliers are also expected to apply corresponding requirements in their own supply chains.

We are working step by step to integrate the Code of Conduct into our procurement processes. During the reporting year, approximately 89 percent of the total purchase cost at our largest production unit in Hillerstorp, Sweden, was covered by suppliers who have signed the Code of Conduct. This shows progress, but further implementation and follow-up are required to achieve more comprehensive coverage across all operations.

As a first quantitative step, Troax Group has set a target that at least 80 percent of the total purchase cost for materials for our production units shall be covered by suppliers who have signed the Code of Conduct. In addition, distributors shall provide certifications of compliance with anti-corruption, export control, and sanctions regulations. All suppliers and contractors are also expected to conduct their business in line with Troax's environmental and occupational health and safety policy.

To strengthen governance and transparency, Troax Group plans to further develop methods for systematic follow-up of suppliers' compliance during 2026. At present, there are no additional policies, time-bound targets, or specific metrics related to workers in the value chain. The development of these is part of the ongoing work.

Supplier risk assessment

In 2025, Troax initiated a supplier risk assessment by structurally mapping its supplier base, with risk values derived from internationally recognised indices. This assessment enables the company to identify and prioritise suppliers based on their exposure to sustainability risks, ensuring that monitoring and engagement efforts are focused where they can have the greatest impact.

During 2026, Troax will continue to develop and formalise the risk assessment method and related processes, including in-depth implementation, analysis, and refinement of supplier risk mapping. These efforts aim to strengthen transparency and improve oversight throughout the value chain.

Consumers and end users (S4)

Impact materiality and its interaction with business strategy and model

Protecting people, processes and property is central to Troax Group's operations. Our main mission is to guarantee safety and reliability. Troax Group designs and delivers safety solutions that make workplaces all over the world safer for our customers' employees and help minimise accidents in industrial operations.

As Troax's products are used directly in environments where safety, reliability and functionality are critical, the Group recognises its positive contribution to the health and safety of consumers and end users. The company's business model, focused on risk prevention and safety, is therefore closely linked to the wellbeing of individuals who rely on safe industrial environments.

Based on the double materiality analysis, consumers' health and safety has been identified as

a material sustainability issue. This reflects Troax's role as a global provider of safety solutions. Troax creates value by developing, manufacturing, and delivering high-quality safety solutions that prevent accidents and protect end users. Protecting consumers and end users is a core element of the company's value-creation model and long-term strategy. Material impact identified under ESRS S4 is integrated into the strategic priorities, including continuous product innovation, safety testing, and ensuring compliance with applicable international safety standards and regulations.

Policies, action and metric in relation to customer safety

We work closely with our customers to deliver products that help their facilities maintain high safety standards. Often, this occurs through close cooperation, in which we design customised systems based on unique drawings and conditions. We also offer user-friendly configuration tools that enable customers to quickly create their own proposals.

Our products undergo rigorous testing to ensure that they meet high-quality standards. The testing method has been certified by TÜV Rheinland, an independent testing institute. At present, the company has no formalized guidelines governing the work to promote safety outcomes for customers through the use of our products. No time-bound targets have been established, and no further actions have been taken. During 2025, sales of machine guarding amounted to 70% of the Group's total turnover (see Note 3 in the financial reporting).

APPLICATION OF THE EU "QUICK-FIX" IN RELATION TO ESRS S1

In accordance with the European Commission's guidance on simplifications and transitional reliefs for companies already preparing sustainability reporting, Troax Group has elected to apply the so-called "quick-fix" in relation to ESRS S1 (Own workforce).

Based on this guidance, Troax has chosen to omit certain disclosures under ESRS S1 for the financial year 2025. These omissions reflect transitional reliefs and the current maturity of internal data collection processes, and will be reassessed in future reporting periods as systems and processes continue to develop.

The following areas of ESRS S1 disclosures have been omitted for FY2025:

- » Characteristics of non-employees in the undertaking's own workforce (S1-7)
- » Collective bargaining coverage and social dialogue in non-EEA countries (S1-8)
- » Social protection (S1-11)
- » Percentage of employees with disabilities (S1-12)
- » Training and skills development (S1-13)
- » Cases of work-related ill-health (S1-14)
- » Number of days lost to injuries, accidents, fatalities and work-related ill health (S1-14)
- » Health and safety regarding non-employees (S1-14)
- » Work-life balance (S1-15)

BUSINESS MODEL AND STRATEGY

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ANNUAL REPORT 2025 TROAX GROUP

TROAX GROUP'S BUSINESS MODEL, VALUE CHAIN AND STRATEGY

SBM-1

BUSINESS MODEL

Troax Group is a global leader in industrial safety solutions, strongly committed to protecting people, property and processes while considering and taking responsibility for sustainability impacts, risks and opportunities. We strive for safe, fair, and inclusive working conditions across all regions and our value chain. Sustainability is embedded in Troax Group's overall strategy, with a focus on reducing climate impact, improving resource efficiency and maintaining high standards of safety and ethics throughout the value chain.

For 70 years, we have offered metal-based mesh panel solutions that create safer storage, efficient machine guarding and clear separation in warehouses. This long-standing commitment to quality and safety has helped us become a leading player in the industry. Today, we are represented in over 40 countries and have approximately 1,200 employees.

Our business concept is to create safer indoor environments for both industrial processes and the people who work there. Through our leading innovation and high level of customer service, we have, for years, collaborated with world-leading

customers in the automotive, warehouse, and construction industries. Our safety solutions are found in manufacturing industries within robot cells and automation solutions, in automated warehouses with anti-collapse systems, shelving, partitioning walls, sensor-based monitoring for reduced accidents, as well as storage rooms.

We primarily focus on five industrial verticals:

- » Automotive industry
- » Warehouse industry
- » Building and construction industry
- » Process industry
- » Other general industry

PRODUCTS AND MARKET

The Group designs, manufactures and sells high-quality metal mesh panel systems that enhance safety and efficiency in industrial and commercial environments. No significant changes to core products or services occurred during the reporting period.

SUSTAINABILITY STRATEGY AND AMBITION

To reduce its climate impact, Troax has set a long-term goal to increase the share of recycled steel in its production, since steel is a major factor in the operations' greenhouse gas emissions. The Group strives to have 80% recycled steel by 2030

and 100% renewable energy the same year. These goals help to align the operations with the sustainability strategy and aim to reduce the total environmental footprint.

The Group's strong market position is supported by rising global safety regulations, which drive demand for its products. Key challenges include reducing the climate impact in a steel-intensive supply chain, improving data quality in line with ESRS requirements, and ensuring relevant competence across global operations. Ongoing initiatives include dialogue and engagement with suppliers regarding Scope 3 emissions, integration of circular principles into product development, strengthened due diligence of business partners and the introduction of monthly ESG reporting with improved internal controls.

SUSTAINABILITY AMBITIONS

Product safety

Our primary objective is to prevent industrial accidents by delivering high-quality safety solutions for industrial and residential environments. By reducing liability risks and operational downtime for customers, we support long-term value creation and remain committed to safeguarding both workers and third parties.

Climate impact

We aim to reduce the carbon footprint of our products by lowering embodied carbon in steel and improving energy efficiency in production. Our environmental focus includes SBTi-aligned emission reductions, circular design and expanded ISO certifications.

Supply chain governance

We take responsibility in our supply chain through our Supplier Code of Conduct, which all suppliers are expected to follow. Strong governance, zero tolerance for corruption, and a protected whistleblower channel support responsible conduct across all markets.

During 2026, Troax will further develop targets within its remaining material sustainability areas to translate the identified impacts, risks, and opportunities into measurable short- and long-term targets. This is important for meeting changing customer expectations, maintaining competitiveness and supporting the Group's strategic direction. Our sustainability strategy and our ambitions are not currently assessed as relevant to be broken down by material, customer categories, geographical areas, or stakeholder groups. No systematic assessment of Troax's current products, markets, and customer groups in relation to the strategy has been conducted.

VALUE CHAIN

Upstream value chain

The upstream value chain is primarily defined by the handling and processing of raw materials.

Steel wire and tubes sourced from mills and metal distributors represent the largest environmental impact, particularly in terms of Scope 3 emissions. The Group also procures powder coatings and packaging materials.

Key inputs include steel and other raw materials, energy used in production processes, and human capital across engineering, sales and manufacturing. To secure availability and reduce supply risks, Troax applies a diversified procurement strategy, including multiple suppliers, strategic safety stocks and long-term partnerships to ensure quality and continuity of supply.

Troax's largest suppliers are geographically located within Europe.

Own operations

Troax Group's own operations include research and development, product design and testing, strategic sourcing, manufacturing (wire drawing, welding, bending and powder coating), and technical sales with project management support. Manufacturing is conducted across EMEA, APAC and the Americas.

Downstream value chain

Our downstream value chain includes global distribution via a network of distributors as well as the use of our products by end-users, such as factory and warehouse workers as well as residents who benefit from improved safety.

Our products are mainly manufactured from steel, a fully recyclable material. This gives Troax an advantageous position in the transition to a circular economy. At the same time, the logistics of end-of-life mesh panel take-back are a shared responsibility with our customers.

STAKEHOLDER ENGAGEMENT

SBM-2

Troax conducts structured stakeholder engagement integrated into governance and operations to support responsible decision-making and collaboration across the value chain. The purpose is to identify and prioritise material sustainability topics, validate related impacts, risks and opportunities, ensure legal and ethical compliance and build long-term trust.

Through stakeholder mapping, sustainability topics are linked to relevant stakeholder groups and integrated into strategic planning, supporting the principle of double materiality and sustainable value creation. Stakeholder views are incorporated into decision-making and communicated to management and supervisory bodies primarily through the Double Materiality Assessment and established reporting structures.

The interests, views, and rights of the Group's own workforce, workers in the value chain, as well as consumers and end users, including respect for human rights, are considered as part of the process based on stakeholder engagement conducted during the year. Topics relevant to

these stakeholder groups have been assessed and identified as material. The outcomes of these assessments inform management’s understanding of key impacts, risks, and opportunities; however, they have not resulted in changes to the Group’s strategy or business model during the reporting period. The interests, views, and rights of affected communities are also assessed within the process

through internal expertise and professional judgement. No direct dialogue with representatives of this stakeholder group has been conducted during the reporting period, and the assessment has not had an impact on the Group’s strategy or business model.

The engagement processes are delineated as follows:

Key stakeholders	Engagement	Interests	Purpose	Outcome
Employees (own workforce)	<ul style="list-style-type: none"> » Annual employee surveys » Performance reviews » Internal Communication channels and training on policies and procedures » Whistleblower channel » Focus groups, such as occupational health and safety committees 	<ul style="list-style-type: none"> » Working conditions, » Fair treatment » Occupational safety 	To identify concerns regarding working conditions, health & safety, and equal opportunity, and to ensure a safe, inclusive work environment.	Analysis ongoing; no actions defined yet
Customers and end-users	<ul style="list-style-type: none"> » Regular sales meetings and interactions » Service contracts » Customer satisfaction surveys » Project collaboration (customised systems) » Feedback on product safety 	<ul style="list-style-type: none"> » Environmental impact of products » Personal safety » Responsible practices throughout our value chain 	To ensure product safety, quality, and functionality, and to align product development with customer sustainability goals (e.g., circular economy).	These concerns guide our research and development efforts and our circular economy strategies.
Suppliers and contractors	<ul style="list-style-type: none"> » Supplier Code of Conduct signing » On-site audits, screening and assessments » Regular dialogue on compliance 	<ul style="list-style-type: none"> » Responsible practices throughout our value chain 	To mitigate risks related to human rights, labour practices, and corruption in the value chain, and to secure supply of sustainable raw materials (e.g., recycled steel).	Analysis ongoing; no actions defined yet
Investors and shareholders	<ul style="list-style-type: none"> » Annual Sustainability Reports » Interim financial reports » Capital Market days 	<ul style="list-style-type: none"> » Emphasises compliance, climate change ambitions, anti-corruption, bribery prevention, and corporate culture to uphold business conduct. » Financial risk connected to sustainability. 	To demonstrate long-term value creation, effective ESG risk management (financial materiality), and alignment with regulatory frameworks like CSRD and EU Taxonomy.	Their interests guide the development and continuous improvement of our compliance frameworks and governance structures
Regulators and authorities	<ul style="list-style-type: none"> » Compliance reporting and reviews » Direct dialogue during inspections 	<ul style="list-style-type: none"> » Emphasises compliance within climate change, anti-corruption, bribery prevention, corporate culture and reporting. 	To ensure full compliance with legal requirements across all operating jurisdictions and to anticipate future regulatory changes.	<p>Alignment of internal policies with current and upcoming legislation, minimising legal and reputational risks.</p> <p>The stakeholder group forms Troax Governance, the sustainability framework and reporting structures.</p>

Table cont.

<p>Local communities</p>	<ul style="list-style-type: none"> » Grievance mechanisms » Local engagement initiatives (where applicable) such as partnerships with educational institutions » Sponsorships » Environmental communication efforts » Dialogues when local recruitment 		<p>To monitor and manage the local impact of operations, specifically regarding pollution or community disturbances.</p>	<p>Analysis ongoing; no actions defined yet</p>
<p>Natural environment ("nature")</p>	<ul style="list-style-type: none"> » Proxy data analysis (e.g., Life Cycle Assessments, climate calculations) » Scientific research (e.g., SBTi alignment) 		<p>To assess environmental impacts where "Nature" cannot speak for itself, focusing on biodiversity, climate change, and resource depletion.</p>	<p>Commitment to Science Based Targets (SBTi) and rigorous mapping of Scope 1, 2, and 3 emissions.</p>



MATERIAL SUSTAINABILITY MATTERS

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DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

IRO-1

Troax has conducted its first double materiality analysis (DMA), which this year was performed internally by Group management and relevant central functions. The assessment considered the Group's business model, business relationships and geographic presence, and was based on internal and external data, regulatory reviews and input from stakeholders, including surveys and workshops with employees and business partners.

The result of the DMA was consolidated into a materiality matrix and reviewed internally to ensure compliance with ESRS, followed by approval by Group Management and the Board.

IDENTIFICATION AND SCREENING

The work began with a review of all sustainability topics defined in the European Sustainability Reporting Standards (ESRS), particularly the sub-topics specified in ESRS 1 General Requirements, Appendix A.

The review covers the Group's own operations as well as the upstream and downstream value chain and includes entity-specific issues linked to Troax's manufacturing operations and supply chain. The identification is based on internal competence and experience from several functions within

the organisation and is supported by internal documentation, operational data, supplier information, and insights from stakeholder dialogue. In accordance with ESRS guidelines, actual and potential negative and positive impacts, risks, and opportunities are identified for each sub-topic (including dependencies among environmental, social, and financial effects), forming the basis for the quantitative assessment. This assessment is documented in a digital tool to ensure transparency, traceability and audit readiness.

Identification of impacts, risks and opportunities related to:

Climate change: Within the framework of the double materiality analysis, Troax has identified and assessed material impacts, risks and opportunities related to climate change. The assessment covers the company's impact on climate change, including greenhouse gas emissions, as well as climate-related physical and transition risks.

The identified climate-related aspects have subsequently been used as a starting point for conducting a climate scenario analysis, with the aim of testing the robustness of the assessments and analysing to what extent changed climate conditions may affect the scope, time dimension and materiality of the risks and opportunities.

The climate scenario analysis covers central parts of the value chain, with the exception of the customer level, and evaluates the operations' expo-

sure and sensitivity to climate-related events such as heatwaves and water-related risks under two climate scenarios: a high-emissions scenario (SSP5 8.5) and a scenario aligned with the Paris Agreement (SSP1 1.9). The analysis is used to test the identified climate-related physical risks, transition risks and opportunities in the short, medium and long term, and to assess whether adjustments to previously identified aspects are justified. For each identified climate-related physical risk, the extent to which the company's assets, facilities, and operations are exposed and sensitive to climate-related hazards is assessed. The assessment considers factors such as geographic location, the nature of operations, and the location of suppliers, and forms the basis for assessing the company's gross risks linked to physical climate changes. The results from the climate scenario analysis are used to assess how climate-related risks and opportunities may affect the identified aspects within the double materiality analysis, prioritise risk management and adaptation measures, and inform the company's strategy, investments and follow-up. Further information is provided in the topical standard for climate change (E1) under the heading "Scenario and resilience analysis" (see pages 69–70).

Pollution as well as Water and Marine Resources: The identification of impacts, risks, and opportunities related to pollution and to water and marine resources was informed by site locations and the nature of business activities but no additional screening activities were conducted during the reporting period.

Biodiversity and Ecosystems: Potential impacts, risks, and opportunities for biodiversity and ecosystems were considered at own sites as well as in the upstream and downstream value chains. The assessment considered dependencies on ecosystem services, primarily in the upstream value chain linked to raw material extraction and energy generation. No biodiversity or ecosystem scenario analyses were conducted to inform the double materiality assessment. Accordingly, transition and physical risks and opportunities, as well as systemic risks were not evaluated through scenario analysis.

Resource use and circular economy: Impacts, risks, and opportunities related to resource inflows, outflows, and waste were identified through an analysis of primary material inflows, particularly steel and packaging, across Troax's own operations and the upstream value chain. The assessment also considered upstream and downstream dependencies, including stakeholder input. Key risks include raw material availability (including steel price volatility), broader price fluctuations, and evolving circular economy regulation.

Despite a high recycling rate, Troax currently has limited control over collection and recycling at the end of life, which may lead to downstream impacts in the value chain. Packaging and certain process inputs (e.g., water and painting) are not yet fully circular, leading to environmental impact within their own operations and downstream in the value chain. Ineffective management at the end of life

could also increase waste-related costs and weaken competitiveness.

Data limitations, particularly regarding suppliers' sustainability data, limit the possibilities for fully responsible purchasing, and the limited use of renewable energy at facilities increases the environmental footprint associated with upstream material processing.

Identified opportunities include increasing the share of recycled material in steel purchases, improving waste flows (notably scrap metal recycling) as well as strengthening the products' recyclability to reduce material waste. These actions can strengthen customer value and competitiveness as circular economy regulations tighten.

Business Conduct: Risks linked to responsible business conduct were analysed based on factors such as geographic location, type of operation, business relationships and how business transactions are conducted. The analysis covered all companies, business units and material transactions within the Group and formed the basis for the identification of material impacts, risks and opportunities.

IMPACT MATERIALITY METHODOLOGY

Impact materiality is assessed through the application of a standardised scoring method that evaluates the severity and likelihood of each identified impact. Severity is determined based on four parameters:

- » **Scale:** how severe the negative impact is or how beneficial the positive impact is for people or the environment
- » **Scope:** geographic reach or number of stakeholders affected
- » **Irremediability:** the possibility of restoring affected people or environments
- » **Likelihood:** probability of the impact

For the identified financial risks and opportunities, the assessment has been made on a qualitative basis, focusing on identifying potentially material consequences rather than quantifying the financial effects. Quantitative estimates of financial consequences have been considered, but are not deemed appropriate at this time. This is because the analysis that provides an understanding of how sustainability-related risks and opportunities can affect Troax financially is still in an early stage, and the expected effects are mainly realized only in the medium to long term. Quantification would therefore require a significant number of assumptions, associated with high uncertainty, regarding, among other things, future market conditions, regulatory development and cost structures. Against this background, risks and opportunities are reported qualitatively in order to provide a fair and decision-relevant picture of their potential financial significance.

FINANCIAL MATERIALITY METHODOLOGY

Risks and opportunities are evaluated based on their potential financial impact (e.g., on cash flows, access to finance, or the cost of capital)

as well as the likelihood of their occurrence. The financial scope is calibrated against Troax's EBITA. Items exceeding the established threshold in the risk matrix are classified as financially material. Troax takes a financial-materiality "outside-in" perspective, in which external environmental and social factors can affect the Group's cash flows, development, results, and cost of capital.

Risks and opportunities are mapped in a financial risk matrix, where items exceeding established thresholds are classified as financially material. Troax prioritises risks and opportunities with very high or large financial impact. The scoring methodology includes:

- » **Magnitude:** assessed on a five-point scale from minor to significant, calibrated against EBITA. The calibration ensures that sustainability-related risks and opportunities are prioritized in a comparable way to other operational and financial risks within the Group's Enterprise Risk Management (ERM).
- » **Likelihood:** the probability of occurring across defined time horizons.

ASSUMPTIONS

Troax assumes that risks identified in the upstream value chain (for example within steel production) can have spillover effects and affect the Group's regulatory compliance and reputation.

DETERMINATION OF MATERIALITY

A sustainability topic is classified as material if at least one underlying impact, risk or opportunity meets the criteria for materiality.

TIME HORIZONS

The following time horizons are applied consistently in both impact and financial assessments:

- » **Short term:** up to one year
- » **Medium term:** one to five years
- » **Long term:** more than five years

RESULTS, GOVERNANCE AND INTEGRATION WITH RISK MANAGEMENT

The results from the double materiality analysis were compiled in a materiality matrix that identifies the Group's final list of material sustainability topics. The analysis has undergone internal review and validation to ensure methodological consistency and full compliance with ESRS requirements. Subsequently, the results have been reviewed by both Group management and the Board. These governing bodies annually evaluate the results of the analysis to ensure that Troax Group's strategic priorities are aligned with its most significant impacts, risks and opportunities.

The process is integrated into the Group's overall governance structure, which ensures that the insights generated through the analysis (regarding impact, risks, and opportunities) are systematically considered in decision-making and strategic planning.

Although the double materiality analysis is documented as a specific regulatory process, identified risks are not treated in isolation. Risks related

to business ethics and regulatory compliance are fully integrated into Troax Group's Enterprise Risk Management framework via financial materiality thresholds. The financial scope of such risks (e.g., fines, legal costs or loss of reputation) is assessed in relation to the Group's EBITA. Risks that exceed defined threshold values are automatically escalated to the Group's overall risk profile.

Risks linked to business ethics are assessed together with traditional financial and market-related risks, ensuring that resources are prioritised effectively to manage threats to the company's integrity and financial position. Members of Group management are responsible for both the overall risk reviews and the sustainability assessments, which ensure consistent prioritisation and that sustainability risks are managed with the same rigour as other business risks.

UPDATING THE ANALYSIS

Troax conducts an annual review of its materiality analysis. The current methodology was established for the 2024 reporting cycle and further developed for 2025. Future updates will be carried out annually or earlier if material changes occur in the Group's structure, operations or external regulatory environment.



MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

SBM-3

All material impacts, risks and opportunities have been mapped against the ESRs disclosure requirements. Those covered by ESRs topical standards are reported in accordance with the respective standards. No entity-specific sustainability issues were identified. Troax assesses that the current

financial effects of the company’s material risks and opportunities do not have a material impact on the Group’s financial position, financial performance or cash flows.

The result of the material sustainability topics is presented below:

ESG Category	Material topics	IRO	Value chain	Time horizon	Description	
Environmental	E1 Climate change	Climate Change Adaptation	Potential negative impact	Upstream, Own operations, Downstream	Long-term	Climate change and extreme weather events pose risks of potential negative impacts through damage to people, property and operations if preparedness is insufficient.
		Climate Change Adaptation	Risk	Upstream, Own operations, Downstream	Long-term	Financial risks are associated with extreme weather events, which may lead to increased operating costs, particularly in climate exposed parts of Troax’s operations and supply chain.
		Climate Change Mitigation	Actual negative impact	Upstream, Own operations, Downstream	Short-term, Medium-term and Long-term	Negative impact through greenhouse gas emissions across the company’s operations and value chain, primarily related to purchased goods and services, transportation and product manufacturing.
		Energy	Actual negative impact	Own operations	Short-term, Medium-term and Long-term	Negative climate impact through energy use across the company’s operations and value chain.

Table cont.

	ESG Category	Material topics	IRO	Value chain	Time horizon	Description
Environmental	E5 Circular economy	Resource inflows, including resource use	Actual negative impact	Upstream	Medium-term	Negative environmental impact related to the procurement of material resources, such as raw materials, in the production process.
		Resource outflows related to products and services	Potential negative impact	Own operations, Downstream	Medium-term	Limited ability to influence the collection and recycling of products and packaging materials downstream may result in potential negative environmental impacts.
			Opportunity	Downstream	Medium-term	Increased recyclability of products and reduced material waste create a market opportunity by enhancing customer value and strengthening compliance with circular economy regulations.
Social	S1 Own workforce	Equal treatment and opportunities for all	Potential negative impact	Own operations	Medium-term	The occurrence of discrimination or a lack of inclusion within Troax's operations may have a negative impact on employees.
		Working Conditions	Potential negative impact	Own operations	Medium-term	Work environment related impacts on Troax's employees may occur, including risks of accidents in operations, primarily related to production units, as well as during periods of high workload, shift work and time pressure, which may affect job satisfaction.

Table continues on next page

Table cont.

	ESG Category	Material topics	IRO	Value chain	Time horizon	Description
Social	S2 Workers in the value chain	Equal treatment and opportunities	Potential negative impact	Upstream, Downstream	Medium-term	As a global organisation, a risk is identified related to suppliers operating in regions with varying labour standards, which may give rise to unequal treatment, limited inclusion and discriminatory labour practices.
		Other work-related rights	Potential negative impact	Upstream,- Downstream	Medium-term	As a global organisation, there is a risk that certain suppliers may not fully comply with international labour standards, including prohibitions on child and forced labour, the right to personal privacy, and requirements for decent living conditions.
		Working conditions	Potential negative impact	Upstream, Downstream	Medium-term	As a global organisation, a risk is identified that suppliers in parts of the supply chain do not uphold fair and safe working conditions, such as fair wages, reasonable working hours and respect for freedom of association.
	S4 Consumers and end-users	Personal safety of consumers and/or end users	Potential positive impact	Upstream, Downstream	Medium-term	By providing products that contribute to increased safety and protection against physical injury, Troax has identified a potential positive impact on customers and end users.

Table cont.

	ESG Category	Material topics	IRO	Value chain	Time horizon	Description
Governance	G1 Governance	Corruption and bribery	Potential negative impact	Own operations	Medium-term	Potential negative impacts may arise if incidents related to corruption or bribery are identified within the organisation.
		Protection of whistleblowers	Potential negative impact	Own operations	Medium-term	Insufficient whistleblower protection may result in a negative impact on trust and transparency within the organisation.

ENVIRONMENTAL ASPECTS

Troax Group’s environmental ambitions focus on SBTi-aligned emission reductions, circular product design and extended ISO certifications to support a low-carbon and resource-efficient operation as well as ensure long-term competitiveness and regulatory compliance.

Troax has assessed impacts, risks, and dependencies related to biodiversity and ecosystems based on the nature of its business activities and the locations of its sites. The assessment concluded that none of the Group’s sites are located within biodiversity sensitive areas, and no material negative impacts on biodiversity or surrounding ecosystems were identified. Furthermore, the assessment did not identify any material negative impacts related to land degradation, desertification, or soil sealing, nor any operations affecting threatened species.

No material impact, risks or opportunities related to local communities were identified. Any potential impacts are considered indirect and not directly linked to the Group’s business model and strategy.

Climate change

The Group’s operations and value chain generate emissions of greenhouse gases, primarily from purchase of steel, transportation and manufacturing, which contributes to climate change and underlines the need for continued emission reductions. Troax has identified a material physical climate risk linked to increased extreme weather events, which can cause disruptions in the supply chain as well as

increased costs, although the short-term financial impact is currently assessed as limited.

Resource use and circular economy

Resource use and circular economy are material issues due to the Group’s dependence on raw materials and the products’ lifecycle impact. More efficient resource use, increased recyclability and reduced material waste strengthen customer value, support new circular regulations and improve Troax’s competitiveness.

Further information on the management of material environment-related issues is presented in relevant sections of this sustainability report.

SOCIAL ASPECTS

Own workforce

Troax Group has identified a potential negative impact on the own workforce linked to equal treatment and equal opportunities where discrimination and limited diversity can affect employees’ well-being, retention and productivity. Furthermore, the work environment, including unclear employment terms, high workload and safety risks, has been identified as material. These issues are linked to the Group’s operations and are managed within existing governance structures, without having resulted in any changes to strategy or business model during the reporting period.

Further information on material impact, risks and opportunities linked to the Group’s own workforce, including its interaction with the Group’s strategy and business model, is reported in the relevant

topic-specific standard, ESRS S1 Own Workforce, in this report.

Workers in the supply chain

A potential negative impact has been identified for workers in the supply chain, primarily concerning working conditions, equal treatment and opportunities, and other labour-related rights. Variations in supplier labour standards may lead to discrimination, child or forced labour, and inadequate wages or working hours. Actively promoting fair treatment, safeguarding human rights, and supporting improved working conditions enhance supply chain resilience, strengthen long-term supplier relationships, and reduce the risk of indirectly harming workers throughout the value chain.

Workers within the scope of this potential impact are mainly associated with the upstream value chain due to raw material sourcing, as well as the downstream value chain. The potential impact is considered systematic, reflecting the inherent characteristics and scale of the Group's sourcing activities. No particularly vulnerable groups of workers have been identified through the assessment, and no material impacts related to child labour or forced labour have been identified. The identified potential impacts and risks originate from and are connected to the Group's business model and operational activities through its dependence on sourced materials, in particular steel, which is essential for product manufacturing. Sustainability-related aspects concerning workers in the supply chain are integrated into strategic management and operational considerations. While these aspects have not resulted in changes to the Group's business model or strategy, they are continuously considered in the development and implementation of relevant policies and processes.

Consumers and End-users

Troax Group has identified a potential positive downstream impact on the value chain, linked to the personal safety of consumers and end-users, through the use of the Group's products. Troax's machine guarding products are designed to reduce the risk of physical injury by creating a physical separation between people and dangerous machine parts in industrial environments. The systems consist of robust, modular steel panels, doors, and locking systems that prevent unauthorised access to risk areas while enabling safe operation and maintenance. Our machine guarding systems are designed and manufactured in accordance with the requirements of the EU Machinery Directive, US ANSI/RIA standards and Canadian CSA standards. We work continuously to optimise our products and system solutions, and panels, posts and brackets are tested in accordance with the recommendations for impact testing. By protecting operators from moving machine parts and automated processes, the solutions contribute to a safer working environment at our customers' sites.

The identified potential positive impact is fully integrated into the Group's business model and strategic framework, as it is directly linked to the products marketed. Although these aspects were identified and assessed as part of the double

materiality analysis, they have not resulted in any adaptations to the Group's business model or strategy during the reporting period.

GOVERNANCE ASPECTS

Business Conduct

Troax Group has identified potential negative risks linked to responsible business conduct, specifically concerning corruption, bribery and the protection of whistleblowers. Through an established ethical culture and governance as well as confidential reporting channels, the Group works to prevent irregularities and maintain transparency and trust.

MANAGING MATERIAL SUSTAINABILITY ASPECTS

Troax Group identifies material impact, risks and opportunities based on the characteristics of its business model and integrates them into the Group's sustainability strategy and decision-making processes. Material sustainability issues are regularly reported to the Board and executive management, enabling the assessment of progress against set ambitions, targets and metrics, and the integration of these insights into the strategic and operational planning.

To support effective management of the material areas, Troax is investing in strengthened sustainability capacity, including improved reporting systems, implementation of software for due diligence in the supply chain, as well as continuous improvements in energy efficiency throughout the operations. These investments form part of a broader transition required to maintain competitiveness and compliance in a rapidly changing business and regulatory environment.

Troax Group will need to accelerate the transition to renewable energy sources, reduce its total climate footprint and secure a resilient and responsible supply chain to protect long-term value creation. Maintaining high standards of responsible business conduct will be essential to meeting stakeholder expectations, strengthening trust and safeguarding the Group's market position. This is in line with Troax's overall strategy which focuses on reducing climate impact, improving resource efficiency and maintaining high safety and ethical standards throughout the value chain. For further information on the management of material sustainability issues, refer to the sections dealing with the respective topic-specific standard in this sustainability report.

RESILIENCE ANALYSIS

Based on the double materiality analysis, Troax Group has, during the reporting year, evaluated the resilience of its strategy and business model in relation to material sustainability-related risks and opportunities over the short, medium and long term. The analysis is based on a climate-scenario-based approach conducted in accordance with ESRS requirements and based on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), with the aim of integrating sustainability aspects into strategic planning, risk management and capital allocation.

Conclusion on resilience

Trox Group's strategy and business model are assessed as resilient over the short, medium and long term. The scenario analysis indicates that the most material risks arise in the medium to long term, primarily linked to increased financial impact from physical climate risks. The risks are particularly prominent under SSP5 8.5, a high-emissions scenario with increasing frequency and intensity of climate-related events over time. At the same time, the identified risks are assessed as manageable within the Group's existing frameworks for governance, risk management and investments, and no fundamental changes to the strategic direction or the business model are deemed necessary over the analyzed time horizons.

For more information on methodology, risk identification, scenarios and results, see the section "Scenario and Resilience Analysis" under ESRS E1 (Climate Change) in this report.

LIST OF MATERIAL DISCLOSURE REQUIREMENTS

IRO-2

Trox Group will include a list of the ESRS Disclosure Requirements applied in this sustainability report, based on the outcome of the double materiality assessment, as well as a table of datapoints derived from other EU legislation. These are presented in the Appendix to this report (see pp. 107–113).

Non-material Sustainability topics

- » Pollution (E2): Impacts and financial risks related to pollution were identified but assessed as not material, given their limited scope and scale relative to the Group's metal based portfolio and controlled production environments.
- » Water and Marine Resources (E3): Trox identified an impact related to water use in manufacturing processes. However, it was assessed as non material due to its limited scope and scale. This conclusion reflects that Trox primarily operates in low water-stress regions and has implemented mitigation measures, including closed-loop systems, water-saving technologies, and proactive contingency planning at Hillerstorp, to address potential supply constraints.
- » Biodiversity and Ecosystems (E4): Trox has assessed impacts, risks, and dependencies related to biodiversity and ecosystems based on the nature of its operations and the geographical locations of its sites. The assessment indicates that no sites are located in biodiversity sensitive areas. Any potential impacts identified are indirect, occur further down the value chain, and are of limited scope and scale. Consequently, this topic has not been assessed as material for the reporting period.
- » Affected communities (S3): Based on the nature of the Group's business model and the products placed on the market, no impacts, risks, or opportunities related to affected communities have been identified.

The material information disclosed in this report has been determined based on the results of the double materiality assessment and in accordance with the principles set out in ESRS 1, Section 3.2. In determining the level of detail to be disclosed, the Group applied professional judgement to ensure that information provided is relevant, decision useful and proportionate. Only information assessed as material in this process is included in the sustainability report.

SUSTAINABILITY GOVERNANCE

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

GOV-1

The Board of Directors is the highest governing body for sustainability within Troax Group and holds ultimate responsibility for the Group's sustainability strategy, targets and reporting. The Board decides on material sustainability topics and overall strategic objectives, and ensures that the sustainability report is prepared in accordance with the Annual Accounts Act and applicable standards. The Board also has the overall responsibility for overseeing the Group's framework for responsible business conduct, including ethics, anti-corruption, compliance with applicable laws and regulations, and integrity in business relationships.

Oversight is exercised by the Board as a whole, while the detailed follow-up of reporting quality, internal control and regulatory compliance has been delegated to the Audit Committee. Progress against sustainability targets is reviewed regularly at Board meetings and formally assessed in connection with the approval of the annual report. The Board ensures that relevant competencies and expertise are in place to effectively exercise oversight of sustainability matters. Overall, the Board has broad and general competence in sustainability matters, but limited in-depth specialist expertise in individual areas.

Board structure and composition

Troax applies a dual-governance model that ensures a clear division of responsibilities and independent oversight. The structure consists of two separate bodies with specific roles:

- » The Board of Directors (Supervisory Body): The Board has the overall responsibility for the company's organisation, long-term strategy and oversight of the day-to-day management. To guarantee objectivity and effective control, the Board consists entirely of members who are not part of the company's operational management.
- » The Executive Management Team (Operational Body): The Executive Management Team, led by the Chief Executive Officer (CEO), is responsible for the daily operations and the implementation of the strategies and decisions established by the Board.

The Board elected by the Annual General Meeting consists of seven members, all of whom are independent of the company. The Board members are 43% women and 57% men. In addition to this, during the first eight months of the year, the Board included an employee representative.

The Board possesses extensive industrial and international business experience relevant to Troax's operations, together with solid expertise in corporate governance, regulatory compliance, and ethical risk management relevant to the Group's operations. While the Board does not currently include any specific sustainability specialist, it evaluates sustainability-related risks and opportunities as part of strategic decision-making and material corporate actions, based on the outcomes of the Double Materiality Assessment.

Audit Committee oversight

The Audit Committee supports the Board by overseeing sustainability reporting quality, internal

controls and regulatory compliance. It monitors the reporting process and audit readiness of sustainability data on a quarterly basis and escalates relevant matters to the Board. Ultimate accountability remains with the Board as a whole.

Executive Management Team

The Executive Management Team is responsible for implementing the Board's strategy and integrating sustainability into operational governance, risk management and performance monitoring. The team oversees the implementation of policies including business conduct policies, actions, metrics and targets related to material impacts, risks and opportunities.

Consolidated ESG data is reviewed monthly by management, and significant matters are escalated to the Board when necessary. A "four-eyes principle" is applied at both site and Group level to ensure data integrity. The CEO holds formal responsibility for material impacts, risks and opportunities, as well as business conduct matters, including anti-corruption and bribery prevention.

Operational coordination and reporting

The HR function coordinates the Group's sustainability reporting processes, including ESG data collection, validation, monitoring and audit readiness. Local controllers act as the first line of defense to ensure compliance and data accuracy. The function also provides management with analyses of regulatory developments and supports assessments of material sustainability impacts.

SUSTAINABILITY MATTERS ADDRESSED BY THE BOARD AND GROUP MANAGEMENT

GOV-2

Sustainability has been regularly addressed at Troax Group's Board meetings during the year. The primary focus has been on the progress of the CSRD/ESRS reporting process, where various reporting and compliance-related matters have been discussed. The Board also reviews safety-related matters and receives updates on accidents and near-miss incidents. During the year, the Board resolved that the conducted Double Materiality Assessment (DMA), including its identified impacts, risks and opportunities, shall form the basis for the strategic sustainability focus areas that Troax will prioritise going forward.

SUSTAINABILITY-RELATED REMUNERATION

GOV-3

Troax Group has to implement a robust governance structure in order to achieve its ambitions to reduce its environmental impact. One area is the incentive structure where some key personnel within and outside the Troax Group management has part of their variable incentive tied to the achievement of sustainability related goals. For 2025, the sustainability related short-term incentive has been to increase the share of recycled steel in procurement, which indirectly supports the Group's efforts to reduce greenhouse gas emissions. The range for the sustainability content of the total short-term

incentive varies between 10-40% of the total potential variable compensation. In addition, there is a long-term incentive for the CEO where part of the outcome is based on a reduction in greenhouse gases according to the SBTi commitment. The terms and conditions governing the incentive schemes for the Troax Group management are approved by the Board of Directors on an annual basis, based on recommendations from the Remuneration Committee.

The Group continues to evaluate how additional sustainability indicators may be integrated into future remuneration structures to further strengthen alignment between executive incentives and the Group's broader ESG strategic priorities.

STATEMENT ON DUE DILIGENCE

GOV-4

Troax conducts due diligence as an integral part of its sustainability work and operational processes. Due diligence is integrated across the Group's operations and value chain and is used to identify, prevent, limit, and manage actual and potential impact, risks and opportunities linked to sustainability and responsible business conduct. A mapping of Troax's due diligence processes in relation to the ESRS requirements is presented in the Appendix to this report (see pp. 114–115).

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

GOV-5

Integration into enterprise risk management

Matters regarding responsible business conduct are handled as an integrated part of the Group's risk management. We value potential risks based on their impact on our operations and financial position. Material risks are escalated to management to ensure we act quickly and protect the Group's integrity.

Internal control system for sustainability reporting

Troax's internal control over sustainability reporting is carried out through sample-based reviews to assess the reasonableness and quality of the reported sustainability data. In cases where reported data from the Group's entities does not meet established quality requirements, corrective actions are taken.

Incorrect data, poor data quality, and difficulties in tracing and verifying data constitute central risks in the reporting process. Going forward, Troax intends to further strengthen the internal control over sustainability reporting. This is in order to better align the reporting with the Group's established internal control processes for financial reporting.

Risk assessment methodology

The risk assessment process addresses both content-related risks (identified through the Double Materiality Assessment) and process-related risks, including data integrity. Risks are prioritised based on the potential for material inaccuracies, lack of



compliance with ESRS or deviations in relation to the financial reporting.

A structured three-tier approach is applied:

- » **Automated validation:** The reporting system flags missing data, outliers and significant year-on-year deviations.
- » **Process reliability checks:** Sustainability and finance teams conduct analytical reviews to ensure consistency between ESG data and financial metrics (e.g. production volumes, headcount).
- » **Pre-assurance reviews:** Internal “dry runs” and an Assurance Issues Log are used to identify and remediate weaknesses prior to external audit.

Continuous improvement

Currently, results from risk assessments and internal controls are reported to management on an ad hoc basis and annually during the preparation of the sustainability report. Identified deficiencies lead to updates of methodologies as well as targeted training for involved functions. Reporting effectiveness and central findings are communicated through the Group’s established governance structure to ensure continuous improvement.

SUSTAINABILITY POLICIES

Troax Group has established steering policies to manage its material sustainability topics. Further information on related actions, targets and metrics is provided in the respective sections of this Sustainability Statement.

Responsibility for policies

The CEO holds overall responsibility for Group policies. Functional leaders are responsible for developing, maintaining and implementing

policies within their respective areas, ensuring they remain up to date and consistently applied across the organisation. Operational implementation is delegated to site managers, supported by relevant Group functions to ensure alignment with Group standards.

Alignment with international frameworks

Troax’s workforce-related policies are aligned with internationally recognised human rights and labour standards and reflect the following frameworks:

- » **UN Guiding Principles on Business and Human Rights (UNGPs):**
The Group integrates the UNGPs into its HR policies and Code of Conduct, embedding principles from the International Bill of Human Rights and core labour standards. Policies reflect the responsibility to avoid and address human rights impacts, including prohibitions on forced and child labour and commitments to safe working conditions.
- » **ILO Declaration on Fundamental Principles and Rights at Work:**
Troax’s policies align with ILO core conventions on freedom of association, collective bargaining, non-discrimination and the elimination of forced and child labour. HR and safety policies promote equal opportunities, safe workplaces, fair working hours and respect for union rights.
- » **OECD Guidelines for Multinational Enterprises:**
The Group’s policies reflect OECD principles on responsible business conduct, covering human rights, labour conditions, environment and anti-corruption. Codes and procedures promote transparency, ethics, privacy and safe working practices across the value chain.

Policy	Key Content	Scope
Code of Conduct	<p>The Troax Code of Conduct requires all employees to work in a manner that minimises environmental impact and supports sustainable operations. It shapes the company's approach to product development, procurement, operational practices, and customer interactions.</p> <p>The Code integrates the UN Global Compact's environmental principles into daily decision making and establishes environmental protection as a fundamental element of responsible business conduct.</p>	Our Code of Conduct is a global commitment and applies to all operations, regions, and entities. This includes all employees, production sites, and business units, as well as partners in the upstream and downstream value chain.
Environmental Policy	<p>The Troax Environmental Policy is a commitment for the entire Troax Group to use resources responsibly and promote a circular economy. The policy aims to minimise environmental impact across the value chain by reducing reliance on new raw materials, improving energy and resource efficiency, and embedding circular principles into product design and operational practices.</p> <p>It emphasises pollution prevention, sustainable resource management, climate impact reduction, and circular product design that prioritises durability, repairability, and recyclability.</p> <p>The policy provides guidance for production processes, product development, logistics, resource use, and collaboration with stakeholders across all regions, supporting a consistent and responsible approach to environmental management.</p>	Our Environmental Policy covers all Troax Group employees, operations, and activities, including suppliers and partners who have an impact on our environmental footprint.
Human Resources Policy	<p>The Troax Human Resources Policy prohibits all forms of child labour, forced labour, and discrimination. It upholds employees' freedom of association and the right to collective bargaining, and sets clear expectations for ethical recruitment practices, fair compensation, and continuous employee development.</p> <p>The policy promotes a culture of respect, transparency, open communication, and ongoing improvement. It also addresses key employment-related risks, including equitable treatment, workplace health and safety, and overall employee well-being.</p>	This policy applies to all employees in all geographies and job categories.
Health and Safety Policy	<p>The Troax Health and Safety Policy establishes safe, healthy, and inclusive working conditions for all employees. It requires site level risk assessments, implementation of appropriate protective measures, and continuous monitoring of workplace hazards.</p> <p>The policy promotes active employee participation through safety committees and structured engagement processes. It addresses key health and safety risks, including physical safety, mental well-being, and compliance with applicable oversight requirements.</p>	Covers all own employees, contractors, and visitors at all operational sites globally.

Table cont.

<p>Anti-Corruption Policy</p>	<p>The Troax Anti Corruption Policy enforces a zero tolerance approach to bribery and corruption. It requires all employees to conduct business ethically, uphold transparency, and ensure accurate and complete documentation of all transactions.</p> <p>The policy mandates 100% employee training on anti corruption principles and requires comprehensive due diligence on intermediaries and other third parties acting on behalf of the company.</p> <p>It also addresses key risks related to business integrity, corporate reputation, and legal compliance.</p>	<p>This policy applies to all employees, managers, board members, and external business partners worldwide</p>
<p>Whistleblower Policy</p>	<p>The Troax Whistleblower Policy provides secure and anonymous channels for reporting misconduct or breaches of the Code of Conduct. It guarantees that no retaliation is applied and ensures independent case handling through external reporting mechanisms.</p> <p>The policy includes continuous work to increase awareness throughout the entire organisation. This includes regular communication efforts and inclusion of these in the mandatory onboarding process to ensure that every employee is updated on reporting guidelines and their rights. By actively integrating these issues into daily life, we can proactively manage ethics and regulatory compliance risks as well as strengthen an open and responsible corporate culture.</p>	<p>Applies to all employees and business partners across Troax Group</p>



E1 - CLIMATE CHANGE

Material matters	IRO	Description
Climate change adaptation	Potential negative impact	Climate change and extreme weather events entail risks of potential negative impact through damage to people, property and operations if preparedness is insufficient.
Climate change adaptation	Risk	Financial risks are associated with extreme weather events, which may increase operating costs, particularly in climate-vulnerable parts of Troax's operations and supply chain.
Climate change mitigation	Actual negative impact	Negative impact through greenhouse gas emissions in the company's operations and value chain, primarily linked to purchased goods and services, transportation and product manufacturing.
Energy	Actual negative impact	Negative impact on the climate through energy use in the company's operations and value chain.

Trox Group's operations and value chain generate greenhouse gas emissions, primarily from the purchase of steel, transportation and manufacturing. These emissions contribute to climate change and underscore the need for continued emission reductions throughout the entire value chain.

Trox works systematically to reduce the climate impact of both its operations and products. Our focus lies primarily on reducing the embodied carbon footprint in steel inputs and improving energy efficiency at our manufacturing sites. The climate work is based on science-based targets, continuous improvements of our environmental management systems as well as targeted initiatives to reduce emissions in the steel-intensive supply chain.

Trox has identified a material physical climate-related risk linked to the need to adapt the operations to current and future climate change. An increased frequency and intensity of extreme weather events can lead to disruptions in the supply chain, increased repair and maintenance costs as well as higher insurance premiums, particularly in regions where the Group and its suppliers are exposed to elevated climate risks. For further information on the analysis of climate-related risks, see the "Scenario and Resilience Analysis" section. During the reporting year, no financial consequences occurred as a result of climate-related events. In the short term, the financial impact is assessed as limited, but in the medium term, increased operating and capital costs may arise as a result of more frequent and severe weather events.

TRANSITION PLAN

E1-1

Trox Group initiated during the year the development of a transition plan to address climate change. The plan is intended to align with the Science Based Targets initiative (SBTi) and support the objective of limiting global warming to 1.5°C in line with the Paris Agreement.

As the transition plan remains under development and has not yet been finalised or implemented, Trox Group is not in a position to disclose its detailed content, including planned decarbonisation measures, their expected contribution to GHG reduction targets or related mitigation actions. The transition plan is expected to be finalised and formally approved by the Executive Management Team and the Board by November 2026. Our roadmap includes the following key steps:

- » **Science-based targets:** Definition and validation of near- and long-term emission reduction targets in line with our SBTi commitment, covering Scope 1 and 2 emissions as well as increased use of lower-CO₂ steel.
- » **Data quality and methodology:** Strengthening emissions reporting in line with the GHG Protocol and improving value chain mapping to ensure high-quality, audit-ready Scope 1, 2 and 3 data.
- » **Strategic integration:** Embedding sustainability targets into the business model, including responsible material sourcing and improved energy efficiency.

- » **Reporting timeline:** Target-setting and data collection are ongoing, with disclosure planned in the next report and SBTi validation targeted ahead of the November 2026 deadline.

SCENARIO AND RESILIENCE ANALYSIS

SBM-3

Trox has conducted a climate-scenario-based analysis to test the robustness of the assessments made during the identification of material climate-related risks and opportunities within the framework of the double materiality assessment (DMA). The analysis assesses the extent to which changing climate conditions can affect the scope, time dimension, and materiality of risks and opportunities.

Through this approach, an in-depth assessment of the Group's exposure to climate-related risks and opportunities is enabled, as is an evaluation of the resilience of the strategy and business model over the short, medium, and long term. The analysis has been conducted with guidance from the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and covers material areas within the Group, including relevant parts of the value chain. The assessment is based on the identified physical risks and transition risks within the framework of the conducted double materiality assessment (DMA), as well as on identified climate-related opportunities.

The scenario analysis is based on two future climate scenarios from the IPCC's (Intergovernmental Panel on Climate Change) Shared Socio-economic Pathways (SSP), which describe different assumptions about societal development, emission levels, and greenhouse gas concentrations until the year 2100.

The first scenario, SSP1-1.9, represents a development path aligned with the goals of the Paris Agreement, in which global emissions decline sharply due to a broad transition to a more sustainable economy. The second scenario, SSP5-8.5, represents a high-emission path based on continued fossil-fuel-driven economic development and illustrates a more negative outcome, with increased physical climate-related risks and a limited global climate transition.

The selected scenarios, SSP1-1.9 and SSP5-8.5, represent two contrasting, more extreme climate development paths to test the robustness and resilience of the Group's strategy and business model under significantly different future conditions.

Together, these scenarios are assessed to provide a reasonable range that captures the Group's potential climate-related risks and opportunities, reflecting different possible paths for societal and economic development. By analysing Trox Group's operations and relevant parts of the value chain under these contrasting scenarios, the analysis assesses how climate-related risks may evolve over time and evaluates the Group's long-term resilience in a changing climate.

METHODOLOGY

The scenario analysis was based on the climate-related risks and opportunities identified within the framework of the conducted double materiality assessment. The purpose has been to analyse how these risks and opportunities may evolve over time by assessing the extent to which they are expected to strengthen, remain unchanged, or decrease under different future climate scenarios.

The analysis was conducted with the support of internal expertise in material areas of the Group's operations, geographic presence, and market conditions, supplemented by external, reliable sources to assess climate-related outcomes and the development of risks over time. The identified risks and opportunities have been categorised as policy and legal risks, market risks, reputational risks, and physical risks, as well as opportunities linked to strengthened climate performance.

During the current reporting period, the scenario analysis is primarily qualitative, and no direct link has been identified between the applied climate scenarios and the critical assumptions used in the Group's financial reports. The analysis has not indicated any effects that would require adjustments to asset valuations, useful lives, impairment tests or other central accounting assumptions. The analysis does not include quantified intervals for economic effects, such as impact on EBITDA, production loss or asset-specific exposure measures. Nor does it include explicit sensitivity analyses or a full mapping of how ESRS time horizons relate to the economic life of assets and investment cycles. The analysis, therefore, focuses on describing the direction and relative changes in risks and impact across different scenarios, rather than establishing exact monetary outcomes. Troax Group intends to successively further develop the methodology as the sustainability work and access to relevant data mature.

RESULTS

Similar to the results of the double materiality assessment, the scenario analysis indicates that the most material risks arise in the medium- to long-term, linked to increased financial impact from physical climate risks. The risk is particularly prominent under the SSP5-8.5 scenario, which represents a high-emission scenario with increasing frequency and intensity of climate-related events over time, including water-related risks, floods and heatwaves.

Under the SSP1-1.9 scenario, which is consistent with the goals of the Paris Agreement, no increased risks are assessed to arise linked to climate-related events. On the contrary, the analysis indicates lower risk levels within all analysed parameters compared to previous assessments.

Troax Group has its own production units located in geographic areas assessed to have increased exposure to climate-related events in the medium- to long-term, primarily in the USA and China, as well as in Poland. It should be noted, however, that the facility in Poland is currently being decommissioned, which means that the Group's direct exposure in this region is decreasing. In addition, increased financial risks are identified across the same time horizons, as several

key suppliers are in areas with heightened physical climate risk, which may affect delivery capability and business continuity going forward.

No material transition risk has been identified. However, the scenario analysis indicates that the SSP5-8.5 scenario entails an increased probability of higher prices for energy and raw materials, with a somewhat larger scope and longer duration (primarily in the medium to long term) as a result of persistent market volatility and possible policy measures in a situation where the global reduction of GHG emissions is delayed. The assessment, however, is that the risk is not material as it lies below the defined materiality thresholds.

OVERALL ASSESSMENT OF RESILIENCE

Despite the identified risks, Troax Group is assessed to be resilient going forward. The assessment is based on the Group's strong operating cash flows and a conservative debt-to-equity ratio, which together are assessed to provide sufficient financial flexibility to absorb the expected effects of material sustainability-related risks.

Against this background, no fundamental changes to the strategic direction or the business model are assessed as required to address the identified risks over the analysed time horizons. Identified risks are assessed as manageable within existing governance, risk management, and investment frameworks.

The Group's production strategy "in the region, for the region" further strengthens resilience:

- » **Strategic resilience:** Decentralised manufacturing in EMEA, APAC and North and South America reduces exposure to regional climate-related disruptions.
- » **Asset adaptability:** Ongoing investments in renewable energy and energy efficiency strengthen the facilities' resilience and reduce transition risks.
- » **Financial capacity:** Low leverage supports investments in climate adaptation while maintaining liquidity.
- » **Workforce and portfolio stability:** No significant decommissioning of assets or large-scale reskilling is expected, and the Group's safety-focused product portfolio remains relevant in a transition to a low-carbon society.

Troax Group's strategy aims to decouple economic growth from environmental risks while capturing opportunities linked to increased safety requirements and sustainable solutions. Sustainability aspects are integrated into capital allocation, where future investments prioritise:

- » **Energy resilience:** Expansion of the use of renewable energy, including solar cell installations and energy-efficient manufacturing solutions, to reduce exposure to volatility in energy prices and carbon costs.
- » **Innovation:** Continued investment in test centres and product development to maintain the Group's value proposition and ensure compliance with changing safety standards.

These initiatives will primarily be financed through strong operating cash flows. The Group's conservative debt-to-equity ratio provides financial flexibility to absorb short-term effects of material sustainability risks without compromising long-term investments.

POLICIES

E1-2, MDR-P

Troax Group's management of material climate related impacts is anchored in the Group's Code of Conduct and Environmental Policy. These documents establish mandatory principles for our operations and value chain to mitigate climate change, encompassing commitments to environmental responsibility, compliance with applicable laws and regulations, improvements in energy efficiency to reduce climate impacts, and high level greenhouse gas (GHG) reduction ambitions across Scopes 1, 2 and 3. While the policies align with the material sustainability topic of climate change, identified through a stakeholder-informed materiality assessment, they have not been developed with explicit stakeholder considerations in mind. The Environmental policy is available for stakeholders on the Troax website.

Our policy addresses the following areas:

- » ***Climate change mitigation:*** We mandate actions to reduce climate impact and emissions in line with the Paris Agreement. Climate considerations are integrated into production, logistics and product development, supported by responsibilities set out in the Code of Conduct.
- » ***Climate change adaptation:*** Environmental management processes require sites to assess physical and transition climate risks and integrate these into operational planning and target setting.
- » ***Energy efficiency and renewable energy:*** We promote energy efficiency and increased use of renewable energy through continuous improvements in production processes and resource use. Local initiatives, including ownership in a wind farm, also contribute to renewable energy generation.
- » ***Broader environmental stewardship:*** Policies integrate climate action with pollution prevention, resource efficiency, biodiversity protection and water management.
- » ***Compliance:*** We maintain strict adherence to applicable environmental laws and regulations.
- » ***Follow-up:*** Regular monitoring of policy compliance is conducted through feedback and measurement of outcomes.

For further information on the policy's scope and the party responsible for implementation, see pages 66–67 in the Sustainability Governance section.

ACTIONS

E1-3, MDR-A

During the reporting year, Troax enhanced its climate data collection and calculation metho-

dologies to improve accuracy, completeness and audit readiness. The use of primary data and supplier-specific information (e.g. EPDs and Energy Attribute Certificates) increased, supplier engagement on Scope 3 emissions was strengthened, and emission factors were updated in line with the GHG Protocol. Emissions are now measured across the entire organisation (including all operational units, warehouses and sales offices), providing a more comprehensive inventory and a stronger basis for climate targets and assurance.

Beyond initiating the development of a transition plan (as described under "Transition plan") and revising the calculation methodology, no additional actions were implemented during the reporting year to address climate change and reduce Troax Group's environmental impact. Measures taken to date have not yet resulted in measurable reductions in Scope 1, Scope 2 or Scope 3 emissions.

TARGETS RELATED TO CLIMATE CHANGE

E1-4, MDR-T

Troax has set a long-term goal to achieve 100% renewable electricity in the entire operation (within Scope 2) by 2030 at the latest. The goal covers all production facilities and aims to reduce market-based Scope 2 emissions from purchased electricity. The methodology follows the GHG Protocol and uses market-based accounting, supported by electricity bills and energy certificates. The goal reflects stakeholder expectations identified in the double-materiality assessment, in which energy use and climate change mitigation were deemed material. Monitoring of progress takes place monthly. As of 2025, renewable electricity accounted for approximately 33% of total electricity use. Goal achievement is not formally evaluated because the 2030 goal has not yet been broken down into annual interim targets. Stakeholders have not been involved in setting the goal. The base year is 2025, and the baseline value for the goal is thus 33%. Furthermore, Troax commits to reducing its climate impact and to contributing to the Paris Agreement's objective of limiting global warming to 1.5 °C. In line with the Group's SBTi commitment, targets to reduce greenhouse gas emissions in Scopes 1 and 2 shall be set by November 2026 at the latest.

METRICS

E1-6, E1-7, E1-8, MDR-M

The reported metrics have been prepared in accordance with the requirements of ESRS E1 Climate Change. These key performance indicators provide a transparent view of Troax Group's energy use, emissions, and progress in the energy transition.

The energy use and energy mix disclosure shows the Group's total energy consumption broken down into fossil, renewable and nuclear sources. This is a critical metric for understanding our exposure to fossil fuels and the pace of our transition to renewable energy.

In 2025, Troax Group's total energy use amounted to 53,877.01 MWh, representing an increase compared to the previous year (44,488.25 MWh).

This change is primarily attributable to increased production and external factors, such as weather.

Key observations regarding the energy mix:

- » Fossil energy sources: Natural gas constitutes the largest part of our fossil fuel consumption, primarily linked to heating and painting processes. We are actively working to identify alternatives to reduce this dependence.
- » Renewable energy: The share of renewable energy sources is 33%. We continue to invest in self-produced electricity via solar power installations, which in 2025 contributed 187.63 MWh of non-fuel energy.

Energy consumption

E1-5

Energy consumption and mix	2025	2024
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	2,603.80	2,472.03
(3) Fuel consumption from natural gas (MWh)	27,699.40	18,076.68
(4) Fuel consumption from other fossil sources (MWh)	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	4,235.82	3,231.56
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	34,539.04	23,780.26
Share of fossil sources in total energy consumption (%)	64.11	53.54
(7) Consumption from nuclear sources (MWh)	1,496.48	2,966.01
Share of consumption from nuclear sources in total energy consumption (%)	2.78	6.67
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	8,818.96	9,204.11
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	8,834.90	8,352.33
(10) The consumption of self-generated non-fuel renewable energy (MWh)	187.63	185.55
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	17,841.49	17,741.98
Share of renewable sources in total energy consumption (%)	33.12	39.88
Total energy consumption (MWh) (calculated as the sum of rows 6, 7 and 11)	53 877,01	44 488,25

	Energy produced [MWh]
Renewable energy	8,978.64
Non-renewable energy	25,293.38
Total	34,272.02

Accounting principles:

We report purchased and self-produced renewable energy separately to avoid double-counting. Energy data covers the Group's own operations exclusively. Self-produced electricity from own solar power installations is measured separately from purchased electricity. Only electricity consumed in the own operations is included; surplus electricity sold to the grid is excluded. Data on CH₄ and N₂O emissions associated with district heating have not been available from all suppliers.

Emissions from stationary combustion are those from the combustion of fuels in stationary equipment, such as boilers for heating or process combustion in, for example, painting facilities.

When supplier-specific emission factors are unavailable, emissions are calculated by multiplying the total fuel consumed by fuel-specific emission factors, in accordance with the GHG Protocol guidelines. This converts the energy amounts into carbon dioxide equivalents to provide a uniform picture of the operations' direct emissions within Scope 1.

Troax operates in a high-impact climate sector. In accordance with applicable ESRS requirements, the Group reports energy intensity for this sector (see table below). Since the entire Group's revenue is generated within this sector, 100% of the revenue is classified under this sector.

Energy intensity associated with activities in high climate impact sectors	0,21
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	2025	2024
Share of energy consumption covered by contractual instruments [%]	81.16	80.12
Share of energy consumption covered by bundled contractual instruments [%]	81.16	12.04
Share of energy consumption covered by unbundled contractual instruments [%]	0.00	0.00

	2025	2024
Share of energy consumption covered by Renewable Energy Certificates (RECs) [%]	0.00	0.00
Share of energy consumption covered by Guarantees of Origin (GOs) [%]	67.58	68.08
Share of energy consumption covered by International Renewable Energy Certificates (I-RECs) [%]	0.00	0.00
Share of energy consumption covered by Renewable Energy Guarantees of Origin (REGOs) [%]	0.00	0.00
Share of energy consumption covered by other certificates [%]	13.57	12.04

GHG EMISSIONS

E1-6

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective				Milestones and target years		
	Base year	Comp- arative	2025	% 2025 / 2024	2025	2030 (2025)	Annual % target / Base year
Gross Scope 1 GHG emissions (tCO ₂ eq)	4,307.82	4,307.82	6,123.70	41%			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	-			
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	2,562.65	2,562.65	2,279.50	-11%			
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	4,168.91	4,168.91	4,074.18	-2%			
Total Gross indirect (Scope 3) GHG emissions (tCO₂eq)	221,012.98	221,012.98	175,324.78	-19%			
Category 1: Purchased goods and services	198,874.86	198,874.86	161,566.95	-19%			
Category 2: Capital goods	8,535.91	8,535.91	1,349.01	-84%			
Category 3: Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	1,655.52	1,655.52	1,959.45	18%			
Category 4: Upstream transportation and distribution	7,883.45	7,883.45	7,347.46	-7%			
Category 5: Waste generated in operations	175.80	175.80	112.94	-36%			
Category 6: Business travel	1,399.99	1,399.99	847.25	-39%			
Category 7: Employee commuting	1,764.42	1,764.42	1,690.26	-4%			
Category 8: Upstream leased assets	96.86	96.86	94.08	-3%			
Category 9: Downstream transportation and distribution	588.59	588.59	347.19	-41%			
Category 12: End-of-life treatment of sold products	10.20	38.37	10.2	-73%			
Total GHG emissions (location-based) (tCO₂eq)	227,883.45	227,883.45	183,727.98	-19%			
Total GHG emissions (market-based) (tCO₂eq)	229,489.72	229,489.72	185,522.66	-19%			

Biogenic emissions (Tonnes CO₂e)

	2025	2024
Biogenic Scope 1 emissions	2,005.66	1,948.94
Biogenic Scope 2 (location-based) emissions	0.00	0.00
Biogenic Scope 2 (market-based) emissions	0.00	0.00
Biogenic Scope 3 emissions	0.00	0.00

GHG intensity per net revenue	Total GHG emissions	GHG Emission Intensity
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/TEUR)	183,727.98	0.7001
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/TEUR)	185,522.66	0.7069

Reconciliation with the income statement regarding net revenue used to calculate GHG intensity: page 118

Accounting principles:

Reporting framework and boundaries

Troax Group calculates greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Standard and Scope 3 Standard, applying the operational control consolidation method. Reporting boundaries are in line with the financial consolidation perimeter (1 January – 31 December). No significant structural changes occurred during the reporting period.

Troax has not established a net-zero target. The climate strategy focuses on absolute gross reductions of emissions across Scope 1, 2 and 3.

Scope 1

Scope 1 emissions are calculated using primary data for fuel consumption (e.g. invoices) as well as recognised emission factor databases (e.g. DEFRA). Troax Group reports biogenic CO₂ emissions from the combustion of biological materials separately from our direct gross greenhouse gas emissions (Scope 1). We calculate biogenic Scope 1 emissions using the Average Data Method, where standardized biogenic emission factors are applied to the primary activity data collected for Scope 1 Stationary Combustion and Company Vehicles. The calculation isolates the CO₂ emissions generated from two main sources:

- » Biofuel blends: The biogenic share of emissions arising from the combustion of liquid fuels (e.g. biodiesel, ethanol blends and HVO) in our vehicle fleet.
- » Biomass combustion: Emissions linked to the direct combustion of organic fuels (e.g. wood pellets and biogas) in our facilities.

Troax has no Scope 1 emissions covered by emission trading schemes.

Scope 2

Troax applies dual reporting:

- » Location-based: National grid average emission factors
- » Market-based: Supplier-specific factors (e.g. Guarantees of Origin) or residual mix factors

Primary site-level electricity data is prioritised. Where unavailable (e.g. certain leased offices), electricity consumption is estimated using floor area and standard intensity factors and reported under Scope 3 (Upstream leased assets).

Scope 3 (calculation methods by category)

1. Purchased goods and services

Includes cradle-to-gate emissions from purchased goods and services. Weight-based calculations and supplier-specific emission factors are prioritised for key materials such as steel and wire. Spend-based estimates are used for non-material goods or where primary data is unavailable. Steel procurement is the largest emission source. Data quality for steel remains limited due to system constraints and inconsistent supplier reporting; Troax is working to increase the share of activity-based and supplier-specific data over time.

2. Capital goods

Covers upstream emissions from purchased machinery and equipment. Manufacturer lifecycle data is requested where available; otherwise spend-based proxies are applied due to the complexity of one-off investments.

3. Fuel- and energy-related activities

Includes upstream emissions from fuel extraction, production and transport, and electricity transmission losses. Calculated using Scope 1 and 2 activity data and standard upstream emission factors, providing a full life-cycle view of energy use.

4 and 9. Upstream and downstream transportation

Includes emissions from third-party transport and distribution. Troax prioritises supplier-specific emission data from logistics providers. Where unavailable, emissions are calculated using activity-based methods (weight × distance × mode) or, as a fallback, spend-based estimates. Data is extracted from ERP systems and segregated by transport mode (road, sea, air). Supplier engagement is ongoing to increase primary data coverage.

5. Waste generated in operations

Based primarily on waste contractor reports and waste manifests specifying treatment method (recycling, landfill or incineration). Spend-based estimates are used only where weight data is unavailable.

6. Business travel

Calculated using travel agency emission reports where available; otherwise spend-based estimates are applied.

7. Employee commuting

Calculated using distance-based methodology by transport mode across all sites.

8. Upstream leased assets

Scope 1 and 2 methods are applied where Troax has operational control. Otherwise, emissions are estimated using lessor data, floor area or standard intensity factors.

12. End-of-life of sold products

Based on total weight of products sold and market-specific treatment factors. Steel products are assumed to have high recycling rates (>90%). Data accuracy is currently assessed as limited due to system and supplier data constraints.

The following Scope 3 categories are excluded as non-material or not applicable:

- » Processing of sold products (Category 10)
- » Use of sold products (Category 11) – products are passive and non-energy consuming
- » Franchises (Category 14)
- » Investments (Category 15) – no relevant activities during the reporting period

Troax Group does not hold any joint ventures over which the Group exercises operational control. Consequently, no emissions from such are included in the Scope 3 disclosures under the applied consolidation approach.

Troax has not been able to report biogenic CO₂ emissions from combustion or biological decomposition of biomass in the value chain separately from gross Scope 3 emissions. Suppliers do not consistently provide emission factors that distinguish between biogenic and fossil CO₂, nor do they report CH₄, N₂O or CO₂ emissions arising from the processing and transport of biomass.

CALCULATION METHODOLOGY AND DATA QUALITY

Troax applies a hierarchical hybrid methodology:

1. Primary data (supplier-specific emission factors and LCAs) – prioritised
2. Activity-based calculations (weight, distance, energy × emission factors)
3. Spend-based estimates – used as last resort
4. 75.6% of Scope 3 emissions are calculated using primary data.

Steel procurement represents the largest Scope 3 emission source. Troax prioritises weight-based calculations and supplier-specific emission factors. Data quality is currently assessed as limited due to system constraints and supplier reporting gaps; improvements are ongoing.

For transportation, Troax prioritises emission data from logistics providers. When such data is missing, emissions are calculated using weight × distance × transport mode.

For end-of-life treatment of products, a high recycling rate for steel (>90%) is assumed, based on industry averages.

EMISSION FACTORS

Emission factors are sourced from recognised databases including DEFRA, IEA, IPCC, Exiobase, AIB, NTM and relevant regional authorities.



E5 - RESOURCE USE AND CIRCULAR ECONOMY

Material Matters	IRO	Description
Resource inflows, including resource use	Actual negative impact	Negative environmental impact linked to the procurement of material resources, such as raw materials, in the production process.
Resource outflows related to products and services	Potential negative impact	Limited ability to influence the collection and recycling of products and packaging materials at the customer level may lead to potential negative environmental impact.
	Opportunity	Increased product recyclability and reduced material waste create a market opportunity by increasing customer value and strengthening compliance with circular economy regulations.

Resource use and the circular economy remain material sustainability topics due to the Group's dependence on raw materials and the products' lifecycle impacts.

Troax Group sees a significant environmental and financial benefit in integrating circular principles throughout the product lifecycle. We are convinced that resource-efficient design not only reduces our environmental impact but also strengthens our long-term profitability and resilience against resource needs.

More efficient resource use, increased recyclability and reduced material waste constitute financial and strategic opportunities by strengthening customer value, supporting compliance with new circular economy regulations and strengthening Troax's competitive position in markets increasingly focused on sustainable material flows.

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5-1, MDR-P

Our strategic work with resource management is governed by Troax Group's Code of Conduct and Environmental Policy, as well as our commitments within the UN Global Compact. These frameworks set clear principles for minimizing our environmental footprint throughout the value chain, with a particular focus on responsible resource use. Although resource issues are managed within our existing environmental management systems and product development processes, Troax has no separate policy that specifically regulates resource inflows and outflows. During 2026, we intend to establish a dedicated policy and associated governance structures to further sharpen our handling of these areas.

ACTIONS

E5-2, MDR-A

To reduce the dependence on raw materials and capture identified opportunities within resource use and circular economy, it is assessed as necessary to integrate circular principles throughout the

product lifecycle, with a particular focus on the product development process.

Circular principles are already integrated into the company's strategy through the ambition to reduce climate impact and increase resource efficiency, and are implemented through a targeted action plan focusing on the most material flows: steel, powder coating, and packaging. During 2026, we plan to further develop this work by launching a strategic project to revise our design guidelines, focusing on systematically assessing material choice, repairability, and recyclability in the product development phase. By strengthening the application of circular design in product development, material use is expected to be optimised, while production costs and future risks related to waste fees and raw material price developments are reduced. The project is currently in the planning phase, with a planned start in 2026. A more detailed timeline and project scope have not yet been established.

Troax Group has adopted a targeted action plan focused on our most material flows: steel, powder coatings and packaging.

EXISTING ACTION PLAN FOR INCREASED CIRCULAR FLOWS WITHIN STEEL, POWDER COATING AND PACKAGING:

Steel scrap recycling

Steel is our most important raw material. We plan to establish a Group-wide waste management hierarchy to ensure that all steel scrap from manufacturing, such as offcuts, is collected, sorted, and returned to the steel industry for recycling. This process is an ongoing part of our operations, keeping valuable materials in use. In the short term (until 2026), we focus on systematising these efforts at newly added facilities to identify further opportunities for waste reduction throughout the Group.

Closed-loop powder coating systems

In our production facilities, we have implemented circular painting lines as an ongoing standard. With the help of a "cyclone" filtration system, we recycle the overshoot of powder paint that does

not adhere to the product during the first pass. The recycled powder is recirculated and reused, significantly reducing waste and raw material consumption.

Optimisation of raw materials in design

Our product development is grounded in principles of circular design. We continuously optimize the dimensions of our products to maintain the highest safety standards with the minimum possible material consumption per unit. This strategy for dematerialisation directly reduces upstream resource extraction. In the medium term (towards 2030), we actively monitor and evaluate the development of fossil-free steel. Our goal is to integrate these alternatives into our supply chain as soon as they become commercially viable, to further lower our products' embodied climate footprint.

These actions encompass the entirety of Troax Group's manufacturing facilities globally, including all associated operational activities across the upstream and downstream value chains. Steel scrap recycling and powder paint recovery are established as continuous, standard operating procedures.

We expect the following outcomes of our action plan:

- » Reduced material intensity: Lowering steel consumption per square metre of safety fencing, which promotes a more sustainable use of resources.
- » Waste minimisation: Ongoing efforts to reduce waste and hazardous waste generated during painting processes and to decrease the amount of industrial waste disposed of in landfills.
- » Cost efficiency: Achieving cost savings by lowering procurement costs for powder paint and decreasing waste disposal fees, which strengthens operational sustainability and overall economic performance. Improved circularity in product design to reduce climate impact, planned for implementation in 2026.

The action plan does not yet include material OPEX or CAPEX estimates.

TARGETS

E5-3, MDR-T

Troax Group has set a long-term goal to use 80% recycled steel by 2030. For 2025, the outcome amounts to 13% recycled steel.

The goal aligns with the commitments set out in the Group's Environmental Policy regarding sustainable resource use and circular product design. It also reflects Troax Group's circular ambition, as defined in its internal sustainability guidelines, which include reducing material use, responsible purchasing, and increasing resource efficiency across the entire operation.

If the calculation is based on our previous reporting method and the suppliers' estimates, the share of recycled steel is 50.8%. The gap between 13% and 50.8% largely consists of steel that is likely recycled but for which the formal burden of proof

does not yet meet the new sustainability reporting requirements. Troax applies a precautionary principle here and, for the time being, excludes data based on unconfirmed claims.

We are now actively working to secure audit-ready documentation for the remaining volume. This involves an in-depth dialogue with our steel producers to transform indicative data into audit-ready documentation, which is expected to increase the officially reported share as the documentation is secured.

The goal covers all steel procured globally and includes quarterly data collection from all production units. The follow-up is based on supplier certifications, Environmental Product Declarations (EPDs), and technical documentation. The goal has not been established on a scientific basis.

RESOURCE INFLOWS

E5-4

Resource Inflow	2025	
The overall total weight of products and technical and biological materials used during the reporting period	kton	43,976.74
The percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging)	%	0*
The weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	kton	4,175.5
	%	13.2

* There is no possibility to verify the presence of biological materials and thus the reported data is assumed as 0%. Biological content may exist in packaging materials and potentially in components included in delivered products.

Accounting principles:

Troax Group's primary inputs consist of raw materials such as steel wire, steel tubes and sheet metal. The circularity of these materials (e.g. secondary used or recycled steel content) is verified through supplier declarations, mill certificates,

and Environmental Product Declarations (EPDs). No other external assurance has been conducted on the sustainability data presented above, beyond the statutory annual audit.



RESOURCE OUTFLOWS

E5-5

Troax designs its products in line with the principles of the circular economy, focusing on both resource efficiency and long-term preservation of material value. The Troax Group has implemented eco-design criteria in product development, which are integrated into the New Product Introduction (NPI) process to improve material efficiency and streamline dismantling and sorting. We design our core products for long lifespans and are working to improve their recyclability by providing customers

with instructions for end-of-life (EoL) management, without monitoring external EoL processes. The company has set an ambition to increase circularity through improved product design, with initial measures planned for implementation as of 2026. The reported levels of recyclable content in the products do not include packaging, as such data is lacking. Troax does not recycle packaging materials, and the recyclable content in packaging is therefore assumed to amount to 0%.

Product	Product attribute	Durability*
Panels	Steel, mesh, and polycarbonate panels in surface treatments such as powder-coated, Sendzimir, and hot-dip galvanised. Used for different solutions from machine guarding, partitioning, anti-collapse and property protection.	The panels are high-impact and durable, and their product lifetime is driven by surface wear/corrosion. Steel (powder-coated or hot-dip galvanised) indoor C2 environment 25 years. Sendzimir galvanised for 40 years in an indoor C2 environment. Polycarbonate: Up to 20 years functional in low-UV indoor C2 environment.
Posts	Steel posts in surface treatments such as powder-coated, Sendzimir, and hot-dip galvanised. Used for different solutions such as machine guarding and partitioning.	The posts are high impact-durable where the product lifetime is driven by surface wear/corrosion. Steel (powder-coated or hot-dip galvanised) 25 years indoor C2 environment. Sendzimir galvanised for 40 years in an indoor C2 environment.
Fixings	Steel clamps and fixing brackets in surface treatments such as pre-galvanised, electro-zinc-plated, and powder-coated. Used for different solutions from machine guarding, partitioning, unit collapse and property protection.	The product lifetime for fixings is driven by surface wear/corrosion. Steel (powder-coated, hot-dip/pre galvanised or electro-zinc plated): 20 years C2 environment.
Doors	Hinged, Sliding, Telescopic doors in steel. Used for different solutions, from machine guarding to partitioning.	The doors within the group are high-impact and durable, and their product lifetime is driven by surface wear/corrosion. Steel (powder-coated or hot-dip galvanised) indoor C2 environment 25 years. Sendzimir galvanised for 40 years in an indoor C2 environment.
Accessories	Accessories for panels and posts, such as post supports, tubes, baseplates, junctions, edge covers, and wire trays. Used for different solutions from machine guarding, partitioning, anti-collapse and property protection. The main material is steel.	The product lifetime for accessories is driven by surface wear/corrosion. Steel (powder-coated, hot-dip/pre galvanised or electro-zinc plated) 20 years indoor C2 environment.
Locks & Switches	Different types of mechanical and electronic locks. Used for different solutions, from machine guarding to partitioning.	The product lifetime for locks depends on how often they are used. Mechanical locks are tested using a cycle of openings, with the test validating 1000 000 openings. When it comes to electronic locks and switches, their product lifetime is based on electrical cycles to at least 1000,000 cycles.
Shelves & Dividers	Steel shelves and dividers in Sendzimir are galvanised.	The product lifetime for shelves is driven by surface wear/corrosion. Steel in Sendzimir galvanised for 40 years in an indoor C2 environment.
Barrier Protection	Bollards, barriers, guardrails, and rack guards in steel and polyethene for warehouse and machine guard safety.	Depending on the impact, the product's lifetime can be up to 20 years.
Electronic Solutions	Electronic safety systems for traffic control, alteration, and lighting. Include components such as sensors, tags, warning lights, and monitors.	Electronic products are expected to have a service life of approximately 5-10 years, based on typical industrial lifetimes of components such as sensors, tags, warning lights, and monitors used in indoor environments.

* According to the internationally recognised ISO 12944 standard, a C2 environment is defined as an atmosphere with low corrosive impact.

Accounting principles:

Troax Group provides data on the lifespan of our products to support our customers' sustainability work and our own circular strategy. The assessment of the products' lifespan is based on a combination of technical specifications, material properties and standardised classifications.

- » Steel products (panels, posts, fasteners, accessories): Lifespan is based on corrosivity categories according to ISO 12944 (C2/C3). We assess the lifespan based on the surface treatment's resistance to corrosion and wear in the environments where our products are placed.
- » Locks and switches: Lifespan is determined through cycle testing of mechanical and electrical components. The assessment is based on manufacturer specifications.
- » Safety barriers: The lifespan is calculated to be 20 years based on the material's fatigue limit, and provided that the product is not subjected to mechanical stress exceeding the dimensioned absorption capacity.
- » Electronic solutions: The lifespan is based on industry standards for the operating time of electronic components (MTBF). We apply a shorter technical useful life due to the degradation of natural components and technological obsolescence.

Standard for Operating Life of Electronic Components (MTBF). We apply a shorter technical lifespan due to natural component degradation and technological obsolescence.

Durability of products placed on the market in relation to industry average

Troax's product portfolio consists of steel, mesh, and polycarbonate panels designed for long-term use in industrial environments. The durability of these products is strongly influenced by material selection and surface treatment, particularly by the environment's corrosivity category. In typical

indoor applications corresponding to ISO 12944 corrosivity category C2, the atmosphere is characterised by low corrosive impact, such as in unheated or lightly heated buildings where condensation may occur. Within this environment classification, Troax's products demonstrate performance aligned with industry norms.

Powder-coated and hot-dip galvanised steel solutions are engineered to withstand long-term wear and corrosion in low-corrosivity indoor settings, consistent with typical use conditions for machine guarding and industrial partitioning systems. Sendzimir galvanised steel provides an enhanced corrosion barrier compared to standard galvanisation, contributing to an extended product lifetime in C2 environments. Polycarbonate panels maintain full functionality in C2 environments and has therefor long durability.

The combination of robust material construction, engineered impact resistance, and industry-approved surface treatments supports a product durability level fully consistent with the expected lifespan of protective industrial fencing systems used in low-corrosivity applications.

Repairability of products placed on the market

No established industry-wide repairability rating exists for industrial safety fencing. Nevertheless, the repairability of Troax's products can be considered high due to their modular engineering and the availability of standardised, replaceable components and spare-parts. The system is designed so that individual parts, such as panels, posts, brackets, and fasteners, can be replaced independently without requiring the dismantling of entire installations. This component level replaceability significantly reduces repair time, minimises operational disruption, and supports prolonged product lifetime. Taken together, these features demonstrate a high degree of practical repairability.

No other external assurance has been conducted on the sustainability data presented above, beyond the statutory annual audit.

S1 OWN WORKFORCE

Material matter	IRO	Description
Equal treatment and opportunities for all	Potential negative impact	The occurrence of discrimination or exclusion within Troax's operations can negatively impact employees.
Working conditions	Potential negative impact	Work environment-related consequences for Troax employees may arise, including the risk of accidents in operations, primarily in production units, as well as during periods of high workload, shift work, and time pressure, which can affect job satisfaction.

Troax Group has identified a potential negative impact on its own workforce linked to equal treatment and equal opportunities for all. Discrimination and limited diversity can undermine employee well-being, retention and productivity. Working conditions have also been identified as a material sustainability issue, with unclear employment terms, excessive workload, and safety risks having a negative impact on Troax's employees.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

SBM-3

Troax Group demand-driven manufacturing model depends on a stable and engaged workforce. A safe and fair workplace enables the Group to attract, develop, and retain key competencies while reducing risks related to absenteeism, turnover, and workplace incidents. By securing long-term workforce capability and availability, Troax strengthens the resilience of its business model and supports continuous value creation for customers and other stakeholders.

Material negative impacts on the own workforce are not considered systemic but rather arise from individual incidents. Identified negative impacts related to working conditions, as well as equal treatment and opportunities for all employees, apply to all employees, irrespective of role within the company, while negative impacts related to health and safety primarily concern employees working in the production units.

The identified potential impacts originate from and are connected to the Group's business model and operational activities. These have been assessed in relation to the Group's strategy and business model and are duly considered within strategic planning and risk management processes. Although the identified aspects linked to the own workforce contribute to management's understanding of key dependencies and operational considerations, they have not led to any adaptations to the Group's strategy or business model during the reporting period. These aspects are assessed as supportive of the current strategy and business model and are managed through existing governance structures, policies and operational practices.

For further information on material impacts, refer to page 52.

POLICIES RELATED TO OWN WORKFORCE

S1-1, MDR-P

The management of material impacts related to the Troax Group's own workforce, as described below, is primarily governed by the Troax Group Code of Conduct, the Human Resources Policy, and the Health and Safety Policy. In addition, the Whistleblower Policy complements these frameworks by providing a secure mechanism for reporting concerns, misconduct, and other work-related issues.

Troax workforce-related policies apply to all employees within the Troax Group, regardless of role, employment type, or geographical location.

They cover the entire organisation and apply in all work-related situations. The policies also extend to interactions with third parties in circumstances where Troax has direct influence over working conditions.

The policies are communicated to all employees through onboarding programmes, internal communication channels, HR materials, and workplace meetings. They are accessible to all employees and integrated into the Group's governing documents. Employees are encouraged to report any deviations to their immediate manager, HR, or through established reporting channels. The policies are further embedded in the Group's ongoing occupational health and safety work and are well known to management, managers, and other key personnel responsible for their application.

For a description of Troax's commitments to human rights standards, including compliance with ILO conventions and other internationally recognised frameworks, please refer to page 65.

Troax does not currently have specific policy commitments related to inclusion or positive action for people from groups at particular risk of vulnerability. Furthermore, Troax does not have day-to-day procedures in place to ensure that its policies are effectively implemented to prevent, mitigate and address discrimination, or to promote diversity and inclusion more broadly.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Equal treatment and opportunities for all are addressed in the Troax Group HR Policy. The policy aims to ensure a fair, inclusive, and safe working environment in which all employees are treated with dignity and respect. It stipulates that Troax strives to provide equal working conditions, fair and transparent recruitment processes, and competitive and equitable remuneration. All employees are assessed based on competence and performance, and discrimination or unequal treatment is not tolerated. Furthermore, the policy establishes a zero-tolerance approach to harassment, bullying, and all forms of violence. Our Code of Conduct and Human Resources Policy explicitly prohibit discrimination on the following grounds, ensuring equal treatment and protection for all employees:

- » Racial and ethnic origin;
- » Sex and gender identity;
- » Sexual orientation;
- » Disability;
- » Age;
- » Religion; and
- » Political opinion.

The above-mentioned policy does not explicitly address discrimination or equal treatment on the grounds of colour, nationality or social origin. These aspects are currently not specifically covered within the scope of the policy.

Troax promotes diversity and inclusion as key enablers of a strong corporate culture, recognising that diverse backgrounds, perspectives and expe-

periences contribute positively to the organisation and ensuring that all employees are given equal opportunities to develop and contribute. Through our whistleblowing system, Troax identifies, monitors, and manages potential non-compliance with the policies on equal treatment and equal opportunities.

WORKING CONDITIONS

Troax Group has established a Group-wide Health and Safety Policy that sets out the Group's commitments, principles, and responsibilities for ensuring safe, healthy, and sustainable working conditions across all operations. The policy is grounded in the Group's core values and reflects Troax Group's commitment to continuously improving the working environment for its employees.

The policy applies to all employees, contractors, and visitors across Troax Group and its subsidiaries, and covers all workplaces and facilities where occupational health and safety may be impacted. It is applicable in all work-related situations and aligns with national legislation and relevant international standards.

The Health and Safety Policy is based on the principle that effective leadership, clear responsibilities, and preventive work are essential to maintaining a safe and healthy work environment. The policy emphasises proactive risk management through regular risk assessments, workplace inspections, and preventive measures to reduce accidents, injuries, and work-related illnesses.

Troax promotes open communication and collaboration, recognising employee involvement as a key enabler of effective health and safety management. Employees are encouraged to actively participate in safety-related matters and to report hazardous situations, incidents, or improvement opportunities through established dialogue channels. Formal cooperation structures, such as safety representatives and health and safety committees, are used where applicable.

Troax Group commits to ensuring that all employees have access to appropriate protective equipment and that such equipment is used correctly. The policy further supports employees experiencing health-related challenges by providing access to support resources, including rehabilitation measures where relevant.

Corporate Management is responsible for implementing and overseeing the health and safety policy and for ensuring that adequate resources are available. Managers and leaders are responsible for ensuring that safety procedures are followed, appropriate protective equipment is used, and risk assessments are conducted within their areas of responsibility. Employees are responsible for complying with safety procedures, using protective equipment, and reporting unsafe conditions or incidents. The policy is communicated to all employees through distribution, onboarding programmes, and ongoing internal communication, and contractors are informed of applicable requirements.

The policy's effectiveness and continued relevance are ensured through regular reviews and updates that reflect changes in legislation, opera-

tional conditions, and best practices. Progress is monitored through feedback mechanisms, safety reporting, and ongoing dialogue, with a commitment to transparency and continuous improvement.

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

S1-2

Workforce engagement and dialogue

Troax Group applies a decentralised management structure to maintain operational flexibility and local relevance. Employee engagement is therefore managed locally, with each entity responsible for establishing appropriate dialogue channels tailored to its workforce. Engagement is conducted directly with employees and, where applicable, with workers' representatives such as trade unions or works councils.

Troax does not currently apply a formalised Group-wide methodology to systematically integrate workforce perspectives into decisions relating to employee impacts. Engagement practices are primarily local and may vary between sites. Establishing a more consistent Group-level approach has been identified as a potential area for future development.

Responsibilities and governance

The CEO holds overall accountability for employee engagement across the Group and ensures that workforce perspectives are considered in strategy, policies and operations. At local level, managing directors and HR functions are responsible for operational implementation, including labour relations, collective bargaining and ongoing dialogue with employees. Troax does not currently have a Global Framework Agreement with workers' representatives.

During periods of significant organisational change, local management is responsible for providing clear and timely information to employees and their representatives, with engagement focused on maintaining safety and operational continuity. Communication may vary between entities and is often primarily informational.

Monitoring effectiveness and inclusivity

The effectiveness of workforce engagement is assessed through employee surveys, feedback analysis, participation in town halls and open management dialogue. Insights are reviewed by management and have informed policy updates, communication improvements and initiatives supporting wellbeing and inclusion.

Troax Group is committed to ensuring that all employees, regardless of background, have access to understandable and transparent information. A good example of this is a local entity in the USA, where it is necessary to use multiple languages so that everyone understands and stays informed about key communications. This includes materials like safety protocols, info boards, newsletters, and training, all provided in various languages. The

company employs several targeted approaches to understand diverse groups' experiences:

- » **Employee Resource Groups & Focus Groups:** Provide platforms for employees to share perspectives and advise leadership on inclusion, helping identify challenges and opportunities for improvement.
- » **Inclusive Representation:** In units with formal worker representation, efforts ensure that bodies reflect diverse worker categories, advocating for all workforce segments.
- » **Anonymous Feedback Loops:** Regular anonymous surveys gather honest input on workplace experiences and inclusion, enabling vulnerable individuals to voice concerns safely.

The type and maturity of implementation of the above processes depend on the needs and size of the local entity.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

S1-3

Reporting and remediation mechanisms for workforce concerns

Troax Group has established mechanisms to report and remediate human rights and labour rights violations within its own workforce. A global whistleblower channel, operated by an independent external party and available anonymously to employees and external stakeholders, enables employees and external stakeholders to report concerns such as harassment, discrimination, breaches of the Code of Conduct, or other unethical or unlawful behaviour. Substantiated cases are subject to prompt investigation and appropriate corrective actions.

All concerns are handled confidentially in accordance with strict protocols that ensure anonymity, impartiality, and protection against retaliation. Reported issues are logged, investigated by independent external parties, and followed up through secure communication channels, with regular updates provided to the reporting individual. In 2025, two whistleblower cases were reported and resolved by the Board of Directors or impartial senior executives.

In addition to the whistleblower mechanism, employees may raise concerns directly through line managers, HR representatives, or local safety representatives, ensuring accessible dialogue at multiple organisational levels.

Effectiveness, non-retaliation and remediation processes

Troax Group works proactively to ensure high awareness of our reporting channels and to build strong trust in these channels. Central to this work is our strict protection against retaliation, as established in our Whistleblower Policy. All forms of retaliation or attempts to prevent individuals from raising concerns in good faith are strictly prohibited. Violations can lead to disciplinary action,

including dismissal, a clear signal supporting our culture of accountability and transparency.

At present, there is no formally structured process for involving users directly in the evaluation of the reporting channels. Specific metrics or methods for assessing the effectiveness of the channels have not yet been defined or disclosed. We are reviewing how we can strengthen this follow-up going forward to further ensure the quality of our processes.

In cases where Troax has caused or contributed to material negative consequences for its own workforce, follow-up and remediation are primarily managed at the local level at the respective operating unit, usually through direct dialogue between the responsible manager and the affected employee. If an employee does not consider the measures taken to be satisfactory, the matter can be escalated to the group level through the company's whistleblowing function. Upon escalation, the Troax Group HR function assumes responsibility for the case and ensures that the relevant local management implements appropriate corrective actions to address the issue. Troax Group does not currently have a formalised process in place to systematically assess whether the remedy provided has been effective.

ACTIONS RELATED TO IMPACTS ON TROAX OWN WORKFORCE

S1-4, MDR-A

In 2025, Troax Group conducted living-wage assessments across its operations to evaluate whether compensation levels met applicable living-wage benchmarks. Where gaps were identified, local corrective action plans will be developed and implemented in line with local labour market conditions and applicable regulatory requirements. The Group intends to report on actions taken regarding living wages in future sustainability reports.

In addition to the action described above, no further specific actions have been defined or implemented during the reporting period to address material impacts on the Troax Group's own workforce. This is primarily due to the early stage of the Group's assessment and prioritisation process following the completion of the double materiality assessment.

During the reporting period, Troax focused on establishing a baseline understanding of the relevant impacts, risks, and opportunities and on integrating the topic into its governance and risk management processes. Based on this assessment, the development of concrete actions has not yet been finalised. The Group intends to further evaluate appropriate actions and, where relevant, define and implement action plans in the next reporting period. Progress will be reflected in future sustainability reporting.



TARGETS RELATED TO IMPACTS ON TROAX OWN WORKFORCE

S1-5, MDR-T

100% Code of Conduct acknowledgement

Troax Group strives for 100% of our employees globally to have read and be committed to our Code of Conduct. During the year, 17% of employees acknowledged the Code, meaning the annual target was not met. To correct this and ensure progress, we are now taking measures to strengthen the control environment and follow-up routines. We are implementing a new follow-up process to increase transparency and enable efficient identification of outstanding acknowledgements. Through this system-supported review, we create a more robust structure for ongoing control and governance. The current targets were established by management without direct consultation with workers' representatives or the own workforce during the year, but we plan to integrate lessons learned from the own organisation in future follow-up work to increase compliance. No central assumptions have been applied in the setting of the targets.

METRICS

MDR-M, S1-6, S1-8, S1-9, S1-10,
S1-14, S1-16, S1-17

Employee head count by gender

Gender	Number of employees
Male	979
Female	269
Other	–
Not Reported	–
Total Employees	1248

Employee head count by region

Country	Number of employees
Sweden*	327
Finland	4
Norway	2
Denmark	7
England	90
Benelux	22
Croatia	3
South Korea	3
Czech Republic	14
Germany	53
France	21
Italy*	137
Turkey	4
Switzerland	1
United States*	252
China	70
Poland*	129
Japan	29
India	22
Australia	4
Spain	54
Total	1,248

(*represents at least 10% of Troax's total number of employees)

Accounting principles:

Employee numbers are reported using the Full-Time Equivalent (FTE) methodology. One FTE corresponds to the workload of a full-time employee in accordance with local labour law or applicable collective agreements. For part-time or fixed-term employees, FTE values are calculated proportionally based on contracted working hours relative to a full-time schedule. Reported figures represent an average for the reporting period. Employee metrics have not been externally validated beyond the review performed by the Group's independent auditor.

Employee head count by contract type and gender

2025

	Female	Male	Other	Not disclosed	Total
Number of employees (FTE)	269	979	–	–	1,248
Number of permanent employees (FTE)	244	879	–	–	1,123
Number of temporary employees (FTE)	25	100	–	–	125
Number of non-guaranteed hours employees (FTE)	0	0	0	0	0
Number of full-time employees (FTE)	–	–	–	–	–
Number of part-time employees (FTE)	–	–	–	–	–

Employee head count by type of employment and region

2025

Country	Number of employees (FTE)	Number of permanent employees (FTE)	Number of temporary employees (FTE)	Number of employees with non-guaranteed working hours (FTE)	Number of full-time employees (FTE)	Number of part-time employees (FTE)
Sweden	327	300	27	0	–	–
Finland	4	4	0	0	–	–
Norway	2	2	0	0	–	–
Denmark	7	7	0	0	–	–
England	90	89	1	0	–	–
Benelux	22	20	2	0	–	–
Croatia	3	3	0	0	–	–
South Korea	3	3	0	0	–	–
Czech Republic	14	14	0	0	–	–
Germany	53	53	0	0	–	–
France	21	19	2	0	–	–
Italy	137	122	15	0	–	–
Turkey	4	4	0	0	–	–
Switzerland	1	1	0	0	–	–
United States	252	197	55	0	–	–
China	70	70	0	0	–	–
Poland	129	115	14	0	–	–
Japan	29	27	2	0	–	–
India	22	17	5	0	–	–
Australia	4	4	0	0	–	–
Spain	54	52	2	0	–	–
Total	1,248	1,123	125	0	–	–

Accounting principles:

Full-time Equivalent (FTE) is the standardised unit used by the Troax Group to measure the workforce. One FTE corresponds to the workload of a full-time employee in accordance with local labour law or applicable collective agreements. For part-time or fixed-term employees, FTE values are calculated

proportionally based on contracted working hours relative to a full-time schedule.

This definition ensures clarity and comparability, providing an accurate picture of our personnel capacity across the entire operation.

Troax relies on several categories of non-employee personnel to support the operations. These individuals are not directly employed by Troax Group but perform essential functions under various contractual arrangements.

The most common types include:

- » Agency workers from staffing firms: Engaged to meet short-term personnel needs, primarily within production, warehousing, logistics and assembly.
- » Independent consultants and contractors: Engaged for project-specific expertise, often in areas such as engineering, IT, sustainability and regulatory compliance.
- » Service providers: Employees of third-party companies working under Service Level Agreements (SLAs) delivering functions such as property management, maintenance, cleaning and security.

These groups contribute operational flexibility and technical competence, enabling Troax to effectively manage workload variations while maintaining high-quality standards.

Personnel categories are classified based on contractual relationships and employment status. Personal data is collected from various sources,

depending on the facility and local structure. Local controllers perform checks to ensure consistency with financial and operational reporting. Data is collected quarterly and consolidated annually for reporting purposes.

Despite striving for full accuracy, certain limitations exist:

- » Reporting of agency workers may vary depending on documentation from external staffing agencies.
- » National data protection legislation and variations in contracts may affect access to demographic data or information on working conditions.
- » Differences in definitions or classifications between various actors and countries may result in reporting inconsistencies.

In cases where complexity at the facility or contractual level limits the possibility of detailed breakdown (disaggregation), aggregated estimates are provided along with explanatory comments.

The reported number of persons refers to the financial reports, Note 7. Employee metrics have not been externally validated beyond the review performed by the Group's independent auditor.

Employee turnover

Region	Total 2025
Employee turnover rate	22.9%
Number of employees who left the company	286

Accounting principles:

In 2025, the employee turnover rate was 22.9%. This figure is affected by natural turnover, structural changes in the organisation and the closure of the production facility in Poland. Employee turnover is calculated as the number of employees who left the Group during the year divided by the average number of employees during the same period. Included in the figure are both voluntary resignations and terminations initiated by the company, while fixed-term contracts that expired as planned are excluded. Employee turnover has not been externally validated beyond the review performed by the Group's independent auditor.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Troax Group respects and supports the right to freedom of association and collective bargaining. Within the European Economic Area (EEA), Troax is a party to collective bargaining agreements, ensuring that employment terms are negotiated in

accordance with national legislation and industry practice. 44% of our employees are covered by collective bargaining agreements. Troax Group currently has no agreements regarding European Works Councils (EWC), SE or SCE councils.

Coverage Rate	Collective Bargaining Coverage		Social Dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0-19%	Poland, Germany	England, USA, China	Germany
20-39%	–		–
40-59%	–		–
60-79%	–		–
80-100%	Sweden, Italy, Spain		Sweden, Italy, Spain, Poland

Accounting principles:

The data on collective bargaining coverage are aggregated by local entities, which are asked to provide documentation and information on local collective bargaining and social dialogue. An employee is considered "covered" if their terms of employment are determined by a collective bargaining agreement, regardless of whether the agreement is at the sector, national, or company level. In units without formal collective agreements, social dialogue is maintained through direct engagement models, such as work councils or open-door policies. In accordance with privacy laws and data protection regulations (e.g., GDPR), Troax Group does not inquire about or track individual union membership. Reporting is therefore strictly limited to the number of employees covered by agreements, not the number of union members.

Diversity metrics

Number of employees in Group Leadership Team by gender	2025	%
Male	8	80
Female	2	20
Total	10	100

Age distribution

Region	<30	30–50	>50	Total
Number	218	671	359	1,248
Share (%)	17.5	53.8	28.8	100

Accounting principles:

Age is calculated based on the date of birth as of December 31, 2025. Employees are categorised by age as of this date. The scope includes all employees at year-end, in accordance with the boundaries for financial reporting.

Information is retrieved from local HR and payroll systems or through structured manual reporting at the facility level, depending on the entity's size and local conditions. Troax works continuously to increase the degree of automation in data collection to further minimise the risk of

manual errors. Reliability is ensured by monitoring and validating local reporting through the Group's internal controls.

Top management comprises the most senior executives responsible for strategic direction and overall results, including executive management and senior managers reporting directly to the Board, in accordance with the Group's internal governance structures.

At the Group level, metrics have not been externally validated beyond the independent auditor's review of the sustainability report. For certain legal entities, the underlying data may be validated by national authorities. Diversity indicators and age distribution have not been externally validated beyond the review performed by the Group's independent auditor.

ADEQUATE WAGES

Troax Group is committed to ensuring that all employees receive fair and reasonable compensation. When assessing the adequacy of wage levels, the Group applies the benchmark provided by WageIndicator (Living Wage Benchmark), which goes beyond the concept of an adequate wage and is designed to reflect a standard of living above statutory minimum wages, applicable local legislation, and collective bargaining agreements in the countries where the Group operates.

During the reporting period, the Group identified that 0% of the workforce received compensation below the applicable living wage

benchmark. Our methodology has been to use the data produced quarterly by WageIndicator. The assessment was conducted in December 2025 and was based on WageIndicator data from the third quarter of 2025.

Regarding non-employees, the Group currently provides no specific data on wage adequacy but ensures compliance with applicable contractual terms and relevant labour and employment regulations.

Accounting principles:

In line with our commitment to compensation, an "adequate wage" is defined as a guaranteed base salary and fixed allowances that amount to or exceed the Living Wage Benchmark in each respective country.

An annual assessment is conducted by collecting and validating wage data from all entities and comparing them with relevant living wage thresholds. Only guaranteed compensation components (base salary and fixed allowances) are included. Variable compensation is excluded to ensure consistency and credibility.

Comparability may be affected by the availability and quality of external living-wage benchmarks across regions. The exclusion of variable compensation may mean that total compensation is not fully reflected, and the accuracy of the data is dependent on reporting from local units.

The reported data on adequate wages have not been externally validated by anyone other than the Group's independent auditor.

Health and safety

	2025
Percentage of employees covered by health and safety management system based on legal requirements and/or recognised standards or guidelines	35.90%
Number of work-related accidents	59
Rate of recordable work-related accidents	27.45
Number of fatalities as a result of work-related injuries and work-related ill health	0

Accounting principles:

The percentage of employees covered by a health and safety management system, based on applicable legal requirements and/or recognised standards or guidelines, is calculated as a percentage of the total employee headcount. All production sites monitor incidents and accidents in accordance with established KPIs. Work related accidents are calculated based on the total number of reported incidents across the entire Troax Group and refer to occurrences arising out of or in the course of work that could or do result in injury or ill health.

The rate of work-related accidents is calculated by dividing the number of cases by the total number of hours worked by people in its workforce, then multiplying by 1,000,000. Thereby, these rates represent the number of respective cases per one million hours worked. A rate based on 1,000,000 hours worked indicates the number of work-related injuries per 500 full-time employees over a 1-year period.

Pay equity

Gender pay gap, % (2025)

2025

Difference in average gross pay between genders	12.88%
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Accounting principles:

The gender pay gap is calculated as the difference between the average salary for men and women, divided by the average salary for men, multiplied by 100:

$(\text{Average salary for men} - \text{Average salary for women}) / \text{Average salary for men} * 100.$

The reported data on gender pay gaps have not been externally validated by anyone other than the Group's independent auditor.

Annual total remuneration ratio

2025

Total salaries and remunerations Group CEO in relation to employees	10.9:1
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Accounting principles:

The annual remuneration ratio is calculated using a bottom-up approach and reflects the relationship between the CEO's annual fixed base salary and the median of the annual fixed base salary for all employees in the Group. The calculation includes only fixed base salary and excludes variable compensation (e.g. bonuses and benefits) due to limitations in data availability.

The median salary is determined by identifying the middle value of the annual fixed base salaries

within the Group, excluding the highest-paid person, to reduce the impact of outliers and better reflect the typical compensation for employees. By using the median instead of the average, Troax ensures that the ratio better reflects internal pay differences.

The remuneration data have not been externally validated beyond the review performed by the Group's independent auditor.

G1 - GOVERNANCE

Material matter	IRO	Description
Corruption and bribery	Potential negative impact	A potential negative impact could arise if incidents of corruption or bribery were identified within the organisation.
Protection of whistleblowers	Potential negative impact	Inadequate protection for whistleblowers can undermine trust and transparency within the organisation.

Troax Group has identified potential negative impacts related to responsible business conduct, including corruption, bribery, and the protection of whistleblowers. Although corruption or bribery can pose a risk, Troax's established ethical culture and governance help mitigate these exposures. Inadequate protection for whistleblowers can undermine trust, transparency and the early detection of misconduct. Ensuring robust and confidential reporting channels is therefore crucial for maintaining organisational integrity and strengthening stakeholder trust.

POLICIES RELATED TO BUSINESS CONDUCT

G1-1, G1-3, MDR-P

PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY

Corruption and bribery are addressed through our Anti-Corruption Policy, which states that Troax Group applies a zero-tolerance approach to corruption and bribery across all operations, in line with the United Nations Convention against Corruption. The Group's anti-corruption framework comprises preventive controls, ongoing monitoring, and clearly defined response processes. We ensure that all reported incidents are investigated promptly and objectively by an independent third party. When appropriate, the independent party escalates serious cases to

senior management, who are separate from the management chain involved, or to the Board of Directors, as necessary.

Troax identifies and mitigates corruption risks through role-based risk assessments and targeted preventive measures, including:

- » **Sales, marketing, and business development:** targeted training and enhanced oversight of customer-facing roles;
- » **Procurement:** strict supplier due diligence and robust documentation requirements;
- » **Finance and accounting:** strengthened internal controls and traceability requirements;
- » **Leadership:** advanced ethics and compliance training combined with reinforced oversight; and
- » **Agents and intermediaries:** thorough background checks and ongoing monitoring to ensure compliance with the Group's standards

The control framework includes:

- » **Preventive measures:** due diligence, contractual anti-corruption clauses, financial approval limits and dual-signature procedures.
- » **Detection and monitoring:** internal audits, management reviews, transaction monitoring and anonymous whistleblower reporting.



- » **Response mechanisms:** prompt investigation and disciplinary action where required

Corruption-related incidents are generally handled at the site where they are identified. The Group does not have a common escalation or documentation process. Cases that come to our attention are those reported through the whistleblowing system or those escalated on an ad hoc basis.

All new employees must undergo mandatory anti-corruption training as part of the onboarding process, including receiving information on the Code of Conduct and the Anti-Corruption Policy. Existing employees are informed about relevant policies through communications from their respective managers, who also ensure they receive sufficient anti-corruption training. Compliance is confirmed annually through a formal digital acknowledgement process. The Board of Directors and top management are not covered by anti-corruption training. The percentage of employees who have completed training in 2025 amounts to 35%.

PROTECTION OF WHISTLEBLOWERS

The Troax Group's Whistleblower Policy outlines our approach to protecting whistleblowers. A global whistleblower system, established in line with EU Directive 2019/1937 and operated by an independent external party, enables employees and external stakeholders to report concerns anonymously, such as breaches of the Code of

Conduct or other unethical or unlawful behaviour. Oversight of the whistleblower framework is exercised by the Board of Directors and the Audit Committee. Substantiated cases are subject to prompt investigation and appropriate corrective actions.

All concerns are handled confidentially in accordance with strict protocols that ensure anonymity, impartiality, and protection against retaliation. Reported issues are logged, investigated by independent external parties, and followed up through secure communication channels, with regular updates provided to the reporting individual.

Troax Group proactively assesses employees' awareness of and trust in its grievance mechanisms and reinforces confidence in these channels through clear non-retaliation commitments set out in the Whistleblower Policy. Any form of retaliation or obstruction against individuals who raise concerns in good faith is strictly prohibited and may result in disciplinary action, including dismissal, supporting a culture of accountability and transparency. The effectiveness of remediation and grievance mechanisms is assessed through follow-up procedures and monitoring of case resolution.

The interests of key stakeholders were not taken into consideration when establishing the Anti-Corruption Policy, Whistleblower Policy and Code of Conduct.

ACTIONS RELATED TO BUSINESS CONDUCT**MDR-A**

During the year, no specific actions or comprehensive action plans have been required to achieve the objectives of the Troax Anti-Corruption Policy, Whistleblower Policy, and Code of Conduct, which have likewise not resulted in any significant operational expenditures (Opex) and/or capital expenditures (Capex).

TARGETS RELATED TO BUSINESS CONDUCT**MDR-T**

The Group considers its current policies, training initiatives, and control mechanisms appropriate for managing identified risks. Taking this into account, no specific targets related to business conduct have been established during the reporting period. For the time being, the Troax Group does not track the effectiveness of its business conduct policies. The need to establish targets will be reassessed as appropriate.

METRICS**MDR-M, G1-3****Protection of whistleblower**

	2025
Share of Group entities covered by the whistleblowing system	100%

Incidents of corruption and bribery

	2025
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0
Employees in functions-at-risk covered by training programs (%)	35.1%

Accounting principles:

The methodology for reporting incidents related to corruption and bribery is based on all confirmed cases identified through extensive internal or external investigations conducted during the reporting period. An incident is considered "confirmed" only when an investigation has been concluded and has established a breach of Troax's anti-corruption policy or applicable legal requirements.

The data covers Troax Group AB and all its subsidiaries, thereby providing a comprehensive overview of the Group. The information regarding corruption and bribery incidents has not been validated by any external party other than the independent auditor.

At-risk functions are roles assessed as being exposed to corruption and bribery risks due to their tasks and responsibilities. We primarily consider roles within procurement and sales departments to be at-risk functions, where the risk of corruption and bribery is high, such as roles that negotiate with suppliers of goods or services or with our customers. To ensure we do not inadvertently double-count individuals in our assessment, we have established a systematic approach to evaluating the categories to which they belong. We will conduct this evaluation according to the following hierarchical order:

1. Administrative, management, and supervisory bodies
2. Managers
3. At-risk functions
4. Other own workers



TAXONOMY REPORTING 2025

The EU Taxonomy Regulation (EU 2020/852) entered into force in 2021, at which time Troax performed an initial analysis of which economic activities fall within the scope of the EU Taxonomy, so-called Taxonomy-eligible activities. Troax has chosen to apply Regulation EU 2020/852 also for the year 2025 and has thus chosen not to apply the new delegated act EU 2026/73. Based on an analysis against the sectors defined in the Taxonomy, it can be concluded that for none of the years 2021–2025 is any part of Troax's revenue—defined as net turnover in the Annual Report for 2025—comprised of such activities that the Taxonomy Regulation defines as substantially contributing to the green transition. Regarding the collection of operating and capital expenditures, Troax has chosen to make a few distinctions. These demarcations, along with clarifications of the definitions for each key performance indicator (KPI), are described in the following section.

Operating Expenditures (OpEx)

Operating expenditures according to the Taxonomy (OpEx) include expenses for assets or processes related to the production of products and services that ultimately generate the entity's turnover. OpEx includes expenses for research and development, building renovation, short-term leasing, repair and maintenance, and other direct costs necessary for the day-to-day servicing of property, plant and equipment. Troax has chosen to apply the materiality exemption for OpEx, as the total OpEx amount is assessed to be immaterial. Troax therefore does not report on eligibility or alignment for operating expenditures.

Capital Expenditures (CapEx)

Capital expenditures (CapEx), according to the Taxonomy, include all types of investments capitalised

during the year, such as the acquisition of tangible and intangible fixed assets, as well as right-of-use assets, with the exception of investments that are not capitalised as right-of-use assets under IFRS 16. For further information on the year's capital expenditures, see Note 12 regarding intangible assets, Note 13 regarding tangible assets, and Note 15 regarding right-of-use assets. Goodwill is not included in CapEx because it is not defined as an intangible asset under IAS 38. For further information on our accounting principles regarding net turnover (which primarily relates to the sale of goods and services) and investment expenditures, see Note 1 in the Annual Report for 2025. The year's net turnover is presented in the Group's income statement on page 118.

Troax's Taxonomy-eligible capital expenditures relate to investments in premises and cars, and 2025 Taxonomy-eligible expenditures significantly exceed the corresponding expenditures for 2024 because Troax entered into a lease agreement for a new factory in the USA in 2025. These investments are considered non-aligned due to the absence of reliable data for verification and evaluation. Furthermore, Troax has no investment plans directly aimed at creating new Taxonomy-aligned activities. Therefore, no eligible or aligned OpEx or CapEx related to such plans is reported beyond the capital expenditures mentioned above. Troax supports the initiative and the fundamental idea behind the EU Taxonomy. However, it is important to emphasise that activities not directly covered by the sectors defined in the Taxonomy should not automatically be regarded as unsustainable. Although these activities are not among the EU's most significant categories for the green transition, they can still play an important and sustainable role within their respective industries.

TAXONOMY OF CAPEX (Notes 12, 13 and 15 of the Annual Report for the financial year 2025)

	Code	Capital expenditures MEUR	Percentage of capital expenditures %	CRITERIA FOR SUBSTANTIAL CONTRIBUTION						CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)						Minimum safeguards	Percentage of turnover taxonomy-aligned (A.1) or taxonomy-eligible (A.2) in 2024 %	Category enabling activity or E	Category transitional activity T
				Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N				
ECONOMIC ACTIVITIES																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which enabling			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	E	
Of which transitional			%	%	%	%	%	%	%	Y	Y	Y	Y	Y	Y	Y	%	T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	21,223	56%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		21,223	56%	56%	%	%	%	%	%								0%		
A. CapEx of taxonomy-eligible activities (A.1+A.2)		21,223	56%	56%	%	%	%	%	%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of non-taxonomy-eligible activities (B)		16,934	98%																
TOTAL		38,157	100%																

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TAXONOMY FOSSIL GAS AND NUCLEAR ENERGY

NUCLEAR ENERGY RELATED ACTIVITIES	YES/NO
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
FOSSIL GAS RELATED ACTIVITIES	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

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S1-7 Characteristics of non-employees in the undertaking's own workforce	Phased-in
S1-8 Collective bargaining coverage and social dialogue	93
S1-9 Diversity metrics	93
S1-11 Social protection	Phased-in
S1-12 Persons with disabilities	Phased-in
S1-13 Training and skills development metrics	Phased-in
S1-14 Health and safety metrics	94
S1-15 Work-life balance metrics	Phased-in
S1-16 Remuneration metrics (pay gap and total remuneration)	95
S1-17 Incidents, complaints and severe human rights impacts	Not material

S2 - Workers in the value chain

ESRS 2 SBM-2-S2 Interests and views of stakeholders	Phased-in
ESRS 2 SBM-3-S2 Material impacts, risks and opportunities and their interaction with strategy and business model	Phased-in
S2-1 Policies related to value chain workers	Phased-in
S2-2 Processes for engaging with value chain workers about impacts	Phased-in
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	Phased-in
S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Phased-in
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phased-in

S4 - Consumers and End-users

ESRS 2 SBM-2-S4 – Interests and views of stakeholders	Phased-in
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ESRS 2 SBM-3-S4 - Material impacts, risks and opportunities and their interaction with strategy and business model	Phased-in
S4-1 Policies related to consumers and end-users	Phased-in
S4-2 Processes for engaging with consumers and end-users about impacts	Phased-in
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Phased-in
S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Phased-in
S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phased-in

G1 - Business Conduct

ESRS 2 SBM-3-G1 Material impacts, risks and opportunities and their interaction with strategy and business model	56
ESRS 2 GOV-1-G1 The role of the administrative, management and supervisory bodies	62
ESRS 2 IRO-1-G1 Description of the processes to identify and assess material impacts, risks and opportunities	52
G1-1 Business conduct policies and corporate culture	96
G1-3 Prevention and detection of corruption and bribery	96
G1-4 Incidents of corruption or bribery	98

EU DATAPOINT LISTESRS 2 IRO-2

Disclosure Requirement and Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	60
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	60
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	56-59
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	69-71

Disclosure Requirement and Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page number
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	–
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	73–74
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	72
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	73
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	73
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	74

Disclosure Requirement and Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page number
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Not material	74
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	–
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	Phased-in

Disclosure Requirement and Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page number
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- SBM-3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- SBM-3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- SBM-3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	

Disclosure Requirement and Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page number
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	-
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	67
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	65
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	66-67
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	66
ESRS S1-3 grievance /complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	86
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	94
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Not material	-
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	95
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	95
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material	-

Disclosure Requirement and Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page number
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	–
ESRS 2- SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Material	46
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	Phased-in
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	Phased-in
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	Phased-in
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	Phased-in
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	Phased-in
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	

Disclosure Requirement and Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page number
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	Phased-in
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	Phased-in
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	67, 96
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	67, 96
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	96
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	98

DUE DILIGENCE STATEMENT

ESRS 2 GOV-4

Core elements of Due Diligence	Page number	Does the disclosure relate to people and/or the environment?
a) Embedding due diligence in governance, strategy and business model	ESRS GOV-2, 63	People and environment
	ESRS 2 GOV-3, 63	People and environment
	ESRS 2 SBM-3, 56	People and environment
	ESRS 2 SBM-3-E1, 69 ESRS 2 SBM-3-E5, 69	Environment
	ESRS 2 SBM-3-S1, 85 ESRS 2 SBM-3-S2, Phased-in ESRS 2 SBM-3-S4, Phased-in	People
	ESRS 2 SBM-3-G1, 85	People and environment
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2, 63	People and environment
	ESRS 2 SBM-2, 49	People and environment
	ESRS 2 IRO-1, 52	People and environment
	E1-2, 71 E5-1, 79	Environment
	S1-1, 85 S2-1, Phased-in S4-1, Phased-in	People
	G1-1, 96	People and environment
	S1-2, 86 S2-2, Phased-in S4-2, Phased-in	People
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1, 52	People and environment
	ESRS 2 SBM-3, 56	People and environment
	ESRS 2 SBM-3-E1, 69 ESRS 2 SBM-3-E5, 69	Environment
	ESRS 2 SBM-3-S2, Phased-in ESRS 2 SBM-3-S4, Phased-in	People
	ESRS 2 SBM-3-G1, 96	People and environment
d) Taking actions to address those adverse impacts	E1-3, 71 E5-2, 79	Environment
	S1-4, 87 S2-4, Phased-in S4-4, Phased-in	People
	E1-1, 69	Environment
	G1-1, 96 G1-3, 96	People and environment

e) Tracking effectiveness of these efforts and communicating	E1-5, 72 E1-6, 73 E5-4, 81	Environment
	S1-6, 90 S1-7, Phased-in S1-8, Phased-in S1-9, 93 S1-11,95	People
	S1-12, 47 S1-13, 47 S1-14, 47 S1-15, 47 S1-16, 91 S1-17, 84	People and environment
	G1-4, 98	Environment
	E5-3, 80	People
	S1-5, 89 S2-5, Phased-in S4-5, Phased-in	People





CONSOLIDATED INCOME STATEMENT

EUR thousand	Note	2025	2024
Net sales	3	262,440	278,544
Cost of goods sold		-167,900	-175,523
Gross profit		94,540	103,021
Selling expenses		-40,844	-39,833
Administrative expenses		-20,875	-19,030
Other operating income	5	1,719	1,065
Other operating expenses	6	-11,812	-195
Operating profit	7, 8, 9	22,728	45,028
Financial income		170	-
Financial expenses		-5,032	-4,286
Net financial income/expense	10	-4,862	-4,286
Profit before tax		17,866	40,742
Taxes	11	-4,413	-9,450
Profit for the year		13,453	31,292
Earnings per share	20		
Before dilution (EUR)		0.22	0.52
After dilution (EUR)		0.22	0.52
Consolidated statement of comprehensive income			
Profit for the year		13,453	31,292
Other comprehensive income	21		
Items that are or may be reclassified to profit or loss			
Translation differences for the year		3,996	-1,470
Items that cannot be reclassified to profit or loss			
Revaluations of defined benefit pension plans		187	117
Tax relating to items that cannot be reclassified to profit or loss		-31	-20
Other comprehensive income for the year		4,152	-1,373
Comprehensive income for the year		17,605	29,919

The full amount of profit for the year is attributable to the Parent Company's shareholders.

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	31 Dec 2025	31 Dec 2024
Assets	4		
Non-current assets			
Intangible assets	12	140,578	120,454
Property, plant and equipment	13	77,503	70,844
Right-of-use assets	15	28,003	8,983
Non-current financial assets	14	3,421	6,266
Deferred tax asset	11	7,640	5,313
Total non-current assets		257,145	211,860
Current assets			
Inventories	16	27,254	29,398
Trade receivables	17	45,952	46,695
Other receivables	27	21,946	5,691
Prepaid expenses and accrued income	18	6,959	6,507
Cash and cash equivalents	36	39,741	29,506
Total current assets		141,852	117,797
Total assets		398,997	329,656
Equity and liabilities	20, 21		
Share capital		2,574	2,574
Other paid-in capital		28,235	28,120
Reserves		-17,947	-21,943
Retained earnings including profit for the year		164,569	171,306
Total equity		177,431	180,057
Non-current liabilities			
Non-current, interest-bearing liabilities	22	138,802	75,552
Other non-current liabilities	28	6,052	5,541
Provisions for pensions	23	4,898	4,877
Other provisions	24	8,852	3,189
Deferred tax liabilities	11	12,162	11,303
Total non-current liabilities		170,766	100,462
Current liabilities			
Trade payables		21,808	22,763
Tax liabilities	11	3,565	3,889
Other liabilities	26	12,317	9,830
Accrued expense and deferred income	25	13,110	12,655
Total current liabilities		50,800	49,137
Total liabilities		221,566	149,599
Total equity and liabilities		398,997	329,656

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Note	Share capital	Other paid-in capital	Reserves	Retained earnings incl. profit for the year	Total equity
Opening balance of equity 1 January 2024		2,574	29,920	-20,473	160,264	172,285
Comprehensive income for the year						
Profit for the year		-	-	-	31,292	31,292
Other comprehensive income for the year		-	-	-1,470	97	-1,373
Total comprehensive income		0	0	-1,470	31,389	29,919
Transactions with owners of the Group						
Option premiums paid in		-	162	-	-	162
Repurchase of own shares		-	-1,962	-	-	-1,962
Distribution		-	-	-	-20,347	-20,347
Total transactions with owners of the group		-	-1,800	-	-20,347	-22,147
Closing balance of equity 31 December 2024		2,574	28,120	-21,943	171,306	180,057
Opening balance of equity 1 January 2025		2,574	28,120	-21,943	171,306	180,057
Comprehensive income for the year						
Profit for the year		-	-	-	13,453	13,453
Other comprehensive income for the year		-	-	3,996	156	4,152
Total comprehensive income		0	0	3,996	13,610	17,605
Transactions with owners of the Group						
Option premiums paid in		-	115	-	-	115
Repurchase of own shares		-	-	-	-	-
Distribution		-	-	-	-20,347	-20,347
Total transactions with owners of the group		-	115	-	-20,347	-20,232
Closing balance of equity 31 December 2025		2,574	28,235	-17,947	164,569	177,431

The full amounts of all components of equity are attributable to the Parent Company's shareholders.

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Note	2025	2024
Operating Activities	36		
Operating result before financial items		22,728	45,028
Adjustments for non-cash items		23,712	15,494
Interest received		170	0
Interest paid		-5,032	-4,286
Income taxes paid		-7,873	-12,071
Cash flow from operating activities before changes in working capital		33,705	44,165
Cash flow from changes in working capital			
Increase/decrease in inventories		4,043	2,779
Increase/decrease in trade receivables		3,048	2,399
Increase/decrease in other current receivables		-5,948	-4,229
Increase/decrease in trade payables		-2,140	-1,504
Increase/decrease in other current operating liabilities		1,838	-1,115
Cash flow from operating activities		34,546	42,495
Investing activities			
Investments in subsidiaries	4	-29,202	-5,335
Investments in intangible assets		-119	-41
Investments in tangible non-current assets		-10,970	-10,741
Investments in financial non-current assets		-766	-54
Cash flow from investing activities		-41,057	-16,171
Financing activities			
Option premiums received		115	162
Repayment of borrowings in respect of right-to-use assets		-5,072	-4,468
Borrowings		42,000	0
Repayment of loans		0	-3,271
Repurchase of own shares		0	-1,962
Dividends paid		-20,347	-20,347
Cash flow from financing activities		16,696	-29,887
Cash flow for the year		10,185	-3,563
Cash and cash equivalents at the beginning of the year		29,506	33,165
Translation difference		50	-96
Cash and cash equivalents at the end of the year		39,741	29,506

INCOME STATEMENT / Parent Company

EUR thousand	Note	2025	2024
Net sales		5,120	2,710
Gross profit		5,120	2,710
Administrative costs		-8,816	-4,047
Other operating income	5	0	25
Other operating expenses	6	-61	-152
Operating profit	7, 8	-3,757	-1,464
Profit/loss from financial items			
Profit/loss from investments in Group companies	39	9,200	0
Profit/loss from other securities and receivables accounted for as non-current assets		0	0
Interest income and similar items from Group companies		1,102	2,960
Interest expense and similar income and expense items		-5,434	-3,423
Total net financial items	10	4,868	-463
Profit/loss after net financial items		1,111	-1,927
Appropriations	19	14,212	12,450
Tax on profit for the year	11	-1,256	-2,269
Profit for the year		14,067	8,254
Statement of comprehensive income, Parent Company			
Profit for the year		14,067	8,254
Other comprehensive income for the year		0	0
Comprehensive income for the year		14,067	8,254

BALANCE SHEET / Parent Company

EUR thousand	Note	31 Dec 2025	31 Dec 2024
Assets			
Non-current assets			
Non-current financial assets			
Participations in Group companies	34	112,694	87,694
Receivables from Group companies		22,151	24,935
Deferred tax assets	11	228	179
Other non-current receivables	14	855	653
Total non-current assets		135,928	113,461
Current assets			
Current receivables			
Receivables from Group companies		18,040	12,203
Other current receivables		91	24
Prepaid expenses and accrued income		104	44
		18,235	12,271
Cash and bank		1,251	5,971
Total current assets		19,486	18,242
Total assets		155,414	131,703

BALANCE SHEET / Parent Company

EUR thousand	Note	31 Dec 2025	31 Dec 2024
Equity and liabilities			
Equity	21, 38		
Restricted equity			
Share capital		2,574	2,574
Non-restricted equity			
Share premium reserve		16,842	18,950
Retained earnings		0	9,872
Profit for the year		14,067	8,252
Total non-restricted equity		30,909	37,074
Total equity			
		33,483	39,648
Untaxed reserves	35	440	2,640
Provisions			
Other provisions		1,071	874
Total provisions		1,071	874
Non-current liabilities			
Liabilities to credit institutions	22, 28	112,000	70,000
Total non-current liabilities		112,000	70,000
Current liabilities			
Trade payables		392	58
Liabilities to Group companies		3,983	15,932
Current tax liabilities		1,615	1,281
Other current liabilities		1,197	505
Accrued expense and deferred income		1,233	766
Total current liabilities		8,420	18,542
Total equity and liabilities			
		155,414	131,703

STATEMENT OF CHANGES IN EQUITY / Parent Company

EUR thousand	Note	Share capital	Share premium reserve	Retained earnings incl. profit for the year	Total equity
Opening balance of equity 1 January 2024		2,574	18,788	32,181	53,543
Comprehensive income for the year					
Profit for the year		-	-	8,252	8,252
Total comprehensive income		0	0	8,252	8,252
Transactions with owners of the Group					
Option premiums paid in		-	162	-	162
Repurchase of own shares		-	-	-1,962	-1,962
Dividends to the Parent Company's owners		-	-	-20,347	-20,347
Closing balance of equity 31 December 2024		2,574	18,950	18,124	39,648
Opening balance of equity 1 January 2025		2,574	18,950	18,124	39,648
Comprehensive income for the year					
Profit for the year		-	-	14,067	14,067
Total comprehensive income		0	0	14,067	14,067
Transactions with owners of the Group					
Option premiums paid in		-	115	-	115
Repurchase of own shares		-	-	-	-
Dividends to the Parent Company's owners		-	-2,223	-18,124	-20,347
Closing balance of equity 31 December 2025		2,574	16,842	14,067	33,483

CASH FLOW STATEMENT / Parent Company

EUR thousand	Note	2025	2024
Operating Activities	34		
Operating result before financial items		-3,757	-1,464
Change in provisions		197	17
Interest received		1,102	1,585
Dividends received		9,200	-
Interest paid		-2,666	-3,423
Income taxes paid		-971	-1,664
Cash flow from operating activities before changes in working capital		3,105	-4,949
Cash flow from changes in working capital			
Increase/decrease in operating receivables		-4,138	18,963
Increase/decrease in operating liabilities		-10,455	2,892
Cash flow from operating activities		-11,488	16,906
Investing activities			
Acquisition of Share of Subsidiary		-25,000	0
Cash flow from investing activities		-25,000	16,906
Financing activities			
Group contributions received		10,000	-
Option premiums received		115	162
Share repurchases		-	-1,962
Repayment of loans		-	-
Borrowings		42,000	-
Dividends paid		-20,347	-20,347
Cash flow from financing activities		31,768	-22,147
Cash flow for the year		-4,720	-5,241
Cash and cash equivalents at the beginning of the year		5,971	11,212
Cash and cash equivalents at the end of the year		1,251	5,971

NOTES

NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Accounting policies and valuation principles

(a) Compliance with standards and legislation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU, and the Swedish Annual Accounts Act. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied.

The Parent Company applies the same accounting policies as the Group, except as stated below in the section "Parent Company's accounting policies".

The annual accounts and consolidated accounts were approved for issue by the Board of Directors and the Chief Executive Officer on 30 March 2026. The consolidated income statement and statement of comprehensive income and the consolidated balance sheet, as well as the parent company's income statement and balance sheet, will be subject to approval by the Annual General Meeting on 22 April 2026.

(b) Measurement bases used in preparing the financial statements

Assets and liabilities are measured on a historical cost basis except for certain financial assets and liabilities, which are measured at fair value. Financial assets and liabilities that are measured at fair value comprise derivative instruments.

(c) Functional currency and presentation currency

The Parent Company's presentation currency, and also its functional currency, is the Euro. The Group's presentation currency is the Euro. This means that the Parent Company's financial statements and the consolidated financial statements are presented in EUR. All amounts are rounded to the nearest thousand unless otherwise stated.

(d) Judgements and estimates in the financial statements

Preparation of the financial statements in accordance with IFRS requires the senior management to make judgements, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgements.

Estimates and assumptions are reviewed on an ongoing basis. Changes to estimates are recognised in the period in which the estimates are changed if the changes affect that period alone, or in the period in which the change occurs and future periods, if the change affects both.

(e) Right-of-use assets

The Group leases production facilities, offices, warehouses, machinery and vehicles. Leases are normally written for fixed periods of between 12 months and 8 years but there may be possibilities for extension, this is described in (i) below.

The terms are negotiated separately for each contract and contain a large number of different contractual terms. The leases contain no specific conditions or restrictions except that the lessor retains the rights to the pledged leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities include the present value of the following lease payments:

- » fixed charges (including substantially fixed charges), after deducting any benefits associated with the signing of the lease to be received
- » variable lease payments that depend on an index or a price, initially measured using the index or price at the commencement date
- » amounts expected to be paid by the lessee under residual value guarantees
- » lease payments that will be made for reasonably certain extension options are also included in the measurement of the liability.

The Group has chosen to classify right-of-use agreements shorter than 12 months or expiring within 12 months of the transition date as short-term agreements and these are therefore not included in the recognised liabilities or right-of-use assets. Identified low value contracts are also not included in the recognised liabilities or rights of use.

The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is normally the case for the Group's leases, the lessee shall use their incremental borrowing rate, which is the rate that a lessee would have had to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment and with similar terms and conditions and similar security.

The Group determines the incremental borrowing rate as follows:

- » where possible, financing that has recently been obtained from a third party shall be used as a starting point and then adjusted to reflect changes in financing conditions since the financing was obtained. In the event that no financing has recently been obtained

from a third party, the incremental borrowing rate shall be calculated using the current base rate in the relevant country, adjusted for the margin judged to be required for financing from a third party.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they become effective. When adjustments of lease payments that depend on an index or rate take effect, the lease liability is remeasured and a corresponding adjustment is made to the right-of-use asset.

Lease payments are split between repayment of debt and interest. The interest is recognised in the income statement over the lease term in a manner that results in a fixed interest rate for the lease liability recognised in each period.

Right-of-use assets are measured at cost and include the following:

- » the amount of the lease liability initially measured at
- » lease payments made at or before the commencement date, after deducting any benefits received in connection with the signing of the lease agreement.
- » initial direct costs
- » cost of restoring the asset to the condition specified in the terms and conditions of the lease.

Right-of-use assets are depreciated on a straight line basis over the shorter of the useful life and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset.

Payments for short-term contracts relating to low-value leases are charged to the income statement on a straight-line basis. Short-term contracts are contracts with a leasing period of 12 months or less. Leases of low-value assets include, but are not limited to, IT equipment and small items of office furniture.

(i) Options to extend and terminate leases

Options to extend and terminate leases are included in a number of the Group's leases for buildings and equipment. Terms and conditions are used to maximise flexibility in managing the assets used in the Group's operations. The majority of the options to extend and terminate leases can only be used by the Group and not by lessors.

(ii) Estimates and judgements relating to the lease term

When the lease term is determined, management considers all the available information that creates an economic incentive to exercise an option to extend a lease, or not to exercise an option to terminate a lease. Options to extend a lease are included in the lease term only if it is reasonably certain that the lease will be extended.

Troax has identified contracts, mainly related to real estate, as open, i.e., without a defined end date. In many countries, local laws and regulations give the lessee security of tenure when such agreements have been concluded. This means that Troax, as a lessee, has to determine for itself what contract length can be considered reasonable instead of considering the termination clause in the contracts. In these cases, Troax has determined the contract period by assessing factors such as the importance of the property to the business, its own planned or completed investments in the leased prop-

erty, the market situation for real estate and the costs and business interruption that would be required to replace the leased asset. As a result of these considerations, the contractual periods of many leases have been deemed to be longer than the minimum contractual period.

The majority of the extension options relating to vehicle leases have not been included in the lease liability because the Group is able to replace the assets without undue cost or disruption to operations.

The lease term is reassessed if an option is exercised (or not exercised). An assessment of reasonable certainty will be reassessed only where a significant event or change in circumstances occurs that affects this assessment and is within the control of the lessee.

(iii) Guaranteed residual values

To optimise lease costs during the lease term in respect of machinery and vehicle leases, the Group sometimes provides residual value guarantees.

(iv) Estimates of amounts expected to be payable under residual value guarantees

The Group initially estimates the amounts of guaranteed residual values that it expects to be required to pay and recognises them as part of the lease liability. Normally the expected residual value at the start of the lease is equal to or higher than the guaranteed amount and therefore the Group does not expect to pay anything for the guaranteed residual values.

(f) Classification

Fixed assets and non-current liabilities essentially comprise amounts that are expected to be recovered or paid after more than twelve months from the balance sheet date. Current assets and current liabilities essentially comprise amounts that are expected to be recovered or settled within twelve months from the balance sheet date.

(g) Segment reporting

An operating segment is a part of the Group that is involved in business activities that generate revenue and incur costs and for which stand-alone financial information is available. An operating segment's performance is followed up further by the company's chief operating decision makers in order to evaluate performance and to be able to allocate resources to the operating segment. See Note 3 for a more detailed description of the division and presentation of operating segments.

(h) Consolidation principles and business combinations

Subsidiaries are companies in which Troax Group AB (publ) has a controlling influence. Troax Group AB (publ) has a controlling influence if it controls an investee, has exposure or rights to variable returns from the entity and is able to exercise its influence over the investee to affect returns. An assessment of whether a situation involves controlling influence takes into account potential voting rights and situations of de facto control.

Subsidiaries are recognised according to the acquisition method. The method means that acquisitions of subsidiaries are regarded as transactions through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis establishes the fair value on the acquisition date of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests. An acquisition analysis is provisional until it is finalised. A preliminary purchase

price allocation is amended as soon as new information regarding assets/liabilities at the time of acquisition is obtained, but no later than one year from the date of acquisition, the preliminary purchase price allocation is determined. Transaction fees that arise are recognised immediately through profit or loss.

For a business acquisition where transferred consideration exceeds the fair value of the acquired assets and assumed liabilities recognised separately, the difference is recognised as goodwill.

Intra-group receivables and liabilities, revenue or expenses and unrealised profits or losses that arise from intra-group transactions between Group companies, are eliminated in their entirety when preparing the consolidated financial statements.

(i) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing at the transaction date. Functional currency is the currency of the primary economic environments in which the company operates. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. Exchange differences that arise in translation are recognised in profit or loss. Non-monetary assets and liabilities reported at historical cost are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities recognised at fair value are translated into the functional currency at the exchange rate prevailing at the date of the fair value measurement.

(ii) Financial reports of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the functional currency of the foreign operation into the Group's reporting currency, the euro, at the exchange rate prevailing on the balance sheet date. Revenue and expenses from foreign operations are translated into Euros at an average exchange rate that is an approximation of the actual exchange rates at the time of the respective transactions. Translation differences that arise in connection with currency translation of foreign operations are recognised in other comprehensive income and accumulated in a separate component of equity, in reserves. When control of a foreign operation ceases, the cumulative translation differences relating to the operation are realised and reclassified from the translation reserve in equity to profit or loss.

(iii) Intra-group foreign currency receivables and liabilities

Intra-group receivables and liabilities in foreign currency that form part of the net investment in a foreign operation and are revalued in accordance with IAS 21 have an impact on the income statement and are treated as follows. Translation differences that arise during currency translation are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(j) Sale of goods and services

The Group's net sales mainly comprise revenue from the sale of goods. Net sales have, where appropriate, been reduced by the value of discounts given and returned goods. Revenue from the sale of goods is

recognised when ownership of the goods have been transferred to a third party, normally in connection with delivery to the customer.

(k) Financial income and expense

Financial income comprises interest income, exchange differences and other financial income.

Financial expense mainly comprises interest expense on loans and defined-benefit pensions, as well as exchange differences.

Foreign exchange gains and losses are recognised on a net basis.

(l) Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in profit or loss except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is recognised in other comprehensive income or equity.

Current tax is tax that is to be paid or received for the current year, with application of the tax rates that have been enacted or substantively enacted at the balance sheet date. Current tax also includes adjustments for current tax of prior periods.

Deferred tax is calculated in accordance with the balance sheet method and is based on temporary differences between the carrying amount and the tax bases of assets and liabilities. Temporary differences are not recognised for goodwill on consolidation nor for differences arising from initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of the transaction affects neither accounting nor taxable profit or loss. Furthermore, temporary differences attributable to holdings in subsidiaries and associated companies that are not expected to be repaid within the foreseeable future are not considered. Measurement of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and tax rules that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised for deductible temporary differences and loss carry-forwards only to the extent that it is probable that it will be possible to utilise the deductible temporary differences and loss carry-forwards. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised.

(m) Financial instruments

As of 1 January 2018, IFRS 9 is applied which deals with the classification, measurement and recognition of financial assets and liabilities.

Financial instruments reported in the statement of financial position include, on the asset side, cash and cash equivalents, trade receivables, other receivables, securities held as non-current assets and derivatives. Liabilities include trade payables, loans and derivatives.

(i) Recognition and derecognition in statement of financial position

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Receivables are recognised when the company has satisfied its performance obligations and there

is a contractual obligation on the counterparty to pay, even if the invoice has yet to be sent. Trade receivables are recognised in the statement of financial position once an invoice has been sent. Liabilities are recognised when the counterparty has satisfied its performance obligations and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised when an invoice is received.

A financial asset is derecognised from the statement of financial position when the rights under the contract are realised, expire or the company loses control of them. The same applies to a portion of a financial asset. A financial liability is derecognised from the statement of financial position when the contractual obligation is discharged or is otherwise extinguished. The same applies to a portion of a financial liability.

Financial assets and financial liabilities offset each other and the net amount is recognised in the statement of financial position only when a legal right to offset the amounts exists and the company intends to settle them on a net basis or to simultaneously realise the asset and settle the liability.

Acquisitions and sales of financial assets are recognised on the transaction date. The transaction date is the date when the company undertakes to acquire or sell the asset.

(ii) Classification and measurement

Financial instruments that are not derivatives are recognised initially at cost corresponding to the fair value of the instrument plus transaction costs for all financial instruments except for those classified as financial assets recognised at fair value through profit or loss, which are recognised at fair value excluding transaction costs. A financial instrument is classified at initial recognition, partly on the basis of the purpose for which the instrument was acquired. Classification determines how the financial instrument is measured after initial recognition, as described below.

Cash and cash equivalents consist of cash on hand.

Financial assets valued at fair value through profit or loss

This category comprises two sub-categories: financial assets held for trading purposes and other financial assets that the company has decided on initial recognition to place in this category (according to the so-called Fair Value Option). Financial instruments in this category are measured continuously at fair value with any changes in value recognised through profit or loss. The first sub-category includes derivatives with positive fair values with the exception of derivatives that have been identified as effective hedging instruments. The group has no instruments in the second sub-category.

Financial assets are valued at their accrued acquisition value

Loan receivables and trade receivables are non-derivative financial assets with fixed payments, which are not listed on an active market. These assets are measured at amortised cost. Assets held for the purpose of collecting contractual cash flows and where those cash flows represent only principal and interest are measured at amortised cost. Assets in this category are initially recognised at fair value including transaction

costs. After acquisition they are recognised at amortised cost using the effective interest rate method. The carrying amount of these assets is adjusted by any expected credit losses recognised. Interest income from these financial assets is recognised using the effective interest rate method and included in financial income. Assets in this category comprise non-current financing receivables, trade receivables and other current receivables. They are included in current assets except for items with a maturity date of more than 12 months after the end of the reporting period, which are classified as non-current assets.

Financial liabilities at fair value through profit or loss

This category consists of two subcategories, financial liabilities held for trading and other financial liabilities that the entity has chosen to place in this category (the so-called Fair Value Option), as described above under "Financial assets at fair value through profit or loss". The first category includes the Group's derivatives with a negative fair value. Changes in fair value are recognised through profit or loss. The group has no instruments in the second sub-category.

Financial assets are valued at their accrued acquisition value

Loans and other financial liabilities, for example trade payables, are included in this category. These liabilities are measured at amortised cost. The Group's bank borrowings are not subject to repayment and the Group therefore does not recognise any current portion of non-current liabilities on the balance sheet.

(iii) Derivatives

The group's derivative instruments have been acquired in order to mitigate the exchange rate risks the company is exposed to. Troax does not apply hedge accounting, which means that changes in the fair value of derivatives are immediately recognised through profit or loss for the period in which they occur. Changes in the fair value of derivatives are recognised on a net basis as either other operating income or other operating expense. Derivatives are valued at level 2, which is on an arm's length basis using observable market prices available at each balance sheet date.

(n) Intangible assets

(i) Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested for impairment at least annually. Goodwill is not amortised.

(ii) Licences

Acquired licences are booked at cost less accumulated amortisation and any impairment losses. Licences are amortised on a straight line basis over the useful life pursuant to contractual provisions of 5 years. Amortisation is included in the cost of goods sold.

(iii) Trademarks

Acquired trademarks are recognised at cost less any impairment. Most of the Group's trademarks are considered to have indefinite lives and are therefore not amortised. These trademarks are tested for impairment at least annually.

(iv) Customer relationships

Acquired customer relationships are recognised at cost less accumulated amortisation and any impairment losses. Customer relationships are amortised on a straight-line basis over the estimated useful life of 5-15 years.

(o) Property, plant and equipment

Property, plant and equipment are recognised in the consolidated balance sheet at cost after deduction for accumulated depreciation and any impairment losses. Cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be utilised in accordance with the purpose of the acquisition. Loan expenses that are directly attributable to purchase, construction or production of assets that require significant time to be made ready for their intended use or sale are included in cost. Accounting policies relating to impairment are shown below.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or retirement, or when no future economic benefits are expected from the use or disposal/retirement of the asset. Gains or losses arising on the sale or disposal of an asset consist of the difference between the consideration paid and the carrying amount of the asset less any direct sales costs. Gains and losses are recognised as other operating income/operating expense.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset; land is not depreciated.

Estimated useful lives:

- » Office and industrial buildings 20–25 years
- » Machinery and other technical plant 5–10 years
- » Equipment, tools, fixtures and fittings 3-10 years

In the income statement, depreciation is allocated to the respective functions.

(p) Inventories

Inventories are valued at the lower of cost and net sales value. The cost of inventories is calculated through the application of the first in, first out method (FIFO). For self-manufactured goods, cost includes a reasonable share of indirect costs.

(q) Impairment

The carrying amounts of assets are tested for indication of impairment at each balance sheet date. IAS 36 is applied to impairment of assets other than financial assets, which are accounted for in accordance with IFRS 9.

(i) Impairment of property, plant and equipment and intangible assets

If there is an indication of impairment, the asset's recoverable amount is calculated (see below). For goodwill and trademarks that are not written off, the recoverable amount is also calculated annually. An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the recoverable amount. An impairment loss is recognised as an expense through profit or loss. When impairment losses have been identified for a

cash generating unit, the impairment amount is in the first instance allocated to goodwill. Thereafter, proportionate impairment losses are recognised for other assets included in the unit.

The recoverable amount is the higher of the fair value less costs to sell or the value in use. When calculating the value in use, future cash flows are discounted by a discounting factor that takes into account risk-free interest and the risk that is associated with the specific asset.

(ii) Impairment of financial assets

The Group applies the simplified approach to calculation of expected credit losses. This approach means that lifetime expected credit losses can be recognised for trade receivables and contract assets. In order to calculate expected credit losses, trade receivables and contract assets are grouped into categories based on credit risk characteristics and number of days past due. Contract assets comprise work performed but not yet invoiced and essentially share the risk characteristics of already invoiced work under the same type of contract. The Group therefore believes that expected credit losses on trade receivables are a reasonable estimate of expected credit losses on contract assets. The expected credit loss levels are based on the customers' payment history for a period of 36 months as of 31 December 2024 and 1 January 2024 respectively, together with the loss history for the same period. Historic losses are adjusted to take into account current and forward-looking information about macro-economic factors that could affect customers' ability to pay receivables.

The impairment of receivables is determined based on historical experience of customer losses on similar receivables. Impaired trade receivables are recognised at the present value of expected future cash flows. However, short-term receivables are not discounted.

(iii) Reversal of impairment losses

An impairment loss on assets within the scope of IAS 36 is reversed if there is both an indication that the impairment no longer exists and there has been a change in the assumptions underlying the calculation of the recoverable amount. However, impairment losses for goodwill are never reversed. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less any depreciation, if no impairment loss had been recognised.

Impairment losses on loans receivable and trade receivables that are recognised at amortised cost are reversed if the previous reasons for the impairment losses no longer exist and full payment is expected to be received from the customer.

(r) Dividends

Dividends are recognised as liabilities after the Annual General Meeting has approved the dividend.

(s) Earnings per share

Calculation of earnings per share is based on the Group's profit or loss for the year attributable to the Parent Company's owners and the weighted average number of outstanding ordinary shares over the year.

(t) Warrants programme

The 2022, 2023, 2024 and 2025 AGMs resolved on option warrant programs for senior executives in the group.

The participants in the subscription program have on the allocation date paid the fair value of the warrants, which has been calculated using an adapted version of the Black Scholes valuation model. The Parent Company has repurchased its own shares in the market to cover its obligations under the stock option plans.

In the 2022 program, 132,360 options were subscribed for against a paid option premium of SEK 18.0 per option, where each option gives a right to subscribe for three shares at a subscription price of SEK 231.25 per share during the period 20 May 2026 to 30 June 2026.

In the 2023 program, 109,610 options were subscribed for against a paid option premium of SEK 17.07 per option, where each option gives a right to subscribe for one share at a subscription price of SEK 229.33 per share during the period 20 May 2027 to 30 June 2027.

In the 2024 program, 91,765 options were subscribed for against a paid option premium of SEK 21.50 per option, where each option gives a right to subscribe for one share at a subscription price of SEK 281.22 per share during the period 20 May 2028 to 30 June 2028.

In the 2025 program, 89,510 options were subscribed for against a paid option premium of SEK 14.02 per option, where each option gives a right to subscribe for one share at a subscription price of SEK 184.42 per share during the period 20 May 2029 to 30 June 2029.

(u) Remuneration of staff

(i) Short-term remuneration

Short-term remuneration of staff is calculated without discounting and recognised as an expense when the associated services are received.

(ii) Pension obligations

Plans in which the company's obligation is limited to the contributions the company has undertaken to pay are classified as defined contribution pension plans. The majority of the group's pension obligations are defined contribution plans and have been secured through insurance policies with insurance companies. For the CEO, part of the defined contribution plan has been secured by a direct pension solution secured by endowment insurance. However, the group also has some defined benefit plans. Defined benefit plans are plans other than defined contribution plans. In Sweden, the defined benefit plans comprise ITP 2. In addition, the Group has some pension obligations in subsidiaries in Italy and France that are classified as defined benefit plans according to IAS 19.

The group's obligation relating to defined benefit plans is calculated separately for each plan through an estimate of future compensation that the employee has earned through his/her employment in both current and previous periods; this compensation is discounted to a present value. The discount rate is the interest on the balance sheet date of a high quality corporate bond, including mortgage bond, with a maturity that corresponds to the group's pension commitments. The calculation is carried out by a qualified actuary using the so-called Projected Unit Credit Method.

The Group's net obligation comprises the present value of the obligation. The interest expense on the

defined benefit obligation is accounted for in net interest income/expense. The net interest cost is based on the interest that arises when discounting the net obligation, that is, the interest on the obligation. Other components are reported by function in the income statement.

Revaluation effects consist of actuarial gains and losses. Revaluation effects are recognised in other comprehensive income. Special payroll tax constitutes a part of actuarial assumptions and is therefore recognised as part of the net obligation. For reasons of simplification, the part of the special payroll tax calculated on the basis of the Pension Obligations Act in legal entities is recognised as an accrued expense instead of as part of the net obligation/asset.

Income tax is recognised in the income statement for the period to which it relates and is therefore not included in the calculation of the liability.

(v) Provisions

Provisions are recognised at the amount that is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of the timing of payment is material, provisions are calculated by discounting expected future cash flow to an interest rate before tax that reflects current market estimates of the time value of money and, where applicable, the risks associated with the liability.

(x) Government assistance

State aid is a financial contribution from government and supranational bodies that is received in exchange for the Troax group meeting certain conditions. Financial contributions are recognised in the financial statements when there is reasonable assurance that the conditions will be met and the contributions will be received. The grants are recognised in the income statement as other operating income.

(y) Contingent liabilities

Contingent liabilities are recognised when there is a possible obligation resulting from past events and the existence of which is confirmed only through one or more uncertain future events not within the control of the Group, or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or is not reliably measurable.

The Parent Company's accounting policies

The parent company has prepared its annual report in accordance with the Annual Accounts Act (SFS 1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed companies have also been applied. According to RFR 2, the Parent Company must, in the financial statements for the legal entity, apply all IFRS and statements adopted by the EU in so far as this is possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligation Vesting Act and with regard to the relationship between accounting and taxation. The recommendation states the exceptions from and additions to IFRS that should be applied.

Differences between the Group's and the Parent Company's accounting policies

The differences between the Group's and the Parent Company's accounting policies are described below. The Parent Company's accounting policies shown below have been applied consistently to all periods that are presented in the Parent Company's financial statements.

Revised accounting policies

Unless otherwise stated below, the parent company's accounting policies in 2025 have changed in accordance with what is stated above for the group.

Classification and formats

The format of the Parent Company's income statement and balance sheet follow the format in the Swedish Annual Accounts Act. The difference with IAS 1 Presentation of Financial Statements, which is applied in the preparation of the consolidated financial statements, is mainly the recognition of financial income and expenses, non-current assets and equity.

Subsidiaries

Shares in subsidiaries are recognised by the Parent Company in accordance with the cost method. This

means that transaction fees are included in the recognised value of holdings in subsidiaries. In the consolidated financial statements, transaction fees attributable to subsidiaries are recognised immediately through profit or loss account when they are incurred.

Financial instruments

Due to the link between accounting and taxation, the rules on financial instruments and hedge accounting in IFRS 9 are not applied in the parent company as a legal entity.

New standards and interpretations that have not yet been applied by the Group

The IASB has released IFRS 18 Presentation and Disclosure in Financial Statements with date of implementation of 1 January 2027. The standard has not yet been approved by the EU. IFRS 18 will replace IAS 1 Financial statements. IFRS 18 mainly addresses three key areas of presentation and disclosures in the financial statements, focusing on income statements and reporting on financial performance. The Company has not completed its evaluation of the effects of IFRS 18.

NOTE 2 Estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions about the future. The resulting estimates for accounting

purposes will, by definition, rarely correspond to actual results.

The financial information in the Annual Report is deemed not to contain any substantial estimates or judgements.

NOTE 3 Operating segments and breakdown of revenues

An operating segment is a part of the Group that is involved in business activities that generate revenue and incur costs and for which stand-alone financial information is available.

An operating segment's financial performance is followed up further by the company's chief operating decision makers, the Group management, in order to evaluate financial performance and allocate resources to the operating segment. Troax's Group management follows up the financial performance of the Group as one entity. Therefore, the operating segment statement comprises only one segment, mesh panels. The segment's financial information therefore corresponds to the financial information for the Group.

The reason the Group is followed up as one segment is that performance measures are only monitored at an overall level because production and other overall costs are found at the head office and not distributed across other areas. At lower levels than the operating segment, monitoring only applies

to regional sales and volume of orders received.

There are therefore no performance measures that the chief operating decision makers use for distribution of resources.

Internal prices between the Group's different regions are based on the "arm's length" principle, that is, between parties that are independent of each other, well-informed and with an interest in ensuring the transactions are carried out.

Geographical areas/Business areas

The Group's turnover is geographically distributed as shown in the table below as well as across the following three business areas: Property Protection, Machine Guarding, Warehouse Partitioning.

Internal sales only occur between the head office and other units, not between geographical areas. Sales and installation primarily take place via own sales companies in Europe, the USA and China, and via a small number of agents in Asia and South America.

Note 3 continued

Geographical areas

Turnover	31 Dec 2025	31 Dec 2024
Nordics excl. Sweden	13,222	15,005
Sweden	37,001	40,405
UK	25,553	26,868
Continental Europe excluding Germany and Italy	58,981	61,442
Germany	34,568	36,614
Italy	33,433	33,678
USA	39,328	41,448
New markets	20,354	23,084
Total	262,440	278,544

None of the Group's customers individually account for 10% or more of its turnover.

Business areas

Property Protection	24,522	26,035
Machine guarding	184,223	178,338
Warehouse partitioning	53,695	74,171
Total	262,440	278,544

Intangible assets, tangible assets and right-of-use assets

Nordics excl. Sweden	7,623	24
Sweden	126,169	126,045
UK	7,081	2,607
Continental Europe excluding Italy	37,455	34,731
Italy	27,088	28,781
USA	36,995	16,596
New markets	3,673	3,076
Total	246,084	211,860

NOTE 4 BUSINESS COMBINATIONS

Acquisitions

On 20 November, Troax acquired the Danish company Dancop A/S with two associated subsidiaries. Dancop develops and manufactures flexible safety barriers and high-quality traffic, observation and safety mirrors within the field of industrial safety. The company was founded in 1975 and is headquartered in Slangerup, Denmark. The acquired business has an international presence via European sales companies and distributors. The Dancop Group has 35 employees and a turnover of approximately EUR 6 million.

At the time of submission of the financial statements, the allocation of intangible capital gains is not established, which is why the total capital gains have been attributed to goodwill. The acquisition analysis is expected to be completed in the first quarter 2026.

On 15 December 2025, Troax acquired the Italian company Stommpy SpA with an associated subsidiary.

Stommpy develops high-quality flexible barriers that differ from those of the major competitors, and

the company has a strong position in high-demand customer segments, such as food and pharmaceuticals. Founded in Italy in 2000, the company sells its own products on the Italian market and exports its products worldwide through external distributors. The Stommpy Group has 42 employees and a turnover of approximately EUR 8 million. At the time of submission of the financial statements, the allocation of intangible capital gains is not established, which is why the total capital gains have been attributed to goodwill. The acquisition analysis is expected to be completed in the first quarter 2026.

The Final Acquisition Analysis for St&L resulted in the following allocation of excess values (net):

- » Customer relations EUR 4.5 million.
- » Goodwill: EUR 1.1 million

Dancop AS

EUR thousand	Carrying amount prior to acquisition	Fair value, adjustment	Fair value recognised by the Group
Intangible and tangible assets	4,131		4,131
Inventories	1,203		1,203
Trade receivables and other receivables	910		910
Cash and cash equivalents	1,051		1,051
Trade payables and other operating liabilities	-4,021		-4,021
Net assets	3,274		3,274
Net assets acquired	3,274		
Goodwill	3,521		
Consideration	6,795		
Cancellation of acquired cash	-1,051		
Holdback	-300		
Deduct additional purchase price	-1,500		
Total impact on Group cash and cash equivalents	3,944		

Stomppy S.p.A

EUR thousand	Carrying amount prior to acquisition	Fair value, adjustment	Fair value recognised by the Group
Intangible and tangible assets	8,709		8,709
Inventories	696		696
Trade receivables and other receivables	1,826		1,826
Cash and cash equivalents	359		359
Trade payables and other operating liabilities	-4,917		-4,917
Net assets	6,673		6,673
Net assets acquired	6,673		
Goodwill	7,327		
Consideration	14,000		
Cancellation of acquired cash	-359		
Deduct additional purchase price	-3,000		
Total impact on Group cash and cash equivalents	10,641		

NOTE 5 Other operating income

	Group		Parent company	
	2025	2024	2025	2024
Capital gain/loss on the sale of property, plant and equipment	-	219	-	-
Change in fair value of currency derivatives	427	159	-	-
Resolution Conditional Qualification	809	-	-	-
Government assistance	115	492	-	-
Other	368	195	-	25
Total	1,719	1,065	-	25

NOTE 6 Other operating expenses

	Group		Parent company	
	2025	2024	2025	2024
Currency losses on receivables/liabilities relating to operations	-495	-38	-61	-152
Acquisition Costs	-717	-	-	-
Restructuring costs	-4,661	-	-	-
One-time costs	-1,135	-	-	-
Impairment of financial assets	-4,437	-	-	-
Capital gain/loss on the sale of property, plant and equipment	-205	-	-	-
Other	-162	-157	-	-
Total	-11,812	-195	-61	-152

NOTE 7 Employees and employee benefit expenses

Wages, salaries, other remuneration and social security contributions	Group		Parent company	
	2025	2024	2025	2024
Wages and remunerations	56,175	55,017	1,771	1,899
Social security contributions	12,814	11,311	1,108	579
Pension costs, defined benefit (also see Note 23)	195	805	-	-
Pension costs, defined contribution plans	2,855	1,876	611	383
Total	72,039	69,009	3,490	2,861

Of the parent company's pension costs, EUR 215.2 (85.8) thousand relates to the Board of Directors and CEO. Part of the pension cost for the CEO has been secured with a direct pension solution secured through endowment insurance. There are no outstanding pension obligations to the Board of Directors.

Average number of employees

Parent company	2025	Of which are men	2024	Of which are men
Sweden	19	68%	12	83%
Total, Parent Company	19		12	

Subsidiaries

Sweden	308	78%	315	79%
Norway	2	50%	2	50%
Denmark	7	100%	9	89%
Finland	4	0%	5	100%
UK	90	79%	91	86%
Benelux	22	77%	21	76%
France	21	71%	23	65%
Germany	53	79%	53	79%
Switzerland	1	100%	1	100%
Italy	137	72%	143	73%
Spain	54	80%	58	78%
China	70	71%	38	68%
USA	252	87%	182	78%
Poland	129	71%	188	71%
Japan	29	62%	24	67%
Other	50	94%	48	65%
Total, subsidiaries	1,229		1,201	
Total, Group	1,248	78%	1,213	77%

Gender ratio in senior management

Parent company	31 Dec 2025 Proportion women	31 Dec 2024 Proportion women
Board of Directors	43%	43%
Other senior executives	22%	20%

Group

Board of Directors	43%	43%
Other senior executives	22%	20%

Women account for 43% of the board of directors elected by the general meeting.

Severance pay

In the case of termination by the CEO, a period of notice of six months applies. There are no agreements on severance pay or other benefits for either the Chairman of the Board or the other members of the Board, other than the CEO. Upon termination of employment by the company, the CEO is entitled to the equivalent of 6 months' salary. The final six months are conditional on the CEO not having found new employment.

Similar agreements of 6-12 months' salary exist with CEOs of subsidiaries.

not receive board fees. The 2025 AGM decided that fees to the Board for the work during 2025/2026 until the next AGM would be paid with SEK 900,000 (820,000) to the Chairman of the Board and SEK 350,000 (320,000) to each Board member. An additional SEK 65,000 (60,000) and SEK 165,000 (150,000) is paid to the chairman of the Remuneration Committee and the Audit Committee respectively. For members of the Remuneration Committee and Audit Committee, an additional SEK 33,000 (30,000) and 110,000 (100,000) respectively.

Senior executives' benefits Principles for remuneration of the Board of Directors

The Chairman of the Board and other Board members receive fees as determined by the Annual General Meeting. Employee representatives on the Board do

Principles for remuneration of the CEO and Group Chief Executive**Remuneration**

The CEO and Group Chief Executive receive remuneration in the form of basic salary, pension

Note 7 continued

and variable remuneration. In 2025, the basic salary was EUR 402,600 (356,900). The short-term variable remuneration may not exceed 6 months' salary. Any bonus payments are determined on the basis of the Troax Group's performance and growth. In addition, there is a possible long-term variable remuneration linked to certain key performance indicators for the financial year 2025, which corresponds to a maximum of EUR 441 thousand, spread over three years.

In 2025, compensation for CEO and CEO was EUR 600,700 (535,300), including benefits and pension of which EUR 0 thousand (79,000) constituted bonus for FY25.

Retirement benefits

In 2025, the premium costs were EUR 185,200 (86,000) related to CEO including a retroactive pension payment for the year 2024. The pension plan is not a defined benefit plan.

Principles for remuneration to other members of the Group management

Remuneration

Those members of the Group management who are employed in companies other than the Parent Company receive their remuneration from the respective companies. The remuneration is decided by the CEO, assisted by the Chairman of the Board, and comprises a basic salary, pension, variable remuneration and

other benefits. For other members of the Group management, the variable compensation must not exceed 6 monthly salaries. Any bonus payments and the bonus amounts are determined by the Board on the basis of the Troax Group's financial performance and growth. In 2025, remuneration to other Group management members was EUR 2,043,900 (1,651,900), of which EUR 53,000.0 (0) constituted bonus for the financial year 2025.

Notice periods and severance pay

Other members of the Group management have notice periods of six to twelve months in the case of termination by the company, and three to six months in case of resignation. During the notice period other members of the Group management have the right to full salary and other employment benefits. None of the other members of the Group management is entitled to severance pay.

Retirement benefits

Other members of the Group management have the right to retire at the age of 65. Pension payments adhere to the collectively bargained plan ITP.

The company's obligation is linked to final salary at retirement. In 2025, the premium costs amounted to EUR 376,900 (369,400) for other members of Group Management.

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Remuneration and other benefits during the year, 2025	Basic salary Board fee	Variable remuneration	Other benefits	Pension expense	Total
Chairman of the Board Anders Mörck	87.2	-	-	-	87.2
Board member Anna Stålenbring	46.5	-	-	-	46.5
Board member Eva Nygren	34.6	-	-	-	34.6
Board member Bertil Persson	41.6	-	-	-	41.6
Board member Fredrik Hansson	31.6	-	-	-	31.6
Board Member Marie Landfors	31.6	-	-	-	31.6
Board Member Thomas Widstrand	31.6	-	-	-	31.6
Managing Director Martin Nystrom	402.6	-	12.9	185.2	600.7
Other members of the Group management (6 individuals)	1,471.4	53.0	142.6	376.9	2,043.9
Total	2,178.7	53.0	155.5	562.1	2,949.4
Of which from the Parent Company	1,115.0	0.0	82.4	375.6	1,573.0

Remuneration and other benefits during the year, 2024	Basic salary Board fee	Variable remuneration	Other benefits	Pension expense	Total
Chairman of the Board Anders Mörck	77	-	-	-	77
Board member Anna Stålenbring	41.1	-	-	-	41.1
Board member Eva Nygren	30.6	-	-	-	30.6
Board member Bertil Persson	36.7	-	-	-	36.7
Board member Fredrik Hansson	28.0	-	-	-	28.0
Board Member Marie Landfors	21.0	-	-	-	21.0
Board Member Thomas Widstrand	14.0	-	-	-	14.0
CEO Martin Nystrom (as of June)	208.2	-	6.4	33.2	247.8
CEO Thomas Widstrand (until May)	148.7	79.4	6.8	52.6	287.5
Other members of the Group management (6 individuals)	1,204.8	-	77.7	369.4	1,651.9
Total	1,810.2	79.4	90.9	455.2	2,435.6
Of which from the Parent Company	936.7	79.4	40.4	222	1,278.5

NOTE 8 Fees and reimbursement of costs to auditors

PwC	Group		Parent company	
	2025	2024	2025	2024
Audit assignment	348	265	192	251
Auditing services other than the audit assignment	40	10	40	-
Tax advice	29	10	29	10
Other services	385	-	-	-
Total	802	285	262	261
Other auditors				
Audit assignment	165	122	-	-
Auditing services other than the audit assignment	-	-	-	-
Other services	22	16	-	-
Total	187	138	-	-

Of the fees and remuneration paid in 2025 to the auditors of the Group, payments to the accounting firm Öhrlings PricewaterhouseCoopers AB were as follows: Audit assignment EUR 305,000 (254,000), audit activities in addition to the audit assignment EUR 40,000 (10,000), tax advice EUR 29,000 (10,000) and other services EUR 105,000 (0).

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NOTE 9 Operating expenses by type of expense

	Group	
	2025	2024
Material costs	-71,859	-79,092
Changes in inventories, finished goods and work in progress	1,276	2,135
Employee expenses*	-76,104	-71,349
Other external costs	-75,362	-71,143
Other operating income and costs	858	870
Impairment of financial assets	-	-
Depreciation	-18,527	-14,937
Total costs	-239,718	-233,516

* Personnel costs also include costs for hired personnel

NOTE 10 Net financial income/expense

	Group		Parent company	
	2025	2024	2025	2024
Dividends	-	-	9,200	0
Interest income, Group companies	-	-	1,102	1,446
Interest income	170	-	-	-
Net changes in exchange rates	-	-	-	1,514
Financial income	170	-	10,302	2,960
Interest expense, credit institutions	-2,678	-3,526	-2,607	-3,370
Interest expense, lease liabilities	-165	-143	-	-
Interest cost, pension debt	-120	-82	-	-
Interest expense, other	-161	-535	-59	-53
Net changes in exchange rates	-1,908	-	-2,768	-
Financial expenses	-5,032	-4,286	-5,434	-3,423
Net financial income/expense	-4,862	-4,286	4,868	-463

NOTE 11 Taxes

Recognised in the income statement and statement of other comprehensive income

	Group		Parent company	
	2025	2024	2025	2024
Current tax expense (-)/tax income (+)				
Tax expense for the period	-7,554	-10,868	-1,256	-2,269
	-7,554	-10,868	-1,256	-2,269
Deferred tax expense (-)/tax income (+)				
Deferred tax on revaluation of carrying amounts	3,141	1,418	-	-
Total recognised tax expense	-4,413	-9,450	-1,256	-2,269

Reconciliation of effective tax

Group		2025		2024
Profit before tax		17,866		40,742
Tax in accordance with the applicable tax rate for the Parent Company	20.6%	-3,679	20.6%	-8,393
Effect of other tax rates for foreign subsidiaries	3.88%	-694	3.2%	-1,295
Non-deductible expenses and non-taxable income	2.38%	-425	-0.0%	-62
Adjustments relating to previous years	-0.1%	64	0.0%	144
Tax on deficits	-	-	-0.1%	-307
Other effects	-2.1%	375	-0.1%	517
Standard rate of interest on the tax allocation reserve	0.1%	-54	-0.0%	-54
Recognised effective tax	24.7%	-4,413	23.6%	-9,450
Parent company				
Profit before tax		15,323		10,523
Tax in accordance with the applicable tax rate for the Parent Company	20.6%	-3,157	20.6%	-2,168
Non-deductible expenses and non-taxable income	-0.0%	31	0.0%	-8
Dividends received	-12.4%	1,895	0.0%	-
Adjustments relating to previous years	-	-	0.0%	-66
Standard rate of interest on the tax allocation reserve	-0.0%	-25	-0.0%	-27
Recognised effective tax	8.2%	-1,256	20.6%	2,269

Group

Tax attributable to other comprehensive income	2025	2024
Tax attributable to revaluation of defined benefit pension plans	31	20
Total	31	20

Amounts recognised in the balance sheet

Change in deferred tax in temporary differences and loss carry-forwards

	Balance at 1 Jan 2025	Recognised through profit or loss	Recognised in other comprehensive income	Acquisition/ disposal of business	Balance sheet as of 31 Dec 2025
Property, plant and equipment	-2,381	131	-148	-	-2,398
Intangible assets	-2,854	69	-37	-1,134	-3,969
Pension provisions	366	75	-45	-	396
Untaxed reserves	-3,099	570	-161	-	-2,690
Loss carry-forwards	1,437	1,170	-148	-	2,459
IFRS 16	62	37	-	-	99
Other	479	1,103	-	-	1,581
Total	-5,991	3,141	-539	-1,134	4,522

	Balance at 1 Jan 2024	Recognised through profit or loss	Recognised in other comprehensive income	Acquisition/ disposal of business	Balance sheet as of 31 Dec 2024
Property, plant and equipment	-2,643	124	138	-	-2,381
Intangible assets	-404	346	48	-2,844	-2,854
Pension provisions	423	3	-60	-	366
Untaxed reserves	-3,796	606	90	-	-3,099
Loss carry-forwards	1,231	156	50	-	1,437
IFRS 16	29	33	-	-	62
Other	329	150	-	-	479
Total	-4,831	1,418	266	-2,844	-5,991

Recognised in the balance sheet

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to:

	Deferred tax 2025			Deferred tax 2024		
	Asset	Liability	Net	Asset	Liability	Net
Property, plant and equipment	-	-2,398	-2,398	3	-2,384	-2,381
Intangible assets	1,630	-5,599	-3,969	2,110	-4,964	-2,854
Pension provisions	396	-	396	366	-	366
Untaxed reserves	-	-2,690	-2,690	-	-3,099	-3,099
Loss carry-forwards	2,459	-	2,459	1,437	-	1,437
Tax IFRS 16	5,924	-5,825	99	1,850	-1,788	62
Receipt deferred tax IFRS 16	-5,825	5,825	-	-1,788	1,788	0
Other	3,056	-1,475	1,581	1,334	-856	478
Tax assets/liabilities	7,640	-12,162	-4,522	5,313	-11,303	-5,991
Tax assets/liabilities, net	7,640	-12,162	-4,522	5,313	-11,303	-5,991

Deferred tax assets are recognised for tax loss carry-forwards to the extent that it is likely that they can be utilised against future taxable profits. The Group reported deferred tax assets of EUR 2,459,000 (1,437,000), which can be offset against future taxable profits.

NOTE 12 Intangible assets

Group	Licences	Trademarks	Customer relationships	Goodwill	Total
Accumulated cost					
Opening balance 1 Jan 2024	1,661	3,911	12,557	103,609	121,738
Business acquisitions	-	-	2,495	4,514	7,009
Other investments	34	7	-	-	41
Reclassifications		6,252	3,020	-9,272	-
Increased acquisition value at reclassification		1,621	784		2,405
Exchange differences for the year	3	-357	-181	-1,273	-1,808
Closing balance 31 Dec 2024	1,698	11,434	18,675	97,578	129,385
Accumulated depreciation and impairment					
Opening balance 1 Jan 2024	-1,440	-889	-4,157	-	-6,486
Depreciation for the year	-143	-	-2,290	-	-2,433
Exchange differences for the year	-4	8	-16	-	-12
Closing balance 31 Dec 2024	-1,587	-881	-6,463	-	-8,931
Carrying amounts					
As of 1 Jan 2024	221	3,022	8,400	103,609	115,208
As of 31 Dec 2024	111	10,553	12,212	97,578	120,454
Accumulated cost					
Opening balance 1 Jan 2025	1,698	11,434	18,675	97,578	129,385
Business acquisitions	1,365	-	-	17,927	19,292
Other investments	119	-	-	-	119
Reclassifications	-	-	3,400	-3,400	-
Increased acquisition value at reclassification	-	-	1,134	-	1,134
Exchange differences for the year	-8	651	-123	2,059	2,579
Closing balance 31 Dec 2025	3,174	12,085	23,086	114,164	152,509
Accumulated depreciation and impairment					
Opening balance 1 Jan 2025	-1,587	-881	-6,463	-	-8,931
Depreciation for the year	-122	-	-2,986	-	-3,108
Exchange differences for the year	-	-47	155		108
Closing balance 31 Dec 2025	-1,709	-928	-9,294	-	-11,931
Carrying amounts					
As of 1 Jan 2025	111	10,553	12,212	97,578	120,454
As of 31 Dec 2025	1,465	11,157	13,792	114,164	140,578

The Group had no internally generated intangible assets.

Depreciation is included in the following lines in the income statement

Group	¹ Jan 2025 – 31 Dec 2025	¹ Jan 2024 – 31 Dec 2024
Selling expenses	-	-
Administrative expenses	-	-
Cost of goods sold	-3,108	-2,433
Total	-3,108	-2,433

The Group's goodwill comprises strategic business values that have arisen through business acquisitions.

Testing cash-generating units containing goodwill and trademarks for impairment

The following cash-generating units include goodwill and trademarks:

Goodwill	Carrying amount	
	2025	2024
Troax	51,131	52,994
Satech	18,932	18,932
Folding Guard	10,086	11,352
Natom Logistic	-	-
Claitec	2,508	2,508
Garantell	12,509	7,264
Safety, Technology & Legislation Limited	1,062	4,528
Dancop	3,531	-
Stommpy	14,405	-
Total	114,164	97,578
Trademarks		
Troax	2,448	2,313
Satech	634	634
Garantell	8,075	7,606
Total	11,157	10,553

Goodwill attributable to Natom Logistic is, from 2025, included in the cash-generating unit Garantell and is therefore tested for impairment within that unit. Of the Group's trademarks, EUR 11,157,000 are not subject to amortisation.

The value of recognised goodwill and trademarks with indefinite lives is tested at least annually for impairment. The recoverable amount for the cash generating unit is based on its value in use. The value in use is based on management's business forecast for a period of five years. The cash flow for the following years has been based on an assumed annual growth rate of 2 percent (2). Important assumptions in the business forecast that affect cash flow estimates are market growth and anticipated price development. These are in line with historical data and external sources of information. The company management has carried out alternative calculations based on reasonably possible changes in

key assumptions, such as:

- » if the discount rate before tax were to be 2 percentage points higher
- » if the estimated growth rate over the forecast period had been halved.

A 2 percent change in the discount rate would not result in any impairment of recognised goodwill in the Group. The group's budget and business plans for the forecast period include increases in sales, gross margin, profit and cash flow. At a halving growth rate, the write-down requirement of the goodwill item would become current in Garantell with EUR 11.5 million and ST&L with EUR 3.8 million.

Note 12 continued

The following discount rates (after tax) have been used to calculate the value in use:

Discount rate after tax	2025	2024
Troax	8.5%	8.5%
Satech	8.5%	8.5%
Folding Guard	10.5%	10.5%
Garantell	8.5%	-
Safety, Technology & Legislation Limited	10.5%	-

NOTE 13 Property, plant and equipment

Group	Buildings and land	Machinery	Equipment	In progress	Total
Accumulated cost					
Opening balance 1 Jan 2024	35,928	41,373	9,901	14,058	101,260
Capital expenditure during the year	944	2,370	1,203	6,224	10,741
Business acquisitions	-	-	456	-	456
Disposal and retirement	-99	-412	-734	-	-1,245
Reclassifications	4,836	7,712	1,063	-13,611	0
Exchange differences for the year	-1,018	-496	-185	-163	-1,862
Closing balance 31 Dec 2024	40,591	50,548	11,703	6,508	109,350
Accumulated depreciation and impairment					
Opening balance 1 Jan 2024	-7,582	-19,283	-5,130	-	-31,995
Depreciation for the year	-1,512	-4,935	-1,390	-	-7,837
Business acquisitions	-	-	-275	-	-275
Disposal and retirement	64	393	220	-	677
Reclassifications	-	-	-	-	0
Exchange differences for the year	374	418	131	-	923
Closing balance 31 Dec 2024	-8,656	-23,407	-6,444	-	-38,508
Carrying amounts					
As of 1 Jan 2024	28,346	22,090	4,771	14,058	69,265
As of 31 Dec 2024	31,935	27,140	5,259	6,508	70,844
Accumulated cost					
Opening balance 1 Jan 2025	40,591	50,548	11,703	6,508	109,350
Capital expenditure during the year	616	2,076	539	7,739	10,970
Business acquisitions	3,840	2,919	286	-	7,045
Disposal and retirement	-	-4,436	-288	-	-4,724
Reclassifications	467	4,272	537	-5,276	-
Exchange differences for the year	2,285	1,202	285	167	3,939
Closing balance 31 Dec 2025	47,799	56,581	13,062	9,138	126,580

Note 13 continued

Accumulated depreciation and impairment

Opening balance 1 Jan 2025	-8,656	-23,407	-6,444	-	-38,508
Depreciation for the year	-1,799	-5,026	-1,590	-	-8,415
Business acquisitions	-594	-1,971	-	-	-2,565
Disposal and retirement	-	2,994	390	-	3,384
Reclassifications	-	-	-	-	-
Amortisation	-	-1,090	-	-	-1,090
Exchange differences for the year	-773	-856	-253	-	-1,882
Closing balance 31 Dec 2025	-11,822	-29,356	-7,897	-	-49,075

Carrying amounts

As of 1 Jan 2025	31,935	27,140	5,259	6,508	70,844
As of 31 Dec 2025	35,977	27,225	5,165	9,138	77,504

Depreciation and amortisation

Depreciation and amortisation is included in the following lines in the income statement

Group	2025	2024
Cost of goods sold	-9,495	-11,132
Selling expenses	-3,085	-2,631
Administrative expenses	-901	-975
Other operating expenses	-1,090	-
Total	-14,571	-14,738

Of which EUR 5,072,000 (4,468,000) relates to depreciation of right-of-use assets.

NOTE 14 Financial non-current assets

Non-current receivables that are fixed assets	Group		Parent company	
	2025	2024	2025	2024
Pension investment	2,869	2,437	855	653
Purchase information included	0	3,611	-	-
Other	522	218	-	-
Total	3,421	6,266	855	653

NOTE 15 Right-of-use assets

Group

Amounts recognised in the balance sheet

Assets with right-of-use	2025	2024
Real estate	26,376	8,064
Machinery and equipment	1 627	919
Carrying amount	28,003	8,983

Leasing liabilities

Current	4,616	3,714
Non-current	23,159	4,964
Carrying amount	27,775	8,678

Depreciation on rights of use

Real estate	-4,222	-3,647
Machinery and equipment	-850	-821
Total	-5,072	-4,468

Amounts recognised in the balance sheet

Depreciation on rights of use		
Real estate	-4,222	-3,647
Machinery and equipment	-850	-821
Interest expenses	-252	-86
Expenses related to short-term leases (included in cost of goods sold and administrative expenses)	-110	-100
Expenditure related to leases for which the underlying asset is of low value that are not short-term leases (included in cost of goods sold and administrative expenses)	-70	-65

A maturity analysis of liabilities related to right-of-use assets can be found in Note 27.

NOTE 16 Inventories

Group	2025	2024
Raw materials and consumables	8,409	11,015
Work in progress	6,182	6,372
Finished goods and goods for resale	12,663	12,011
Total	27,254	29,398

Cost of goods sold for the Group includes inventory write-offs of EUR 1,780,000 (-571,000).
The closing balance of the inventory reserve in the balance sheet was EUR 2,633,000 (4,413,000).

NOTE 17 Trade receivables

Trade receivables are reported after taking into account bad debt losses incurred during the year, which amounted to EUR 419,000 (186,000) in the Group. The loss has been incurred in accordance with the Group's financial policy and has been recognised as an expense in the income statement during the financial year.

Credit risks in trade receivables

The risk that the Group's customers will fail to meet their obligations, that is that payment will not be

received from customers, constitutes a customer credit risk. The group's customers are credit-checked, whereby information about customers' financial position is obtained from a credit reference agency. The Group has guidelines in its financial policy on how to handle customer credits. It specifies such things as where decisions are taken on customer credit limits of different sizes, and how the valuation of credits and the loss allowance should be handled.

Age analysis, past-due but not impaired trade receivables

Group	31 Dec 2025	31 Dec 2024
Trade receivables not past due	35,225	35,707
Trade receivables past due 1–30 days	6,230	6,382
Trade receivables past due 31–90 days	2,249	2,953
Trade receivables past due >90 days	2,733	2,422
Credit loss provisions	-485	-769
Total	45,952	46,695

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Change in provisions for loan allowance

Group	31 Dec 2025	31 Dec 2024
Opening loss allowance	-769	-885
Realised losses	419	186
Reversal of unutilised loss allowance	625	699
Loss allowance for the year	-794	-760
Translation differences	34	-9
Closing allowance	-485	-769

Concentration of credit risk in trade receivables

The Group has a limited credit risk per customer. The average purchase per customer and occasion amounts to EUR 10,000, and a total of about EUR 20,000 per year.

NOTE 18 Prepaid expenses and accrued income

Group	31 Dec 2025	31 Dec 2024
Prepaid rent/leases	366	317
Insurance	222	189
Contract assets	2,356	2,562
Advances for non-current assets	0	435
Energy tax	180	566
Other items	3,835	2,438
Total	6,959	6,507

NOTE 19 Appropriations

Parent company	31 Dec 2024	31 Dec 2024
Group contributions	12,012	10,000
Change in tax allocation reserve	2,200	2,450
Total	14,212	12,450

NOTE 20 Earnings per share

Calculation of earnings per share is based on the weighted average number of outstanding ordinary shares (Class A shares). With the subscription option programs offered by the Group, there are potential pending stock additions that could cause dilution effects in the future.

	Group	
	31 Dec 2025	31 Dec 2024
Profit for the year attributable to the Parent Company's shareholders	13,453	31,292
Earnings per share	0.22	0.52

Weighted average number of outstanding shares

Total number of ordinary shares 1 January	60,000,000	60,000,000
Weighted average number of ordinary shares outstanding during the year, before dilution	59,845,332	59,860,110
Effect of share options	-	-
Weighted average number of ordinary shares outstanding during the year, after dilution	59,845,332	59,860,110

NOTE 21 Equity

Specification of the equity item reserves

	Group	
Translation reserve	31 Dec 2025	31 Dec 2024
Opening translation reserve	-21,943	-20,473
Translation reserve for the year	3,996	-1,470
Closing translation reserve	-17,947	-21,943

Share capital and number of shares

Reported in number of shares

Issued as of 1 January	60,000,000	60,000,000
Issued as of 31 December – paid	60,000,000	60,000,000

The registered share capital is distributed as follows:

Reported in number of shares	Voting rights at general meetings	2025	2024
Class A shares (ordinary shares)	1 vote per share	60,000,000	60,000,000
		60,000,000	60,000,000

As of 31 December 2025, the registered share capital comprised 60,000,000 (60,000,000) ordinary shares and no preference shares.

Holders of ordinary shares (Class A) are entitled to receive dividends, which are determined over time.

Other paid-in capital

Refers to equity contributed by owners. This includes premiums paid in connection with share issues, option premiums and repurchased own shares. The company owns 154,668 own shares as of 31 Dec 2025.

Reserves

Translation reserve

The translation reserve comprises all exchange differences arising on the translation of the financial statements of foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The consolidated financial statements are presented in Euros.

Retained earnings including profit for the year

Retained earnings, including profit for the year, includes accrued earnings in the Parent Company and its subsidiaries.

Capital management

The group strives to maintain a good financial position that contributes to retaining the confidence

of lenders and the market and that provides a foundation for continued development of business activities. The group defines managed capital as total recognised equity.

Parent company

Non-restricted equity

The following funds together with profit for the year constitute non-restricted equity, i.e. the amount that is available for dividends to shareholders.

Share premium reserve

When shares and other equity instruments are issued at a premium, received premiums and amounts exceeding the shares' quota value are transferred to the share premium reserve. Amounts added to the share premium account as of 20 December 2012 are included in unrestricted capital.

Retained earnings

Retained earnings comprise the previous year's retained earnings and profit for the year after deduction of dividends for the year.

NOTE 22 Interest-bearing liabilities

This Note contains information on the company's contractual terms and conditions concerning interest-bearing liabilities. For more information on the company's exposure to interest rate risk and foreign exchange risk, see note 27.

Non-current liabilities	Group		Parent company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Bank loans	115,000	70,000	112,000	70,000
Lease and other liabilities	23,563	5,192	-	-
Government loans, interest-bearing	239	360	-	-
	138,802	75,552	112,000	70,000

	Currency	Nom. interest	Maturity	Nominal value	Carrying amount
Bank loans	EUR	EURIBOR +0.85%	28 June 2030	112,000	112,000
Total interest-bearing liabilities					112,000

The Group is financed through a bank loan. The loan is currently non-amortising, but the Group has the option to make repayments if it so wishes. Interest is paid quarterly to the bank at a rate of EURIBOR plus 0.85% on the balance sheet date. With regard to the bank loan, the Group is required to meet specific covenants with external lenders, which include the ratio of operating profit before depreciation, amortisation and impairment losses to net financial expenses, as well as the ratio of operating profit before depreciation, amortisation, and impairment losses to net debt. These loan conditions have been met throughout the financial year.

NOTE 23 Provisions for pensions

Overview of defined benefit plans

The group has defined benefit plans in Sweden and Italy. The pension liability in Italy relates to the statutory severance pay received by all employees upon retirement.

The defined benefit plans are exposed to actuarial risks such as longevity, currency and interest rate risks.

The information below refers to all the above plans together.

Changes in present value of obligation relating to defined benefit plans

Group	2025	2024
Obligation for defined benefit plans as of 1 January	4,877	4,825
Cost relating to service in the current period	264	241
Interest expense	172	149
Revaluations	-	-
Actuarial gains and losses on changes in financial assumptions	-74	-112
Compensation paid out	-329	-216
Exchange differences	-12	-10
Obligation for defined benefit plans as of 31 December	4,898	4,877

Distribution of pension obligations

	2025	2024
Sweden	3,440	3,421
Italy	1,458	1,456
	4,898	4,877

Expense recognised through profit and loss account

Group	2025	2024
Costs relating to service provision in the current period	-264	-241
Interest expense on the obligation	-172	-149
Total net expense in the income statement	-436	-390

Expense recognised in other comprehensive income

Revaluations:

Actuarial gains (-) and losses (+)	74	112
Net amount recognised in other comprehensive income	74	112

Assumptions relating to defined benefit obligations

The most significant actuarial assumptions as of the balance sheet date (expressed as weighted averages)

	2025	2024
Discount rate as of 31 December	3.8%	3.6%
Future salary increase	2.4%	2.5%
Future pension increase	1.7%	1.8%
Inflation	1.7%	1.8%

Impact on future cash flows

As of 31 December 2025, the cash flow based duration used to calculate the obligation is 17 years.

The Group estimates that EUR 125,000 will be contributed in 2026 to funded and unfunded defined benefit plans that are accounted for as defined benefit plans. EUR 1,389,000 is expected to be paid in 2026 to defined benefit and defined contribution plans in Sweden, which are recognised as defined contribution.

Obligations relating to retirement pensions and family pensions for white-collar staff in Sweden are secured through insurance with Alecta. According to the Swedish Financial Reporting Board's statement UFR 10, this is a defined benefit plan that comprises several employers. For the financial year 2025, the company has not had access to information that makes it possible to account for this plan as a defined benefit plan. The pension plan in accordance with ITP that is secured through an insurance in Alecta is therefore recognised as a defined contribution plan. The annual contributions for pension insurance policies with Alecta

in the reporting period amounted to EUR 812,000 (805,000). Alecta's surplus can be distributed to the policy holders and/or the insured. At the end of 2025, Alecta's surplus in the form of the collective consolidation level amounted to 167% (162). The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial calculation assumptions, which do not comply with IAS 19.

Defined contribution plans

In Sweden, the group has defined contribution pension plans for workers that are fully paid by the company. Abroad, there are defined contribution plans which are partly paid for by the subsidiaries and partly covered through contributions paid by the employees. Payments to these plans are made on an ongoing basis in accordance with the rules of the respective plans. Next year's expected contributions to multi-employer defined benefit plans that are accounted for as defined contribution plans amount to EUR 44 thousand (44).

NOTE 24 Other provisions

	Group	
	2025	2024
Restructuring reserve	4,579	-
Guarantee reserve	206	211
Assignment to pension, non-defined-benefit	3,498	2,963
Other provisions	569	15
Total	8,852	3,189

NOTE 25 Accrued charges and deferred income

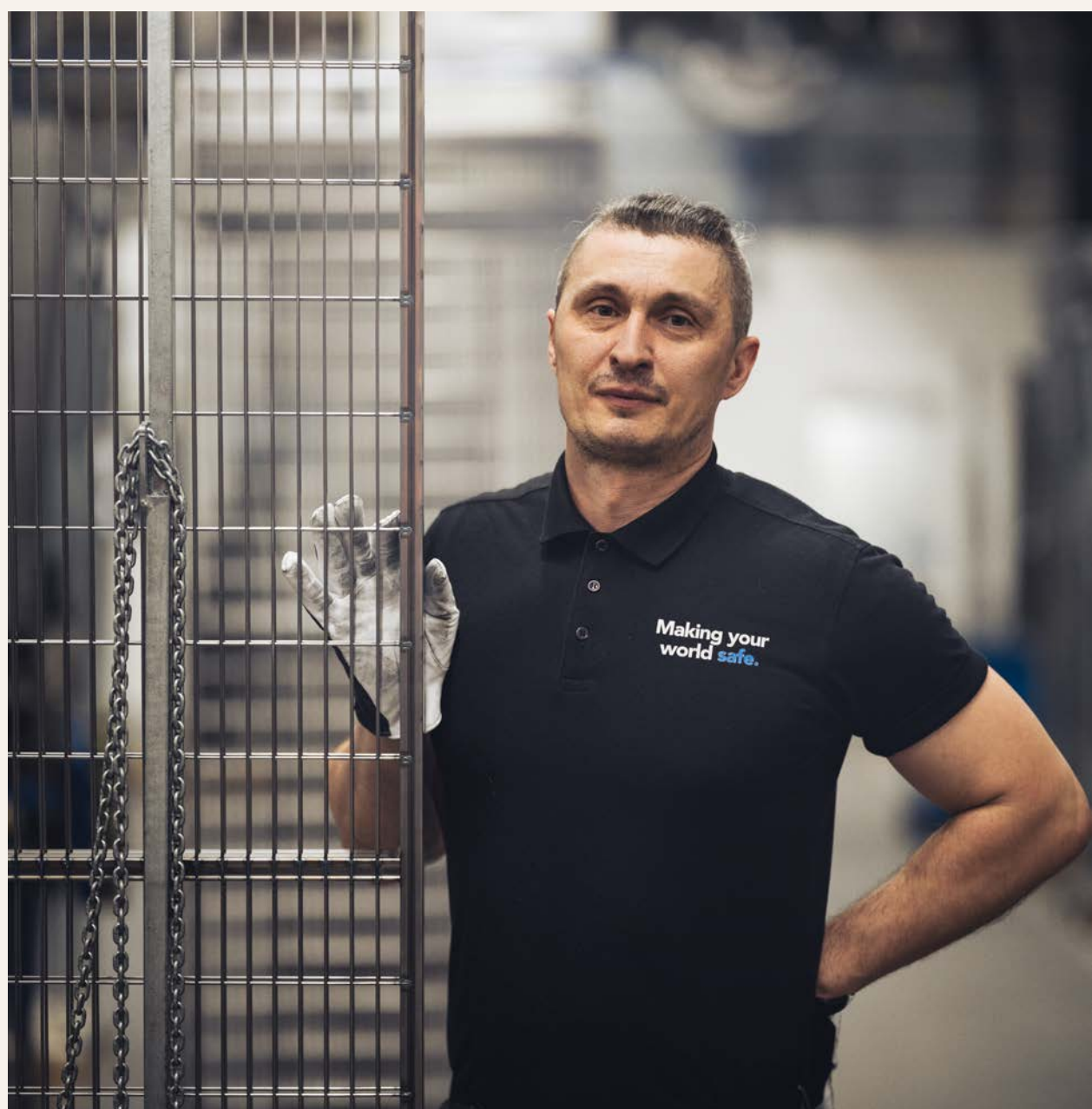
	Group	
	31 Dec 2025	31 Dec 2024
Accrued wages, salaries and remuneration	2,783	2,215
Accrued holiday pay	2,850	2,649
Accrued social security contributions	2,050	2,037
Audit fees	329	276
Consultancy fees	124	94
Rent	38	114
Other items	4,936	5,270
Total	13,110	12,655

NOTE 26 Other liabilities

Other current liabilities	Group	
	2025	2024
Employee-related liabilities	3,326	3,220
VAT liabilities	3,178	718
SCurrent lease liabilities relating to right-of-use assets	4,616	3,714
Other liabilities	1,197	2,178
Total	12,317	9,830

NOTE 27 Other receivables

Other current receivables	Group	
	2025	2024
Advances relating to acquisitions	10,665	-
Current tax receivables	6,880	4,007
VAT receivable	2,159	-
Other	2,242	1,684
Total	21,946	5,691



NOTE 28 Non-current liabilities

Non-current non-interest-bearing liabilities break down as follows.

	31 Dec 2025	31 Dec 2024
Purchase information included	-	3,611
Additional purchase price	6,052	1,930
Total	6,052	5,541

The additional purchase prices are conditional on the acquired companies achieving a certain result for the years 2026–2029. The liability for contingent consideration recognised in the balance sheet reflects the management's best estimate of the outcome. In the event that the companies perform better or worse than management's assessment, the difference will be recognised in the profit and loss account.

NOTE 29 Financial risk management and financial instruments

Financial policy and financial risk management

The group's management of financial risks is based on a financial policy established by the Board that seeks to achieve a low level of risk through efficient management and control of the Group's financial risks. Through its business, the Group is exposed to currency risk, interest risk, liquidity and financing risk.

Currency risk

Exposure to currency risk can be divided into transaction exposure and translation exposure.

Transaction exposure

Transaction exposure is the risk of a negative effect on the group's performance due to changes in currency exchange rates that affect the value of commercial transactions in a foreign currency in relation to the functional currency of the Group company that carries out the transaction. The Group's transaction exposure is managed as far as possible by matching inflows and outflows in the same currency. The remaining exposure is managed through the use of currency derivatives.

According to the financial policy, 60-80% of the forecast net inflows or outflows in the currencies with a significant impact on the group should be hedged. Hedging should be done on a rolling basis over a 12 to 24-month horizon. The currency in which the Group has significant transaction exposure is SEK against EUR. The Group has a positive net inflow in SEK and the transaction exposure in SEK and other currencies is considered to have only a minor impact on the Group's results and financial position.

According to the financial policy, currency futures and currency options may be used as hedging instruments. As of the balance sheet date the company only had outstanding currency futures.

The Group does not apply hedge accounting. All changes in the fair value of currency futures are thus recognised immediately through profit or loss for the period in which they occur.

The fair value of net outstanding currency derivatives as at the balance sheet date was EUR 550,000 (117,000). Net gains (+)/net losses (-) on forward contracts during the financial year amounted to EUR 433 (141) before tax.

Translation exposure

Translation exposure arises from the translation of the balance sheet and income statement of subsidiaries

that do not have EUR as their functional currency because the Group has EUR as its presentation currency. The Group has mainly a translation exposure in SEK against EUR as significant parts of the Group's net assets are in SEK. The translation exposure is not hedged.

Currency risk sensitivity analysis

A five percent strengthening of the Swedish krona against the euro would have a negative effect on the Group's reported result of approximately EUR -1,930,000 (-1,640,000).

Interest risk

Interest risk is the risk that a change in market rates will have a negative impact on performance. Troax has, since December 2021, raised bank loans of EUR 70 million; as of 31 December 2025, the loan amount is EUR 112 million. The loan carries a floating rate of EURIBOR 3 months plus a margin of 0.75%. If EURIBOR is negative, interest is calculated only on the margin. Changes in the EURIBOR therefore have an impact on the Group's net financial income/expense.

An increase in EURIBOR of 100 basis points would result in an increase in interest expense of EUR 1,120,000 (700,000) before tax, based on the company's debts on the balance sheet date.

The Group does not apply hedge accounting.

Liquidity and financing risk

Liquidity and funding risk is the risk that the Group does not have access to funding to meet its contractual obligations, or that this can only be done at a significantly increased cost. According to the financial policy, the group's cash and cash equivalents plus overdraft facilities should total at least EUR 5 million. On the balance sheet date, cash and cash equivalents amounted to EUR 39.7 (29.5) million. The Group and Parent Company have access to a central overdraft facility, which at the balance sheet date amounted to EUR 10 million (10).

The table below shows the maturity structure of the Group's financial liabilities including derivative liabilities. For each period, the maturity of the principal and payment of interest is shown. For liabilities that have variable interest rates, future interest payments have been estimated on the basis of the variable spot rate prevailing on the balance sheet date.

Note 29 continued

Specification of non-current interest-bearing liabilities	2025	2024
Opening balance	75,552	82,242
Leases entered into during the year	25,636	616
Re-assessment of lease agreements during the year	-1,672	-42
Amortisation of leases during the year	-4,559	-4,179
Loans taken/amortised during the year and additional loans from acquired companies	45,075	-3,271
Currency differences and other effects of lease agreements	-1,230	186
Closing balance	138,802	75,552

2025	2026	2027	2028	2029 and later
Interest-bearing liabilities				
Non-current, interest-bearing liabilities		75		115,000
Lease liabilities in accordance with IFRS 16	4,616	4,012	2,642	16,505
Interest	4,129	4,499	4,399	4,333
Non interest-bearing liabilities				
Trade payables	21,808			
Other liabilities				
Currency derivatives				
Liabilities that are not derivatives	12,317	2,045	1,945	1,800
Accrued expenses	13,110			
Total	55,980	10,631	8,986	137,638

The above interest-bearing liabilities relate to the Group. The parent company's interest-bearing liabilities amount to EUR 112,000 thousand.

2024	2025	2026	2027	2028 and later
Interest-bearing liabilities				
Non-current, interest-bearing liabilities	100	70,100	100	60
Lease liabilities in accordance with IFRS 16	3,714	2,235	1,451	1,277
Interest	3,499	2,749	68	32
Non interest-bearing liabilities				
Trade payables	22,763			
Other liabilities				
Currency derivatives				
Liabilities that are not derivatives	8,961	509	360	
Accrued expenses	12,655			
Total	51,692	75,593	1,979	1,369

The above interest-bearing liabilities relate to the Group. The parent company's interest-bearing liabilities amount to EUR 112,000 thousand.

In the Annual Financial Statement we have used Euribor projections for the years 2025–2026.

Year	2026	2027
Euribor	2.10%	2.55%

NOTE 30 Investment commitments

Troax continually invests in the maintenance of production facilities and production equipment. In addition to maintenance investments, other investments are made to expand or upgrade production units, with the aim of increasing productivity and/or

capacity. In the financial year 2025, the investments mainly relate to the factories in Sweden and the USA and machinery in Sweden and the USA. The total amount of investment commitments entered into amounts to EUR 3.6 (2.4) million.

NOTE 31 Collateral, contingent liabilities and contingent assets

At the end of the reporting period, the Group had no contingent liabilities or contingent assets. The parent company has a contingent liability in favour of subsidiaries.

Troax's former activities resulted in an elevated level of trichloroethylene in the groundwater at Hillerstorp. In the spring of 2015, Troax completed an investigation involving bore samples to determine the scale of environmental impacts of the former activities. In June 2015, Gnosjö Municipality's Public Works Committee decided on a control program regarding chlorinated solvents in groundwater at

selected sample points. The results of the sampling have been presented in a written report to Samhällsbyggnadsnämnden in Gnosjö Kommun no later than 2018. The test results from the checks, which are currently carried out every six months, currently show levels that normally do not require further action. The test results from the previous drillings are not sufficient to predict or determine with certainty what the final result will be. As of the date of this annual report, the Company has not made any provision for the environmental issue in question.

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Collateral and contingent liabilities In the form of collateral for liabilities and provisions	Group		Parent company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Floating charges	1,802	1,742	-	-
Security for pension	855	653	855	653
Borrowing for the benefit of subsidiaries	-	-	3,096	2,843
Total collateral and contingent liabilities	2,657	2,395	3,951	3,496

NOTE 32 Related parties

Related parties

The Parent Company has related party transactions with its subsidiaries, see Note 34. The Parent Company's sales in both 2025 and 2024 exclusively comprised sales to Group companies. Of total purchases, 31% has been made from Group companies.

Transactions with key management personnel

Wages, salaries and other remuneration to key management personnel are shown in Note 7.

NOTE 33 Significant Events After the Reporting Period

In October 2025, Troax signed an acquisition agreement with the Chinese company Vichnet, which was completed in early January 2026. The company, head-

quartered in Ningbo, China, had a turnover of EUR 26 million and approximately 300 employees (2024) The purchase difference amounted to approx. EUR 45 million

NOTE 34 Participations in Group companies

Holdings in Group companies	Group company's registered office, country	31 Dec 2025 Participating interest	31 Dec 2024 Participating interest
Troax AB	Gnosjö, Sweden	100.0%	100.0%
Troax Nordic AB	Gnosjö, Sweden	100.0%	100.0%
Troax UK Ltd	Swindon, UK	100.0%	100.0%
Troax Lee Manuf. Ltd	Swindon, UK	100.0%	100.0%
Troax Italy SRL	Genoa, Italy	100.0%	100.0%
Troax Schweiz AG	Warth, Switzerland	100.0%	100.0%
Troax Inc.	Nashville, USA	100.0%	100.0%
Folding Guard	Chicago, USA	100.0%	100.0%
Troax Nordic AS	Oslo, Norway	100.0%	100.0%
Troax SAS	Chambéry, France	100.0%	100.0%
Troax BV	Lisse, Netherlands	100.0%	100.0%
Troax GmbH	Bad Camberg, Germany	100.0%	100.0%
Troax Güvenik Sistem	Istanbul, Turkey	100.0%	100.0%
Troax Shanghai System	Shanghai, China	100.0%	100.0%
Troax Denmark A/S	Ishøj, Denmark	100.0%	100.0%
Troax Systems SL	Barcelona, Spain	100.0%	100.0%
Troax Safety Systems Poland Sp.z.o.o.	Środa, Poland	100.0%	100.0%
Satech Safety Technology SPA	Milan, Italy	100.0%	100.0%
Satech Safety Technology SAS	Lyon, France	100.0%	100.0%
Satech Safety Technology GmbH	Stuttgart, Germany	100.0%	100.0%
Satech K.K	Tokyo, Japan	100.0%	100.0%
Troax Safety Systems Co., Ltd.	Tokyo, Japan	100.0%	100.0%
Troax Safety Systems India	Bangalore, India	100.0%	100.0%
Natom Logistic	Środa, Poland	100.0%	100.0%
Terracotta Invein S.L.U	Barcelona, Spain	100.0%	100.0%
Troax Safety Systems PTY LTD	Rosehill, Australia	100.0%	100.0%
Claitec Solutions S.L.U	Girona, Spain	100.0%	100.0%
Troax Safety Systems Ltd.	Seoul, South Korea	100.0%	100.0%
Troaks d.o.o	Karlovac, Croatia	100.0%	100.0%
Garantell Holding AB	Värnamo, Sweden	100.0%	100.0%
Garantell AB	Värnamo, Sweden	100.0%	100.0%
Förrådsmontage i Öst AB	Värnamo, Sweden	100.0%	100.0%
Förrådsmontage i Söder AB	Värnamo, Sweden	100.0%	100.0%
Garantell Ltd	Worcestershire, UK	100.0%	100.0%
Garantell GmbH	Kelkheim, Germany	100.0%	100.0%
Troax Safety Systems Jiangsu Co., Ltd	Shanghai, China	100.0%	100.0%
Svenska Cykelrum AB	Stockholm, Sweden	100.0%	100.0%
Safety, Technology & Legislation	Swindon, UK	100.0%	100.0%
Troax CZ S.R.O.	Kladno, Czech Republic	100.0%	100.0%
Terra International Ltd	Swindon, UK	100.0%	100.0%
Dancop AS	Slangerup, Denmark	100.0%	0.0%
D-FLexx AB	Lihmman, Sweden	100.0%	0.0%
Dancop GmbH	Peine, Germany	100.0%	0.0%
Stommpy SpA	Rubiera, Italy	100.0%	0.0%
Stommpy GmbH	Grödig, Austria	100.0%	0.0%

Troax Group AB (publ) owns all the shares in Troax AB. Other Group companies are directly or indirectly owned by Troax AB.

Note 34 continued

	31 Dec 2025	31 Dec 2024
Opening acquisition values	87,694	87,694
Change for the year	25,000	-
Carrying amount as of 31 December	112,694	87,694

Analysis of the Parent Company's direct holding of shares in subsidiaries

Subsidiary / Organ No / Seat	Number of shares	Participation	31 Dec 2025 Carrying amount	31 Dec 2024 Carrying amount
Trox AB / 556093-5719 / Gnosjö	1,046,800	100%	112,694	87,694
			112,694	87,694

NOTE 35 Untaxed reserves

Parent company	31 Dec 2025	31 Dec 2024
Tax allocation reserve	440	2,640
Total	440	2,640

NOTE 36 Specifications to the cash flow statement

Cash and cash equivalents	Group		Parent company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
The following sub-components are included in cash and cash equivalents:				
Cash in hand and at bank	39,741	29,506	1,251	5,971
Total according to the cash flow statement	39,741	29,506	1,251	5,971
Adjustments for non-cash items				
Depreciation	16,595	14,738	-	-
Provisions for pensions	21	51	-	-
Other provisions	5,663	137	-	-
Other effects	1,433	568	-	-
Total	23,712	15,494	-	-

NOTE 37 Information about the Parent Company

Trox Group AB (publ), corp. ID number 556916-4030, is a Swedish-registered limited liability company based in Gnosjö. The address of the head office is Box 89, 335 04 Hillerstorp. The consolidated financial statements for 2025 consist of the parent company and its subsidiaries, together referred to as the Group.

NOTE 38 Proposed appropriation of profits

Non-restricted equity in the Parent Company in EUR thousand:

Share premium reserve	16,842
Retained earnings	-
Profit for the year	14,067
Total	30,909

The Board's opinion on the proposed distribution of profits

The Board of Directors proposes to distribute to the shareholders EUR 0.24 (0.34) per share, totalling EUR 14.4 (20.4) million. The proposed dividend to shareholders reduces the company's equity ratio to 13.8 percent and the group's equity ratio to 42.4 percent. The equity/assets ratio is satisfactory in view of the fact that the company's and Group's business remains profitable. It is estimated that liquidity in the company and Group can be maintained at an equally satisfac-

tory level. It is the Board's view that the proposed distribution does not prevent the company, or other companies in the Group, from fulfilling their short-term or long-term obligations, nor from completing required investments. The proposed dividend can thus be justified with regard to what is recommended in the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2-3 (the rule of caution).

The record date for payment is 24 June 2026.

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NOTE 39 Result from investments in group companies

Parent company	2025	2024
Dividends	9,200	0
Total	9,200	0



ASSURANCE

We confirm that, to the best of our knowledge, the annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the Company's financial position and performance, and that the management report provides a fair review of the development and performance of the Company's business and position, together with a description of the principal risks and uncertainties facing the Company.

We also confirm that, to the best of our knowledge, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, and give a true and fair view of the Group's financial position and performance, and that the Directors' Report provides a fair review of the development and performance of the Group's business and of its financial position and performance, together with a description of the principal risks and uncertainties facing the Group.

HILLERSTORP, 31 MARCH 2026

FREDRIK HANSSON
Board Member

MARIE LANDFORS
Board Member

MARTIN NYSTRÖM
CEO

ANNA STÅLENBRING
Board Member

ANDERS MÖRCK
Chairman

BERTIL PERSSON
Board Member

EVA NYGREN
Board Member

THOMAS WIDSTRAND
Board Member

As stated above, the financial statements and consolidated financial statements were authorised by the Board of Directors on 31 March 2026. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet are subject to adoption by the Annual General Meeting on 22 April 2026.

Our audit report respectively our audit report for the statutory sustainability report was submitted on 1 April 2026.
Öhrlings PricewaterhouseCoopers AB

JOHAN MALMQVIST
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Troax Group AB (publ), CORP. ID NO. 556916-4030

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ANNUAL REPORT 2025 TROAX GROUP

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Troax Group AB (publ) for the year 2025 except for the statutory sustainability report on pages 42-117. The annual accounts and consolidated accounts of the company are included on pages 38-160 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2026 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 42-117. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER

Under the heading (n) in Note 1 "Accounting and valuation principles" and Note 12 in the annual report, Troax Group AB (publ) describes the valuation of intangible assets with indefinite useful lives and goodwill. Intangible assets with indefinite useful lives and goodwill constitute a significant part of the Group's balance sheet total. Since these assets are not amortized continuously, Troax Group AB (publ) must instead test annually whether there is a need for impairment. Troax carried out the impairment test during the fourth quarter of 2025. The impairment test contains assumptions about, among other things, future sales, margins, capital tied up, inflation and discount rate. These are complex assessments and estimates that the management and board of directors must make. In order to assess the valuation, Troax Group AB (publ) has also carried out simulations and sensitivity analyses to understand how a change in various assumptions affects the assessment of a possible impairment requirement. Since the value of goodwill and intangible assets constitutes a significant amount and the assumptions required include assessments and estimates, which in themselves can have a decisive impact on the valuation, this is a particularly significant area for the audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our audit procedures included an assessment of the mathematical accuracy of the cash flow calculations, and a reconciliation of the cash flow forecasts against the budget and business plan. We have evaluated and assessed that the company's valuation model is consistent with accepted valuation techniques. We have assessed the sensitivity and impact on the impairment test in the assumptions that have the greatest effect on the impairment test, which include sustainable growth rate, sustainable operating margin, and discount rate. We have reviewed sensitivity analyses performed and have challenged management's assumptions and tested the safety margins that exist and assessed the risk that an impairment requirement would arise. We have also evaluated that the company has provided sufficient information in the annual report about the assumptions that, if changed, could result in an impairment.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–37 and 174–190 and the statutory sustainability report on pages 42–117. The other information also consists of the remuneration report which we obtained before the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. 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 annual accounts and consolidated accounts that

are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

THE AUDITOR'S EXAMINATION OF THE ADMINISTRATION OF THE COMPANY AND THE PROPOSED APPROPRIATIONS OF THE COMPANY'S PROFIT OR LOSS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Troax Group AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINION

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- » has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- » in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Troax Group AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Troax Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally

accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation. Öhrlings PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Troax Group AB (publ) by the general meeting of the shareholders on April 29, 2025 and has been the company's auditor since December 12, 2012.

Gothenburg April 1, 2026
Öhrlings PricewaterhouseCoopers AB

JOHAN MALMQVIST

*Authorized Public Accountant
Auditor in charge*

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

AUDITOR'S LIMITED ASSURANCE REPORT OF TROAX GROUP AB (PUBL)'S STATUTORY SUSTAINABILITY STATEMENT

To the general meeting of the shareholders of Troax Group AB (publ), CORP. ID NO. 556916-4030

CONCLUSION

We have conducted a limited assurance engagement of the sustainability statement for Troax Group AB (publ) for the financial year 2025. The sustainability statement is included on page 42-117 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- » whether the sustainability statement meets the requirements of ESRS,
- » whether the process the company has carried out to identify reported sustainability information has been conducted as described in IRO-1 of the sustainability statement,
- » compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

BASIS FOR CONCLUSION

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

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

OTHER MATTER

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement and no review of the comparative figures in the sustainability statement for the year 2025 (the financial year) has therefore been performed.

OTHER INFORMATION THAN THE SUSTAINABILITY STATEMENT

This document also contains other information than the sustainability statement and is found on pages

1-41, 118-160, 168-172 and 174-190. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we

plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Troax Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

THE REVIEW PROCEDURES PRIMARILY INCLUDE:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- » Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - Reviewing the company's internal documentation of its process; and
- » Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in IRO-1 of the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- » Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- » Evaluate whether the information identified by the Process is included in the sustainability statement;
- » Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- » Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement];
- » Perform substantive assurance procedures on selected information in the sustainability statement;
- » Through inquiries and analytical procedures, evaluate supporting evidence to the methods for developing significant estimates and forward-looking information;
- » The review of taxonomy disclosures included, but was not limited to, the following review procedures:
 - Perform substantive procedures on selected disclosures provided under the EU Green Taxonomy;
 - Make inquiries of management and other persons within the company to obtain an understanding of the process and sources of information used in the taxonomy disclosures;
 - Evaluate whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation.

INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY STATEMENT

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Troax Group AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Troax Group AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Gothenburg April 1, 2026
Öhrlings PricewaterhouseCoopers AB

JOHAN MALMQVIST
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Troax Group AB (publ) ("Troax" or "The Company") is a Swedish public limited company. The company's shares were listed on Nasdaq Stockholm on 27 March 2015 and since then the Company applies the Swedish code for corporate governance ("the Code"). The guidelines for the Code are available on the website of the Swedish Corporate Governance Board (www.bolagsstyrning.se). The Code is based on the "comply or explain" principle, which means that companies applying the Code can deviate from individual rules but provide an explanation for the deviation.

SHARE CAPITAL AND SHAREHOLDERS

At the end of the year, the share capital amounted to EUR 2,574,618 across a total of 60,000,000 shares. All shares have equal voting rights. At the end of 2025, Investmentaktiebolaget Latour owned 18,060,000 shares (18,060,000) corresponding to 30.1% (30.1%) of the capital and votes. The ten largest shareholders together held 74.2% (73.5%) of the company's shares. For further information on the share and shareholders, see www.troax.com.

ANNUAL GENERAL MEETING

According to the Swedish Companies Act (SFS 2005:551), the General Meeting is the highest decision-making body of the Company. At the Annual General Meeting, shareholders exercise their voting rights on key issues such as the adoption

of the profit and loss account and balance sheet, the appropriation of the Company's profits, the discharge of the members of the Board of Directors and the Chief Executive Officer, the election of the members of the Board of Directors and the auditors, and the remuneration of the Board of Directors and the auditors. The Articles of Association do not contain any separate restrictions on the appointment or removal of a Board member or amendment of the Articles of Association. Nominations of Board members comply with the instructions issued by the Annual General Meeting in 2025.

The Annual General Meeting must be held within six months of the end of the financial year. In addition to the Annual General Meeting, extraordinary general meetings may be called. In accordance with the Articles of Association, a general meeting of shareholders must be called through an advertisement in the official gazette Post- och Inrikes Tidningar and through a summons being made available on the company's website. At the time of the summons, information that a summons has been issued must be published in the Swedish newspaper Svenska Dagbladet.

RIGHT TO PARTICIPATE IN GENERAL MEETINGS OF SHAREHOLDERS

Shareholders who want to participate in a general meeting must be entered in the share register maintained by Euroclear Sweden on the day six working days before the meeting, and must notify

the Company of attendance not later than on the day stated in the summons to the general meeting. Shareholders can attend general meetings in person or through a proxy and can also be assisted by up to two people. Normally, shareholders have an opportunity to notify the company of their intention to attend the general meeting in several different ways, which are stated in the summons. Shareholders are entitled to vote for all shares held by the shareholder in the Company.

INITIATIVE OF A SHAREHOLDER

Shareholders who want to have a matter dealt with at a general shareholders' meeting must submit a written request to the Board. Such a request must normally be received by the Board not later than seven weeks before the general shareholders' meeting.

ANNUAL GENERAL MEETING 2025

The 2025 Annual General Meeting was held on 29 April. The Annual General Meeting elected six Board members, including Chairman of the Board, Anders Mörck, and appointed a nomination committee, see below under "Nomination Committee". At total of 75.88% (79.29%) of the shares and votes in the company were represented at the Annual General Meeting. The Annual Report and the accompanying auditors' report were also presented at the meeting and approved, together with the discharge of the Board of Directors and the CEO. It was also decided that the Board's fees would total SEK 3,000,000 (SEK 2,840,000) + SEK 373,000 (SEK 340,000 SEK) for committee work and that the elected auditors would be remunerated according to approved invoices. A decision was taken on a share option programme for Group Management.

NOMINATION COMMITTEE

Companies that adhere to the Code must have a Nomination Committee. As of 2019, the Nomination Committee is appointed based on ownership of the company on the last business day of August. According to the Code, the Nomination Committee must comprise at least three members, of which a majority shall be independent in relation to the company and the Group's management. At least one of the Nomination Committee's members must be independent in relation to the company's largest shareholder in terms of voting power or in relation to a group of shareholders that cooperate on the company's management. The Nomination Committee shall prepare its recommendations taking into account that the composition of the Board must be appropriate in view of the company's business, stage of development and other relevant circumstances. The Board members must together offer diversity and breadth in terms of qualifications, experience and background.

Election preparation for the 2026 Annual General Meeting consists of Ossian Ekdahl (representing shareholder Latour and chairman of the election), Christian Lindström (representing shareholder SEB investment management) Johan Skoglund (representing shareholder AMF) and Anders Mörck (adjunct and chairman of the board of Troax Group AB). The Nomination Committee's mandate

remains in force until a new Nomination Committee has been appointed.

BOARD OF DIRECTORS

The Board of Directors is the company's next highest decision-making body after the Annual General Meeting. In accordance with the Swedish Companies Act, the Board is responsible for the company's administration and organisation, which means that the Board is responsible for, among other things, establishing goals and strategies, safeguarding procedures and systems for evaluation of established goals, continuously evaluating the company's performance and financial position, as well as evaluating the operational management. The Board is also responsible for ensuring that the annual and interim reports are prepared in a timely manner. In addition, the Board appoints the CEO.

The members of the Board of Directors are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's Articles of Association, the Board of Directors, insofar as it is elected by the General Meeting, shall consist of at least three members and at most eight members. According to the Code, the Chairman of the Board shall be elected by the Annual General Meeting and shall have specific responsibility for the management of the work of the Board and for ensuring that the work of the Board is well organised and carried out in an efficient manner. The persons elected as members of the Board of Directors at the 2025 general meeting are shown on pages 174–175. It is the Nomination Committee's opinion that the composition of the Board of Directors is appropriate in view of the company's business, financial position, stage of development and other circumstances. An important basis for nomination of board members is that the composition of the board must reflect and accommodate the various skills and experiences that may be required for the company's strategic development and governance. In particular, the Nomination Committee has taken into account the requirement for diversity and breadth on the board, as well as the need to strive for equal gender distribution. According to the Nomination Committee, the composition is appropriate for the purpose of meeting such requirements in the company's business. The Nomination Committee has chosen to apply rule 4.1 of the Corporate Governance Code as its diversity policy.

The Board of Directors adheres to written rules of procedure that are revised annually and established at the first scheduled board meeting following election. The rules of procedure govern, among other things, board practices, functions and the distribution of work between the board members and the CEO. In connection with the inaugural Board meeting, the Board also establishes the instructions for the CEO, including financial reporting.

The Board meets in accordance with an annually established schedule. In addition to these board meetings, additional board meetings can be convened in order to deal with matters that cannot be referred to an ordinary board meeting. In addition to board meetings, the Chairman of the Board and the CEO maintain a continuous dialogue

concerning management of the company. The Board met eleven (11) times during the year. For attendance in 2025, see separate table. Agendas for Board meetings, together with the documentation required by the Rules of Procedure, are circulated to members approximately one week before the meeting. In addition to this documentation, Members receive monthly updates on financial developments and other relevant information.

The Chairman of the Board and CEO discuss and decide issues for the respective meetings before these take place. The Company's CFO regularly participates in the company's board meetings. In addition to this member of the Group management, others can participate in the meetings if so desired or required.

The Company's Board of Directors currently consists of seven members, who are presented in the section "Board of Directors, senior executives and auditors".

AUDIT COMMITTEE

The Board has decided to work through an Audit Committee chaired by Anna Stålenbring and with Bertil Persson as a member. The Audit Committee met three times in 2025. The main tasks of the Committee are:

- » overseeing the Company's financial reporting,
- » monitoring the effectiveness of the Company's internal control, internal audit and risk management,
- » staying informed about the audit of the annual accounts and consolidated accounts,
- » reviewing and monitoring the auditor's impartiality and independence, paying particular attention to whether the auditor provides non-audit services to the Company,
- » assisting with preparing proposals to the Annual General Meeting for the election of auditors.

REMUNERATION COMMITTEE

The Board has decided to appoint a remuneration committee for 2025 with Anders Mörck as chair and Eva Nygren as member. The Remuneration Committee met twice during 2025. In terms of remuneration issues for 2025, this meant that the committee:

- » prepared suggestions concerning remuneration principles, remuneration and other employment terms and conditions for the CEO and the Group management,
- » reviewed and evaluated existing and completed programmes concerning variable remuneration for the company's management, and
- » reviewed and evaluated the application of guidelines for remuneration for the Group management, as decided by the Annual General Meeting, and other remuneration structures and remuneration levels within the company.

EVALUATION OF THE BOARD'S WORK

The Chairman of the Board is responsible for the evaluation of the Board's work, including assessments of the performance of individual Board

members. This is carried out on an annual basis according to an established procedure. The evaluation focuses on factors such as the availability of, and requirements for, specific expertise within the Board, engagement, the quality of board materials, and the time required to review them. The results of the evaluation are reported to the Nomination Committee and form the basis for the Nomination Committee's proposals for board members and remuneration for the board.

CEO AND OTHER MEMBERS OF THE GROUP MANAGEMENT

The CEO reports to the Board of Directors and is responsible for the day-to-day management and operations of the Company. The division of responsibilities between the Board and the CEO is set out in the Rules of Procedure of the Board and the Instructions to the CEO. The Chief Executive Officer is also responsible for preparing reports and compiling information from management for Board meetings and presents the material at Board meetings.

According to the financial reporting guidelines, the Chief Executive Officer is responsible for the Company's financial reporting and must therefore ensure that the Board receives accurate information to enable it to evaluate the Company's financial position.

The Chief Executive Officer shall keep the Board of Directors continuously informed of the development of the Company's operations and sales, results and financial position, cash flow, credit status, important business events and any other events, circumstances or conditions that can be assumed to be important for the Company's shareholders. The CEO and the Group management are presented in the section "Board, Group Management and auditors".

REMUNERATION FOR BOARD MEMBERS, THE CEO AND GROUP MANAGEMENT

REMUNERATION FOR BOARD MEMBERS

Decisions on fees and other remuneration for Board members, including the chairman, are taken by the Annual General Meeting. The remuneration of the Chairman of the Board was set at SEK 900,000 (820,000), and at SEK 350,000 (320,000) each for the Board members Bertil Persson, Anna Stålenbring, Eva Nygren, Fredrik Hansson, Thomas Widstrand and Marie Landfors. In addition, remuneration is paid for work on the Audit Committee of SEK 165,000 (150,000) to the Chairman and SEK 110,000 (100,000) to other members, and for work on the

Remuneration Committee of SEK 65,000 (60,000) to the Chairman and SEK 33,000 (30,000) to other members. After completion of the assignment, the Board member is not entitled to any benefits.

GUIDELINES FOR REMUNERATION OF THE CEO AND OTHER SENIOR EXECUTIVES

The Annual General Meeting held in April 2023 decided on guidelines for remuneration of the CEO and other senior executives. Provided there are no changes, the guidelines will be approved by the Annual Meeting 2027.

REMUNERATION IN FINANCIAL YEAR 2025

The remuneration of the Company's management consists of base salary, variable remuneration, pension benefits and other benefits. The table below provides an overview of the remuneration of directors and Group Management for the financial year 2025. The amounts are shown in thousands of EUR.

GROUP	Attendance		Remunerations				
	Board meetings	Audit Committee	Remuneration Committee	Fee/Basic salary	Variable remuneration	Other benefits	Pension
Anders Mörck (Chairman)	11/11		2/2	87.2	-	-	-
Anna Stålenbring	10/11	3/3		46.5	-	-	-
Eva Nygren	11/11		2/2	34.6	-	-	-
Bertil Persson	11/11	3/3		41.6	-	-	-
Fredrik Hansson	11/11			31.6	-	-	-
Marie Landfors	11/11			31.6	-	-	-
Thomas Widstrand	11/11			31.6	-	-	-
Martin Nyström (CEO)	11/11			402.6	-	12.9	185.2
Other senior executives (6 persons)				1,471.4	53.0	142.6	376.9
Total				2,178.7	53.0	155.5	562.1

CURRENT EMPLOYMENT CONTRACTS FOR THE CEO AND OTHER MEMBERS OF THE GROUP MANAGEMENT

Decisions on current remuneration levels and other employment terms and conditions for the CEO and other members of the Group management are taken by the Board of Directors. Agreements on pensions must, where possible, be based on fixed premiums and must adhere to levels, practices and collective agreements that apply in the country where the senior executive in question is employed.

The CEO is entitled to a fixed annual salary of EUR 395 thousand, a short-term variable remuneration linked to certain key performance indicators for the financial year 2025 which corresponds to a maximum of EUR 197 thousand. In addition, there is a possible long-term variable remuneration linked to certain key performance indicators for the financial year 2027, which corresponds to a maximum of EUR 480 thousand, spread over three years and eight months. In 2025, total remuneration, including pension provisions, for the CEO amounted to EUR 601,000 including a retrospective

pension contribution for the year 2024. In addition to the National Insurance Act, the CEO is covered by the ITP1 plan for salary components up to 7.5 income base amounts. In addition, the replacement is direct pension.

At the end of the financial year, the group of senior executives, the group management, consists of nine persons in addition to the CEO. In addition to a fixed annual salary, these nine individuals have a short-term variable remuneration associated with certain key indicators for the financial year 2025. During 2025, total remuneration to senior executives amounted to EUR 2,043,900, of which EUR 53,000 relates to short-term variable remuneration. Members of the Group management resident in Sweden are subject to a period of notice of 3-6 months in case of resignation by the employee, and 6-12 months in the case of termination by the employer. Members of the Group management fall within the scope of both the Swedish National Insurance Act and the ITP plan, including the right to a pension scheme for high earners.

AUDIT

The auditor must audit the Company's financial statements and accounts and the Board's and CEO's administration. After each financial year the auditor must submit an auditor's report and a consolidated auditor's report to the Annual General Meeting. In 2025, the auditor participated in one board meeting in order to provide comments on continuous auditing and the general approach to the accounting year. The auditors are elected until the Annual General Meeting in 2026.

In accordance with the company's Articles of Association, the company must have a minimum of one and not more than two auditors and up to two deputy auditors. The company's auditor is Öhrlings PricewaterhouseCoopers AB, with Johan Malmqvist as the lead auditor. In 2025, the total compensation to the Company's auditors amounted to EUR 802,000 (423,000 EUR) of which EUR 105,000 (EUR 0) refers to compensation related to the acquisition of subsidiaries.

INFORMATION POLICY, INSIDER POLICY AND LOGBOOK INSTRUCTIONS

The company has adopted an information policy in order to comply with the information requirements for a company whose shares are listed on a regulated market.

The company has prepared a policy document in order to inform employees and other stakeholders within Troax about the applicable rules and regulations relating to the company's disclosure of information and the special requirements that apply for persons active in a listed company, for example with regard to information that affects the share price.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The objective of the internal financial controls within Troax is to create an effective decision-making process in which requirements, targets and frameworks are clearly defined. The company and the management use the internal control systems to monitor operations and the group's financial position.

CONTROL ENVIRONMENT

The basis for internal controls relating to financial reporting comprises the overall control environment. Troax's control environment includes sound values, competence, management philosophy, organisational structure, responsibility and authorities. Troax's internal instructions, policies, guidelines and manuals provide guidance for employees. The control environment also includes laws and external regulations.

Troax maintains a clear division of roles and responsibilities in order to ensure effective management of the company's risks, for example, through rules of procedure for the Board and committees and through the instruction for the CEO. In the continuing operations, the CEO is responsible for the system of internal controls that is required to create a control environment for material risks. Troax also has guidelines and policies on financial governance and follow-up, issues concerning communication and business ethics.

The Board has appointed an Audit Committee, the duties of which include ensuring that established principles for financial reporting and internal controls are upheld.

RISK ASSESSMENT AND CONTROL ACTIVITIES

There is a risk that material misstatement could occur in the financial statements in connection with accounting and measurement of assets, liabilities, income and expenses or deviations from information requirements. Each year, Troax's finance function carries out a risk analysis with regard to the group's balance sheet and income statement based on qualitative and quantitative risks.

Standard control activities include account reconciliation and supporting controls. The purpose of all control activities is to prevent, detect and correct any errors or discrepancies in the financial reporting. The most significant risks concerning financial reporting identified as a result of the Group's internal control activities are managed through control structures that in all material respects are based on deviation reporting from established goals or standards.

FOLLOW-UP

The Group applies IFRS. Financial data are reported on a monthly basis from 40 reporting entities in accordance with standardised reporting procedures. The reporting constitutes the basis for the Group's consolidated financial reporting. Consolidation is done from a legal and operational perspective, resulting in quarterly legal reports and monthly operational reports.

INTERNAL AUDIT

According to the Code, the Board must make a decision annually on whether the Company should have an internal audit function that evaluates whether internal governance and controls are functioning as planned, or whether the Board should establish that this is the case in some other way.

At group level, the CEO of each legal entity, together with the legal and/or operating entity's finance function and the Group's finance director, are responsible for ensuring that requisite controls are carried out and followed up. Internal control includes control over the company's and Group's organisation, procedures and follow-up measures. The purpose is to ensure that reliable and accurate financial reporting takes place, that the company's and group's financial reporting is prepared in accordance with the law and applicable accounting standards, and that other requirements are fulfilled. The system for internal control also aims to monitor adherence to the company's and Group's policies, principles and instructions. In addition, monitoring covers protection of the company's assets and that the company's resources are utilised in a cost-effective and appropriate manner. Furthermore, internal control is performed through follow-up of implemented information and business systems and through risk analysis.

The size of the company, combined with the work on internal governance and control described above, means that the Board has not found it necessary to set up a separate internal audit function, which is performed by the Board as a whole. Effective Board work is thus the basis for good internal control, and Troax's Board has established rules of procedure and clear instructions for its work. However, the issue of a dedicated internal audit function will be reviewed annually.



AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Troax Group AB (publ), CORP. ID NO. 556916-4030

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the year 2025 on pages 168-172 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter

6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg April 1, 2026
Öhrlings PricewaterhouseCoopers AB

JOHAN MALMQVIST
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

BOARD OF DIRECTORS

SHAREHOLDINGS AS AT THE DATE OF ADOPTION OF THIS ANNUAL REPORT



ANDERS MÖRCK

Chairman of the Board since 2020. Independent in relation to the company, corporate management and larger shareholders.

BORN: 1963.

EDUCATION: MSc from Växjö University.

PROFESSIONAL EXPERIENCE: CFO of Investment AB Latour.

OTHER SIGNIFICANT BOARD APPOINTMENTS:

Board member of HMS Networks AB and Anocca AB.

SHAREHOLDING: 19,000 shares.



ANNA STÅLENBRING

Board member since 2015. Independent in relation to the company, corporate management and larger shareholders.

BORN: 1961.

EDUCATION: MSc from Växjö University.

PROFESSIONAL EXPERIENCE: Experience of 30 years in the management of industrial companies, most of which within the Nefab group.

OTHER SIGNIFICANT BOARD APPOINTMENTS:

Board member of Lammhults Design Group AB, VBG Group AB, engcon AB and Investment AB Chiffonjén

SHAREHOLDING: 9,000 shares.



THOMAS WIDSTRAND

Board member since 2014. Independent in relation to the company, corporate management and larger shareholders.

BORN: 1957.

EDUCATION: MBA from the University of Gothenburg; School of Business, Economics and Law.

PROFESSIONAL EXPERIENCE: CEO of Troax Group, Borås Wärfveri AB and Cardo Pump AB.

OTHER SIGNIFICANT BOARD APPOINTMENTS:

Member of the board of Balco AB, Elco Group, Movidare AB and Arlaplast AB. AB

SHAREHOLDING: 3,488,824 shares and 12,585 call options giving the right to underwrite 12,585 shares.



EVA NYGREN

Board member since 2016. Independent in relation to the company, corporate management and larger shareholders.

BORN: 1955.

EDUCATION: Architecture at Chalmers University of Technology.

PROFESSIONAL EXPERIENCE: Director of Investment at the Swedish Transport Administration, Group Chief Executive and CEO of Rejlerkoncernen AB, CEO of Sweco Sverige AB, Sweco Russia AB and Sweco FFNS Architects AB.

OTHER SIGNIFICANT BOARD APPOINTMENTS:

Managing Director of Swedavia AB and Brekke & Strand.

SHAREHOLDING: 1,500 shares.



FREDRIK HANSSON

Board member since 2018. Independent in relation to the company, corporate management and larger shareholders.

BORN: 1971.

EDUCATION: MSc in Business and Economics from University of North Alabama.

PROFESSIONAL EXPERIENCE: CEO of Roxtec AB, owner-manager.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Chairman of the Board of Scanbox Thermoproducts AB and Anocca AB.

SHAREHOLDING: 16,000 shares.



BERTIL PERSSON

Board member since 2018. Independent in relation to the company, corporate management and larger shareholders.

BORN: 1961.

EDUCATION: MSc in Business and Economics from Stockholm School of Economics.

PROFESSIONAL EXPERIENCE: President of the Beijer Alma Group, senior positions in LGP Telecom, Scania AB and Investor AB.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Member of the Board of Management of Bufab AB.

SHAREHOLDING: 4,500 shares.



MARIE LANDFORS

Board member since 2024. Independent in relation to the company, corporate management and larger shareholders.

BORN: 1965.

EDUCATION: Civil Engineering in Chemical Engineering from KTH in Stockholm.

PROFESSIONAL EXPERIENCE: Professional base in the process and chemical industries, among others SCA and AkzoNobel with a commercial focus. Currently combining interim leadership with board positions in technology companies.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Member of the Board of Managers at Densiq AB and BlueLand AB.

SHAREHOLDING: 3,000 shares.

MANAGEMENT

SHAREHOLDINGS AS AT THE DATE OF ADOPTION OF THIS ANNUAL REPORT



MARTIN NYSTRÖM

President and CEO since 2024.
Employed by Troax Group since 2024.

BORN: 1984.

EDUCATION: MSc Industrial Engineering and Management, Linköping University.

PROFESSIONAL EXPERIENCE:

Multiple leadership positions within Sandvik Group.

SHAREHOLDING: 5,300 shares and 20,000 call options giving the right to subscribe for 20,000 shares.



ANDERS EKLÖF

CFO since June 2017.
Employed in Troax Group since 2017.
Terminated his employment in March 2026

BORN: 1970.

EDUCATION: MSc in Business and Economics from Växjö University.

PROFESSIONAL EXPERIENCE: CFO of Strömsholmen AB, authorised auditor and director of PwC.

SHAREHOLDING: 5,000 shares and 21,800 call options giving the right to underwrite 21,800 shares.



JAVIER GARCIA

President EMEA since 2025.
Employed in Troax Group since 2004.

BORN: 1972.

EDUCATION: MBA Business Administration, IESE Business School and a Bachelor's degree in Computer Engineering Politècnica Catalunya University in Spain.

PROFESSIONAL EXPERIENCE: Various positions in marketing and sales at ABB, Ficher Bauche and Gunnebo.

SHAREHOLDING: 40,000 shares and 18,804 call options giving the right to subscribe for 15,204 shares.



CHRISTIAN HELLMAN

Vice President Supply Chain since 2017.
Employed in Troax Group since 2017.

BORN: 1976.

EDUCATION: In technology, management, logistics and finance.

PROFESSIONAL EXPERIENCE: Site Manager/Factory Manager at Experts Nordic warehouse and AQ Enclosures Systems AB.

SHAREHOLDING: 200 shares and 6,300 call options giving the right to subscribe for 6,300 shares.



MICHAEL STANDAR

President Asia Pacific since 2019.
Employed in Troax Group since 2019.

BORN: 1963.

EDUCATION: Master of Science in Mechanical Engineering from Lund University (LTH).

PROFESSIONAL EXPERIENCE: Many years of experience in the welding industry (ESAB and voestalpine) with various roles in Europe and especially Asia.

SHAREHOLDING: 6,370 shares and 19,000 call options giving the right to subscribe for 19,000 shares.



MARTIN ASK

Vice President of Information Technology since 2025.
Employed in Troax Group since 1999.

BORN: 1980.

EDUCATION: Within projects, as well as product management.

PROFESSIONAL EXPERIENCE: Different positions in production, product development, and market.

SHAREHOLDING: 115 shares and 3,200 call options giving the right to subscribe for 3,200 shares.



MARIE-ASTRID LÖFDAHL

Vice President of Human Resources since 2024.
Employed in Troax Group since 2024.

BORN: 1985.

EDUCATION: Personal and Work Life Program at Lynne University in Växjö.

PROFESSIONAL EXPERIENCE: HR Interim Consultant at among others Stora Enso Packaging AB and Troax AB, as well as HR Business Partner at Husqvarna Group.

SHAREHOLDING: 50 shares.



CAMILLA DAVIDSSON

Vice President Marketing since 2025.
Employed in Troax Group since 2025.

BORN: 1975.

EDUCATION: Mälardalen University MBA.

PROFESSIONAL EXPERIENCE: Leadership in Marketing and Ecommerce within Barnes, EFG European Furniture Group and Staples.

SHAREHOLDING: 115 shares and 3,600 call options giving the right to underwrite 3,600 shares.



JONAS RYDQVIST

President New Business and VP Strategy & Product offering since 2025.
Employed in Troax Group since 2025.

BORN: 1975.

EDUCATION: MSc Industrial Engineering and Management from Linköping University.

PROFESSIONAL EXPERIENCE: Various positions within Sandvik and Vestas Wind Systems focusing on M&A and Strategy.

SHAREHOLDING: 729 shares and 7,000 call options giving the right to underwrite 7,000 shares.



JOSÉ NUNEZ

President of the Americas since 2025.
Employed in Troax Group since 2022.
Terminated employment in February 2026.

BORN: 1965.

EDUCATION: MBA from Tecnológico de Monterrey.

PROFESSIONAL EXPERIENCE: Multiple cross-functional international lead positions at Caterpillar

SHAREHOLDING: 0 shares and 7,030 call options giving the right to subscribe for 7,030 shares.



AUDITORS

Öhrlings PricewaterhouseCoopers AB (PwC)

Johan Malmqvist (born 1975).

Öhrlings PricewaterhouseCoopers AB

Torsgatan 21, 113 21 Stockholm

GROUP HIGHLIGHTS

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ANNUAL REPORT 2025 TROAX GROUP

Income statement, EUR million	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 ¹
Net sales	262.4	278.5	264.3	284.1	282.3	163.6	168.0	161.0	152.1	115.8
Operating expenses	-239.7	-233.5	-214.4	-238.8	-199.9	-132.8	-135.0	-128.1	-121.5	-90.5
Operating profit	22.7	45.0	49.9	49.6	52.4	30.8	33.0	32.9	30.6	25.3
Net financial income/expense	-4.9	-4.3	-2.5	-1.4	-1.0	-0.7	-0.9	-0.8	-5.2	-3.9
Profit before tax	17.9	40.7	47.4	48.2	51.4	30.1	32.0	32.1	25.4	21.4
Taxes	-4.4	-9.5	-11.7	-11.4	-11.6	-6.8	-7.7	-7.7	-8.4	-5.1
Profit for the year	13.5	31.2	35.7	36.8	39.8	23.2	24.4	24.4	17.0	16.3

¹ Column 2016 does not include the acquisition of Folding Guard.

Balance sheet, EUR million	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Non-current assets	257.1	211.8	207.5	165.8	162.9	152.8	135.3	119.6	114.8	121.5
Other current receivables	102.1	88.3	86.7	87.8	93.2	60.0	54.6	49.2	43.4	38.8
Cash and cash equivalents	39.7	29.5	33.2	37.5	35.2	32.5	30.3	22.7	14.1	12.2
Total assets	398.9	329.7	327.4	291.1	291.3	245.3	220.2	191.5	172.3	172.5

Equity	177.4	180.1	172.3	154.9	142.6	114.0	95.7	82.6	69.2	65.9
Non-current liabilities and provisions	170.8	100.4	103.9	88.8	98.2	100.5	91.3	78.1	77.1	83.4
Other current liabilities	50.8	49.2	51.2	47.4	50.5	30.8	33.2	30.8	26.0	23.2
Total equity and liabilities	398.9	329.7	327.4	291.1	291.3	245.3	220.2	191.5	172.3	172.5

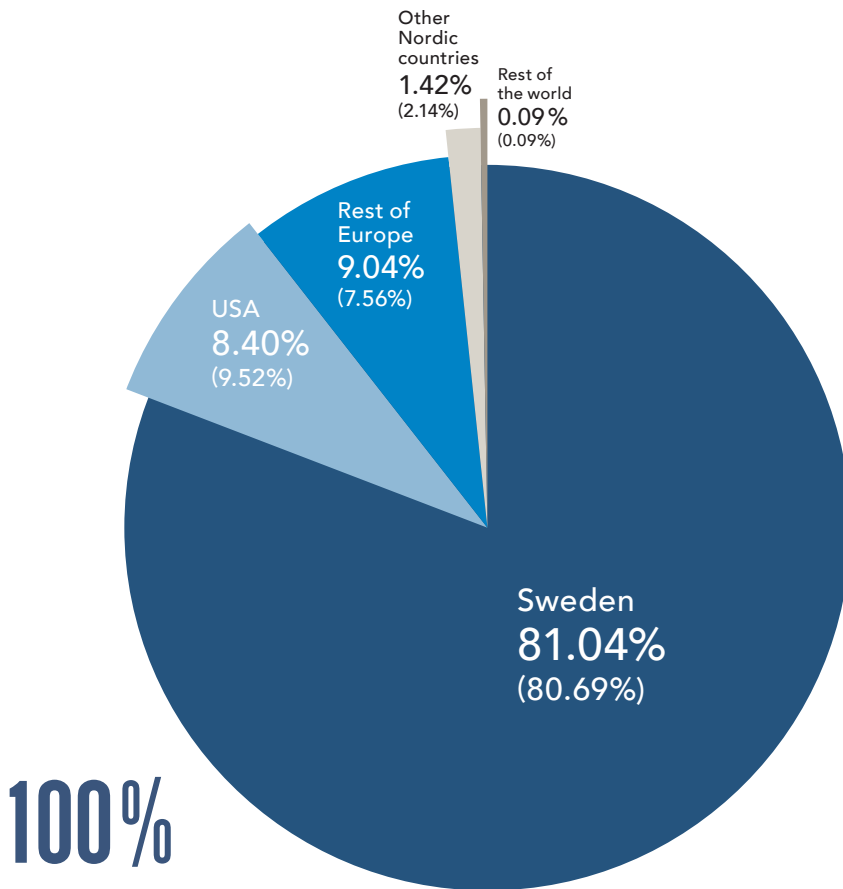
Cash flow, millions of EUR	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cash flow from operating activities	34.5	42.5	55.0	48.8	32.2	26.3	29.4	26.1	19.2	16.1
Cash flow from investing activities	-41.0	-16.2	-45.1	-13.2	-14.6	-14.8	-8.7	-9.0	-3.3	-27.3
Cash flow from financing activities	16.7	-29.9	-14.3	-32.4	-15.3	-9.5	-12.7	-8.0	-14.9	12.9
Cash flow for the period	10.2	-3.6	-4.4	3.2	2.3	2.0	8.0	9.1	1.0	1.7



TROAX ON THE STOCK EXCHANGE

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ANNUAL REPORT 2025 TROAX GROUP



DISTRIBUTION OF SHAREHOLDERS

By geography 2025 (2024)

Listing: **NASDAQ STOCKHOLM**

Number of shares: **60,000,000**

Ticker code: **TROAX**

ISIN code: **SE0012729366**

DIVIDENDS AND DIVIDEND POLICY

The Board of Directors proposes a dividend of EUR 0.24 per share (previous year EUR 0.34). Total EUR 14.4 million. The dividend represents 60% of profit after tax. The record date for payment is 24 April 2026.

Troax's goal is to pay about 50% of its net profit in dividends. The dividend proposal shall take into account Troax's long-term development potential, financial position and investment needs.

Shareholders	Participation
Investment AB Latour	30.10%
AMF Funds and Pension	9.81%
SEB Investment Management	6.89%
Widstrand, Thomas	5.80%
Svolder Aktiebolag	5.47%
Spiltan Fonder AB	4.94%
JP Morgan	3.54%
State Street Bank and Trust Co, W9	2.96%
Första AP-Fonden	2.33%
Other AP Funds	2.32%
Total top ten shareholders	74.16%
Other shareholders	25.84%

Shareholding	Number of shareholders	Participation
1-500	5025	0.78%
501-1,000	354	0.45%
1,001-5,000	348	1.32%
5,001-10,000	43	0.52%
10,001-15,000	16	0.33%
15,001-20,000	13	0.37%
20,001-	97	96.23%
	5,896	100%

Share data	2025	2024
Earnings per share, EUR	0.22	0.60
Exchange rate on balance sheet date, SEK/EUR	10.81	11.49
Proposed dividend, EUR	0.24	0.34
Dividend share	109%	57%
Share price at end of year, SEK	149.0	225.0
Direct return on closing price	1.74%	1.73%
Highest rate in 2024 (15 July)	-	262.0
Highest rate in 2025 (31 January)	234.0	-
Lowest rate in 2024 (24 October)	-	204.5
Lowest rate in 2025 (18 November)	131.8	-
Number of shareholders	5,896	5,878
Market capitalisation at end of year, SEK million	8,940	13,500

DEFINITIONS OF KEY PERFORMANCE INDICATORS

NUMBER OF EMPLOYEES

Average number of full-time employees in the financial year

GROSS MARGIN, %

Gross profit as a percentage of net sales in the reporting period.

EBITDA

Results before interest, tax, asset write-downs, acquisition related costs and revenue as well as comparative items.

EBITDA MARGIN, %

Operating profit before amortisation/depreciation and impairment as a percentage of net sales in the reporting period.

ADJUSTED

NET MARGIN, %

Adjusted profit after tax as a percentage of net sales in the reporting period.

NET BORROWINGS

Interest bearing liabilities less cash and cash equivalents and interest-bearing assets as at the end of the period.

EARNINGS PER SHARE

Profit for the period divided by the average number of ordinary shares.

WORKING CAPITAL

Total current assets minus cash and cash equivalents minus current non-interest-bearing liabilities excluding liabilities relating to additional purchase price, all calculated at the end of the period.

OPERATING MARGIN, %

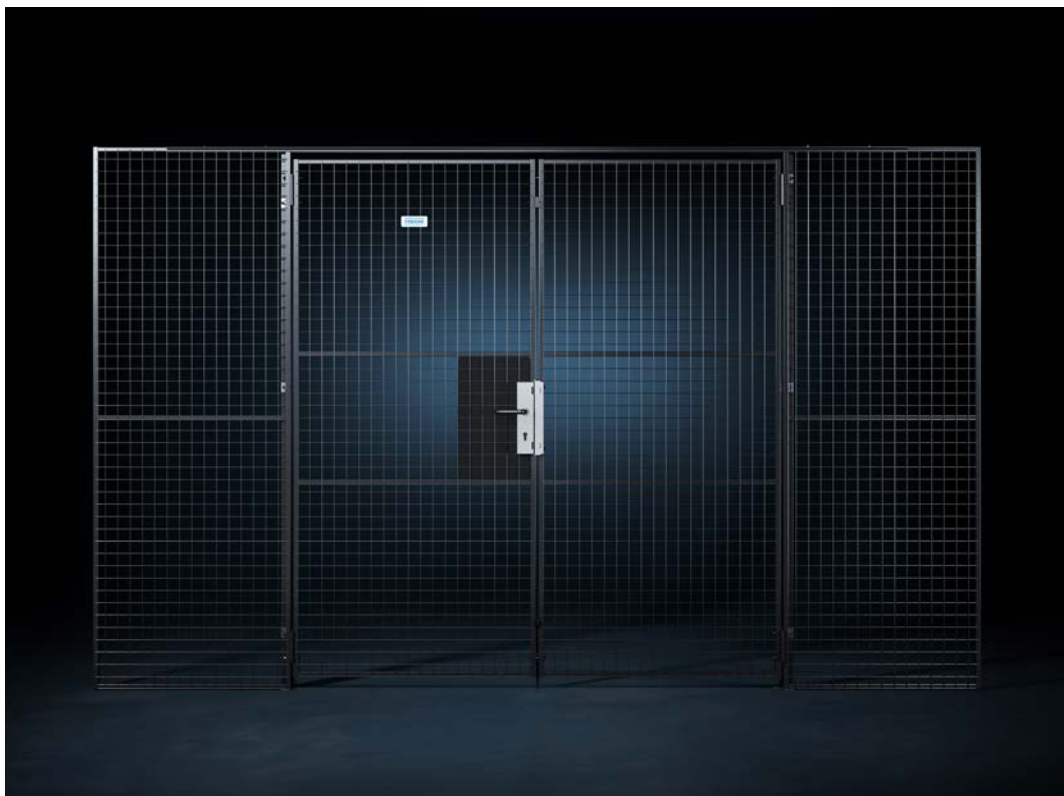
Operating profit as a percentage of net sales in the reporting period.

DEBT/EQUITY RATIO, %

Net debt divided by equity, all calculated at the end of the period.

EQUITY/ASSETS RATIO, %

Equity as a percentage of total assets, as at the end of the period.



KEY PERFORMANCE INDICATORS

NOT DEFINED ACCORDING TO IFRS

Troax uses some performance measures that are not defined in the financial reporting framework applied by Troax. The purpose of these performance measures is to create a better understanding of the performance of the business. It must be additionally stressed that these alternative performance measures, as they are known, are not fully comparable with measures of similar description used by other companies.

NET BORROWINGS/EBITDA

Net borrowings in relation to EBITDA.

EUR million	Dec 2025	Dec 2024
Current, interest-bearing liabilities	0.0	1.0
Non-current, interest-bearing liabilities	115.0	74.9
Total interest-bearing liabilities	115.0	75.9
Cash and cash equivalents	39.7	29.5
Net borrowings	75.3	46.4
12 months rolling EBITDA	44.9	55.5
Net borrowings/EBITDA	1.7	0.8

ADJUSTED EARNINGS PER SHARE

Post-tax result excluding write-downs on plant assets, acquisition-related costs and revenue

	2025	2024
Profit for the year	13.5	31.3
Amortisation and depreciation of acquisition-related non-current assets	3.6	3.1
Change in Additional Purchase Capabilities Acquisition Costs, and sale of subsidiaries	-0.3	0.0
Comparative entries	10.2	0.0
Tax effect on the above adjustments	-3.3	-0.8
Adjusted net profit	23.7	33.6
Number of shares:	60,000,000	60,000,000
Adjusted earnings per share	0.4	0.56

ORGANIC GROWTH

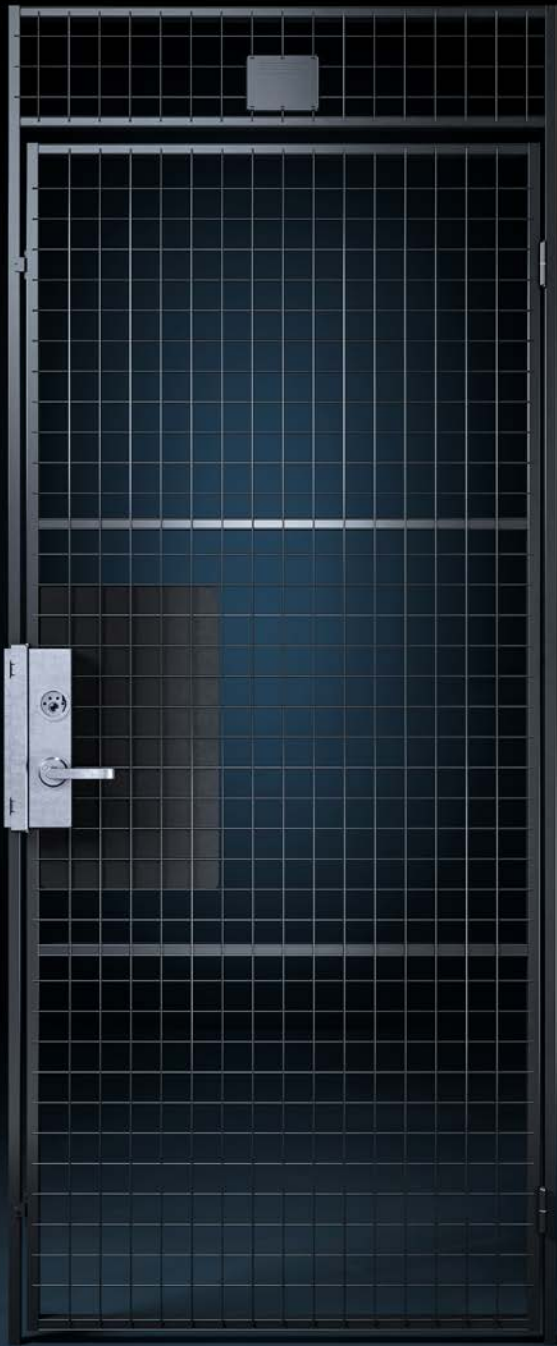
Because Troax has activities in several countries with different currencies, it is essential to create understanding of how the company is performing excluding the currency impact when translating foreign subsidiaries' financial statements. As result, under the Organic growth concept, growth is reported excluding the currency impact when translating foreign subsidiaries' financial statements and excluding acquired businesses. This key performance measure is reported as a percentage of the previous year's net sales.

Net sales EUR million	12 months Jan-Dec 2025	12 months Jan-Dec 2024
Organic sales/tgrowth	262.0	254.6
Currency effect	-1.8	0.8
Net sales from acquisitions	2.2	23.1
Net sales	262.4	278.5
Operating profit (EBIT)	22.8	45.0

NET BORROWINGS

Interest-bearing loans excluding provisions for pensions minus cash and cash equivalents.

as well as comparative items in relation to the weighted average number of shares outstanding.



ANNUAL GENERAL MEETING 2026

The Annual General Meeting in Troax Group AB (publ) will be held on Wednesday, 22 April at 3:00 pm. Notice of the Annual General Meeting is given, in accordance with the Articles of Association, via an announcement in the Swedish Gazette and on the company's website not more than six weeks and not less than four weeks before the Annual General Meeting. The convening of the meeting is announced in Svenska Dagbladet. The information below regarding the meeting does not constitute a legal summons.

NOTICE OF ATTENDANCE

Shareholders who wish to attend the Annual General Meeting must:

- » be recorded in the share register maintained by Euroclear Sweden AB on 16 April 2026,
- » give notice to the company no later than April 24, 2026 at the address Troax Group AB (publ), Box 89, 335 04 Hillerstorp, or by telephone 0370 828 0, or by e-mail arsstamma@troax.com whereby the number of assistants shall be stated.

Upon notification, shareholders must state their names, personal or corporate identity numbers, addresses and telephone numbers. The personal data provided will be processed and used only for the Annual General Meeting 2026.

For those who wish to be represented by a proxy, the company will issue a power-of-attorney form that is available at troax.com. If participation takes place using a form of proxy, this should be sent to the above address so that it reaches the company prior to the Annual General Meeting.

Shareholders who have had their shares registered by a bank or other nominee must, in order to participate in the Annual General Meeting, re-register the shares in their own name so that the shareholder is entered in the share register on the record date of 16 April 2026. Such registration shall be requested from the nominee in accordance with the nominee's procedures and at such time in advance as the nominee may determine. Voting rights registration requested by shareholders in such time that the registration is made by the nominee no later than 24 April 2026 will be taken into account in the preparation of the share register.

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SALES OFFICES

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