



ANNUAL REPORT 2025

FORTACO GROUP HOLDCO OYJ



We make
off-highway
machines
perform

CONTENT



2.	This is Fortaco	97.	Notes to the Consolidated Financia Statements
4.	Footprint	98.	1. Accounting policies for the consolidated financial statements
6.	2025 in Numbers	100.	2. Financial development
7.	From the CEO	108.	3. Working capital
9.	Highlights 2025	111.	4. Business acquisitions and investments
11.	Financial Highlights	122.	5. Financial instruments and capital structures
13.	Strategy	138.	6. Other notes
14.	Industries Served	140.	Parent Company's Financial Statements (FAS)
16.	Offering	141.	Parent Company - Income Statement
18.	People	142.	Parent Company - Balance Sheet
20.	Sustainability	144.	Parent Company - Cash Flow Statement
22.	Corporate Governance	145.	Parent Company - Disclosure to the Financial Statements
23.	Corporate Governance Statement 2025	146.	Notes to the Income Statement
33.	Board of Directors Report	147.	Notes to the Balance Sheet
34.	Business and Strategy	148.	Signatures
34.	Financial Year 2025	150.	Auditor's Report
40.	Sustainability Statement	153.	Assurance Report on the Sustainability Statement
89.	Consolidated Financial Statements (IFRS)		
90.	Consolidated Income Statement		
92.	Consolidated Balance Sheet		
94.	Consolidated Cash Flow Statement		
96.	Consolidated Statement of changes in equity		



**THIS IS
FORTACO**



Fortaco is the leading full-solution provider for OEMs (Original Equipment Manufacturer) in the heavy off-highway machine industries.

We pioneer the design and manufacturing of cabins and steel fabrications, as well as technology and assembly services. We provide advanced technology to improve productivity.

We empower off-highway machines to use low-emission steel and our customers to optimize their operations and move towards a greener future.

Collaborating with industry-leading OEMs, we specialize in full lifecycle solutions from research and technology to the design and production of components and machines. Fortaco's innovative technologies extend to lightweight design ensuring efficiency without compromising on durability and functionality.

Fortaco has operations in multiple business sites in Europe which enable flexible and reliable support for our customers.

Our top priorities are safety, quality, and delivery accuracy.

Professional people are our asset. We develop our people and leaders based on Fortaco's core values.

We have the mindset of continuous improvement, and we are dedicated to operational excellence.

Profitable growth - Our target is to deliver >7 per cent EBITA over the cycles.

Respect | Simplicity | Speed

Our reputation is the foundation for success, and it stems from our values: respect, simplicity, speed.

Fortaco Values are the basis for our Code of Conduct.

Our ambition is to be the most desired partner in our industry.

Fortaco Values guide our mindset and attitudes and provide a common framework for the behaviours we expect from all our people.



FOOTPRINT

A large yellow excavator is the central focus, positioned in front of a long, grey industrial building with a series of windows. The scene is captured during the 'golden hour' of sunset or sunrise, with a bright sun low on the horizon creating a strong lens flare and casting a warm, golden glow over the entire scene. The excavator's arm and bucket are visible on the left, while the operator's cab and various mechanical components are in the foreground. The building's facade is made of vertical corrugated metal panels.

BUSINESS SITES & TECHNOLOGY HUBS

T Technology Hub

Breitenau, Austria

Cabins

Gliwice, Poland

Steel Fabrications

Holič, Slovakia

Cabins

Janów Lubelski, Poland

Steel Fabrications

Kurikka, Finland

Assemblies, Cabins

Narva, Estonia

Steel Fabrications

Pune, India

Cabins

License co-operation with TataAutoComp

Sablé, France

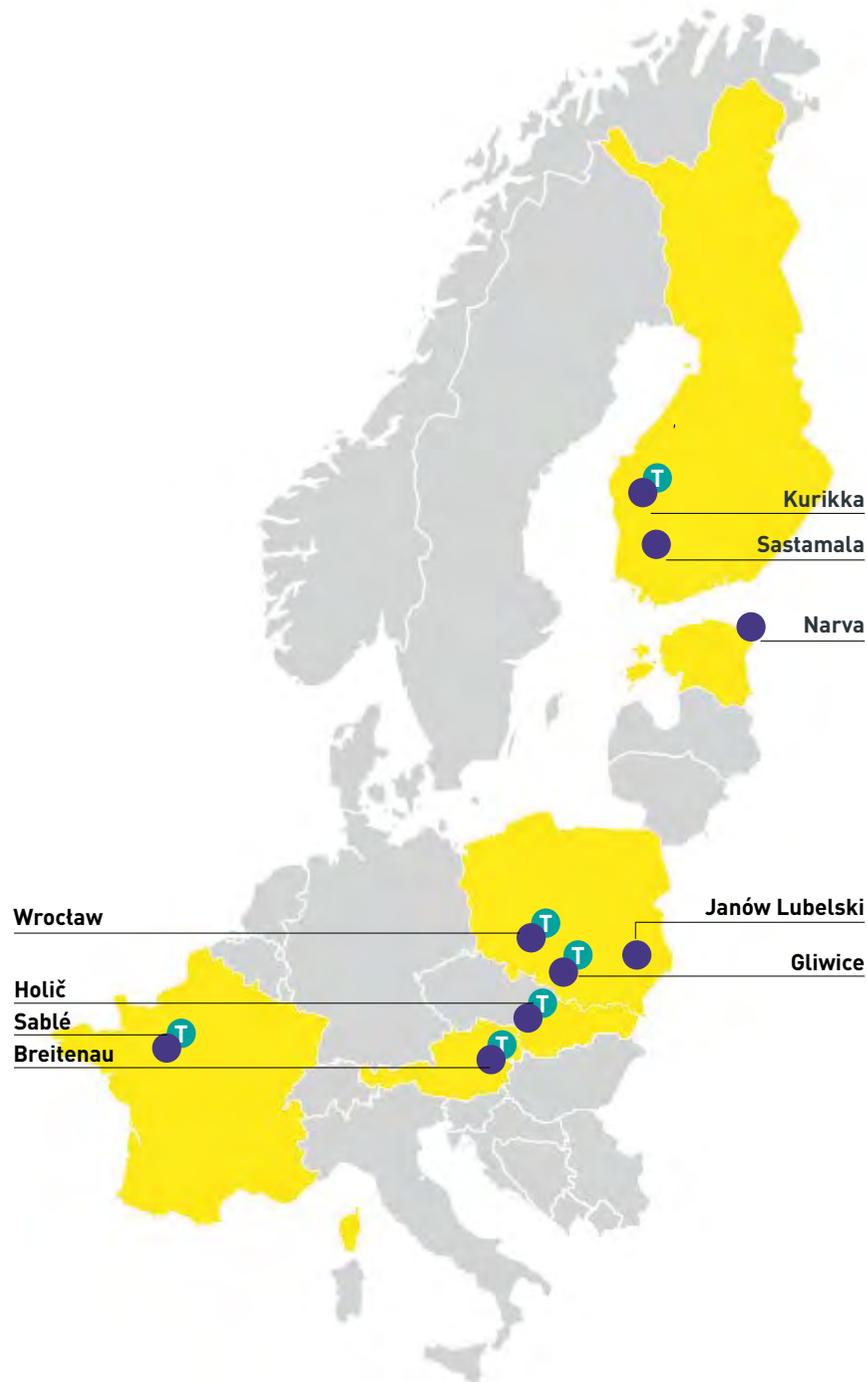
Cabins

Sastamala, Finland

Assemblies

Wrocław, Poland

Assemblies, Steel Fabrications



Fortaco is a Tier 0.5 strategic partner to the off-highway machine OEMs. We offer a complete global footprint with the ambition to follow our customers going global.



2025 IN NUMBERS

348

Net Sales MEUR

5.3

EBITDA % ¹⁾

346

Net sales excluding
divested businesses ²⁾

5.4

EBITDA % excluding
divested businesses ¹⁾ ²⁾

80,000+

Tonnes of Steel

-9

CO₂e % ³⁾

8.0

Lost Time Injury Frequency ²⁾ ⁴⁾

2,538

Number of Employees

- 1) Excluding non-recurring items
- 2) Financials excluding divested business in Gruza, Serbia
- 3) Scope 1-3 Greenhouse Gas Emissions
- 4) Number of injuries per million working hours

FROM THE CEO

Year 2025 ended on a positive note.

Thanks to the partial recovery in the market and our profit improvement program, the fourth quarter of the year was the strongest of the year. Our net sales grew 27 per cent year on year being EUR 97.1 million. The full year net sales amounted to EUR 348.2 million.

In the last quarter of the year, our recurring EBITDA more than doubled year on year being EUR 8.3 million, or 8.6 per cent of net sales. The ramp-up of Business Site Gliwice in Poland has taken much longer than anticipated and is still ongoing. Recurring EBITDA, excluding the ramp-up costs for Gliwice, was EUR 10.3 million, demonstrating a clear performance improvement of the base business.

Our comparable order book at the end of 2025 was EUR 71.6 million, which is 26 per cent more than a year earlier. However, there were still differences in demand between different market segments, and demand has not yet returned to normal levels.

Our balance sheet and liquidity strengthened significantly in May 2025, when the company's principal shareholder made an equity investment of EUR 20 million in the company, and amendments were made to the terms and conditions of our bond to strengthen cash flow.

We sold our Serbian subsidiary located in Gruza, which focused on the marine and energy industries, to the Norwegian Entec Evotec AS. The sale was the final step in the strategic review of the company's marine, energy and heavy project businesses.

Positive signs on market

Some of our customer segments are showing positive signs of market activation and some capacity allocations have already been made. The market situation appears favourable particularly in the mining and defense industries.

We are increasing our production capacity at several business sites to meet customer demand. Sales development has been encouraging, and we see new, tangible opportunities in the market related to the long-term outsourcing trend. We have several new customers, which are currently ramping up. Some customers are shifting from in-house manufacturing to contract manufacturing.

We are committed to delivering the highest quality, reliability of supply and flexibility and thereby supporting our customers' profitable growth across different market cycles.

Defense Supplier Day

The defense sector is an important industry for Fortaco, and in November we organized a Defense Supplier Day. The aim was to network and to increase the understanding of opportunities offered by this growing sector and to discuss how risks and challenges can be overcome together. Also presented at the event was our customer BAE Systems Hägglunds' amphibious Beowulf vehicle for military applications, humanitarian aid, disaster relief, firefighting and rescue operations. Beowulf's front and rear cabins are designed and manufactured by Fortaco.





Product development

At the Bauma and Agritechnica fairs 2025, we introduced the Fortaco SmartCabin system. The SmartCabin concept is a modular control system developed by Fortaco that enables the use of equipment provided by different suppliers by integrating them into one easy-to-use platform. The control system integrates cloud connectivity, infotainment, cabin controls, HVAC and camera systems, and displays. The SmartCabin system speeds up a customer's design and product development process and significantly reduces the time and costs spent by the customer on product development. At the fairs we also introduced a safety cabin that Fortaco designed and manufactured for the fully electric ONOX tractor.

Sustainability work progressed

Our customers are showing increasing interest in low-emission solutions, and defining a sustainable portfolio was one of our actions in 2025. This supports our strategic ambition of transforming the heavy off-highway equipment industry into a low emission.

We advanced our climate program by preparing science-based emission reduction targets and a transition plan. We assessed climate risks and related economic impacts. We strive for responsible sourcing by promoting the use of more sustainable materials.

We have started discussions about the potential of low-emission steel with several customers and suppliers.

Cornerstones of strategy

During the last quarter of the year, we increased our manufacturing capacity to meet the partial recovery of market demand. This year, we will focus on the cornerstones of our strategy, delivery accuracy and high quality, as well as the implementation of the Fortaco 26 profit improvement program.

Fortaco's personnel have done excellent work to improve our profitability and to meet the needs of our customers. I would like to warmly thank all Fortaco employees for their strong commitment. I also wish to thank our partners for their smooth cooperation, and our customers and the main owner for their trust.

Mika Mahlberg
President & CEO

HIGHLIGHTS 2025



NATO AQAP 2110 certificate

Fortaco's Business Site Kurikka meets the requirements of the Nato AQAP 2110 certificate, NATO's quality standard for suppliers in the defense sector. This certification is awarded when processes, products, and quality meet international requirements for military use. With AQAP 2110, Fortaco strengthens its position as a reliable first-choice partner for demanding projects in the defense segment. Continuous commitment to safety, quality and operational excellence reinforces our position as a trusted partner in the defense segment.

Showcasing innovations at BAUMA and Agritechnica

Fortaco took part in two big exhibitions in 2025: BAUMA in Munich and Agritechnica in Hanover. BAUMA brought together more than 600,000 visitors and 3,500 exhibitors from all over the world, being the most important industry platform for construction machinery. The focus was on technological innovations and future-oriented partnerships. Agritechnica, the world-leading trade fair for agricultural technology and machinery highlighted automation, robotics, AI and innovative technologies under the guiding theme "Touch Smart Efficiency". At these expos, Fortaco introduced its latest innovations, such as the Fortaco SmartCabin concept, Beowulf front and rear cabins that are designed

and manufactured by Fortaco for the amphibious Beowulf vehicle, and a safety cabin designed and manufactured for a fully electric ONOX tractor. Agritechnica attracted 470,000 visitors from 171 countries.

Fortaco SmartCabin

Fortaco's SmartCabin system brings the automotive world to the off-highway industry. Fortaco SmartCabin is equipped with state-of-the-art technology designed to serve the demanding off-highway sector. The SmartCabin concept is a modular control system. It enables the use of equipment provided by different suppliers by integrating them into one easy-to-use platform. The control system integrates cloud connectivity, infotainment, cabin controls, HVAC and camera systems and displays. Fortaco SmartCabin system speeds up a customer's design and product development process and significantly reduces the time and costs spent by the customer on product development.

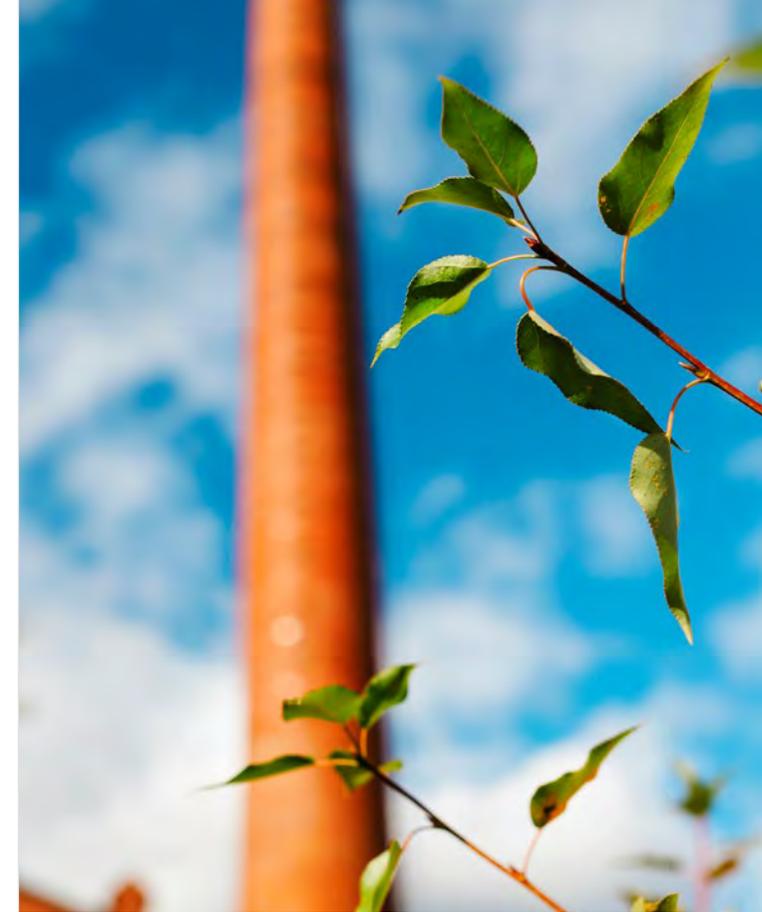
Sustainability & Climate Program

Fortaco's sustainability work focuses on three key areas: environment, people, and governance. Through ambitious targets, responsible operations, and collaboration with our partners, we are building a more sustainable value chain for the future. Fortaco's group-wide climate program defines our path toward carbon

neutrality. It includes establishing our emissions baseline, setting science-based targets aligned with the Paris Agreement's 1.5 °C pathway, and preparing a transition plan in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD). The program helps us minimize CO2 emissions and drives continuous improvement across all operations.

Defense Supplier Day

The first Fortaco Kurikka Supplier Day for the defense sector suppliers took place in November 2025. The day was organized to offer a chance to network, increase understanding of future needs, strengthen cooperation, and share information and insights into the defense industry development. In addition, Fortaco's goal was to increase interest in opportunities this growing sector offers and discuss how to navigate risks and challenges together. The event gathered more than 80 suppliers from Finland and Europe. One of our end customers, BAE Systems Hägglund also attended introducing the Beowulf Story. Beowulf is an amphibious vehicle for military applications, humanitarian aid disaster relief, firefighting and rescue operations. Panel discussions provided answers to questions about what is expected from suppliers in terms of defense industry requirements, delivery reliability, product quality and competitive pricing.

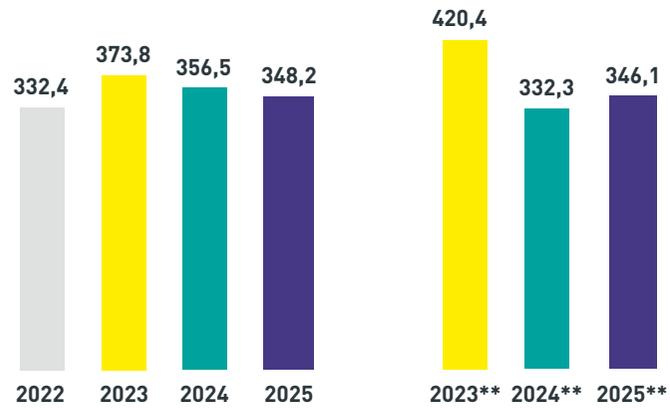




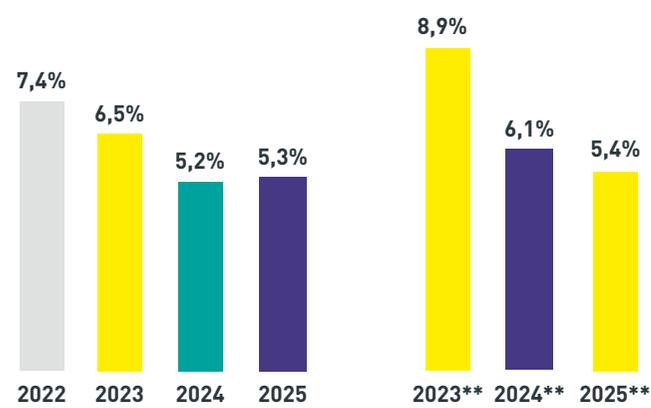
FORTACO

**FINANCIAL
HIGHLIGHTS**

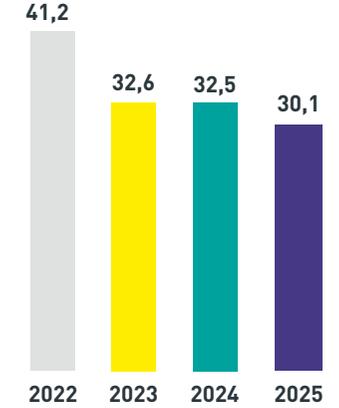
Net sales 2022-2025 MEUR



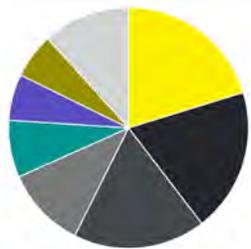
EBITDA* 2022-2025 %



Cash balance 2022-2025 MEUR

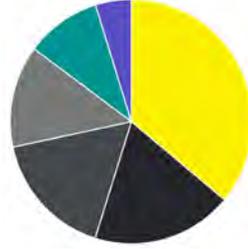


Net sales per industry segment %



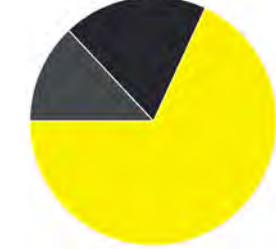
- 2025**
- 20 % ● Material handling
 - 19 % ● Construction
 - 18 % ● Mining
 - 11 % ● Agriculture
 - 8 % ● Defense
 - 6 % ● Container handling
 - 6 % ● Forestry
 - 12 % ● Other industries

Personnel per country %



- 2025**
- 36 % ● Poland
 - 19 % ● Finland
 - 17 % ● Estonia
 - 13 % ● France
 - 10 % ● Austria
 - 5 % ● Slovakia

Personnel %



- 2025**
- 68 % ● Blue-collar total
 - 19 % ● White-collar total
 - 13 % ● External

*) EBITDA excluding non-recurring items

***) Pro forma net sales and EBITDA including the full-year impact of acquired businesses (MauserCABS and Buisard), and excluding the impact of marine, energy, and heavy project business. EBITDA excluding non-recurring items.

STRATEGY

Fortaco is the leading brand independent strategic partner having integrated offering to customers in the heavy off-highway equipment industries.

Fortaco is active with the green environmental transformation and one of our strategic targets is to transform the off-highway equipment industry into emissions free. The Technology team is developing future business offering, including low-emission steel, lightweight design, integrated thermal management, and battery pack weldments and assemblies.

A new modern ERP platform investment for SAP S/4 Hana is in the implementation phase.





INDUSTRIES SERVED

Fortaco has a large portfolio of global customers. It serves more than 60 industry-leading OEMs in the following industries:

Agriculture

Fortaco entered the agricultural segment nearly a decade ago and serves leading manufacturers in Europe and Asia. A variety of applications like sprayers, tractors, balers, agricultural wheel loaders, telehandlers, combine and harvester machines are used widely in the agricultural sector applications where Fortaco's solutions play a critical role.

Construction Equipment

Fortaco supports a wide range of off-highway equipment and infrastructure applications, offering solutions that include excavators, bulldozers, graders, wheel loaders, dump trucks, pavers, compactors, telehandlers, piling systems, and crushing and screening equipment. Fortaco has a strong footprint across the full spectrum of the construction equipment market.

Container Handling

Fortaco has been active in the container handling segment since the company's inception. A wide range of container handling applications for seaports, terminals, and intermodal terminals are supported, including ship-to-shore and gantry cranes, straddle and shuttle carriers, reach stackers, empty container handlers, terminal tractors, and automated guided vehicles. Fortaco meets global demand with flexibility and scale.

Defense

In the recent years, the defense industry has become one of the key segments at Fortaco. Offerings include module assemblies, cabins, and steel fabricated components, including small and large welded steel structures, chassis, frames, and bodies. For cabins, Fortaco offers the whole integrated solution, combining cabin hardware and customer-specific applications, including control systems.

Forestry

Fortaco develops technologies that serve our clients in Europe and, indirectly, the rest of the world. Offering includes a wide range of applications for mechanized wood harvesting, handling, and processing, such as cut-to-length forest harvesters and forwarders, on-road forestry cranes, terminal and mobile cranes, and other supporting equipment.

Material Handling

A wide range of material handling applications are covered in our offerings across retail, food and beverage, and logistics sectors. These include equipment for cargo and material movement, such as industrial and mobile cranes, light-, medium- and heavy forklifts, on-road load handling equipment, like loader cranes, forestry cranes, and truck-mounted forklifts.

Mining

Fortaco's customers are world leaders in advanced mining operations. Supporting OEMs, Fortaco produces equipment for exploration, tunneling, surface- and underground mining, and rock excavation applications. Applications include key parts of drill rigs, mechanical cutting equipment, mobile crushers and screens, surface drilling rigs, underground drill rigs, loaders, and dump trucks.

Municipal

Fortaco has been a leading player in the municipal segment for 25 years. We produce cabins for small tractors and articulated machines up to 60 horsepower. We also produce cabins in the 2-7 tons weight class.

Recycling

Fortaco offers a wide range of industrial recycling applications, including solutions for transportation companies, collection points, waste transfer stations, and waste processing centers. Applications include screens and crushers, on-road and mobile recycling cranes, hooklifts, skip loaders, tail lifts, and truck mounted forklifts.



OFFERING





Technology



Assemblies



Vehicle Cabins



Steel Fabrications



Defense

Fortaco is active with the green environmental transformation and one of our strategic targets is to transform the off-highway equipment industry into an emission-free industry.

To prioritize and focus on this transition, Fortaco develops future business offerings, including low-emission steel, lightweight design, integrated thermal management, and battery pack weldments and assemblies.

By integrating sustainable materials into our processes, we help OEMs achieve their sustainability goals with verifiable data and real results.

Fortaco aims to be a circular economy enabler in 2030.

Fortaco simplifies complexity in a supply chain by mitigating swings in demand, working with capacity constraints, reducing time-to-market, fixed costs, and tied capital.

Fortaco offering includes complete vehicle assemblies, module assemblies, cabin assemblies, and assembled systems.

All module- and full vehicle assemblies are tested in real conditions.

We provide a lifetime service and after-sales services for spare parts.

Fortaco has assembled and delivered more than 3,000 machines to date.

Fortaco designs and manufactures safety cabins from the high-volume overhead guards to completely assembled plug-and-play vehicle cabins.

The Cabin Technology team provides complete project handling. Product development and new product implementation services with design concepts, engineered solutions, industrialization, and customized manufacturing services include in cabin offering.

Serial manufacturing with a flexible cabin content is an important part of offering.

We provide aftermarket services for spare parts during the lifecycle of a cabin.

Fortaco produces 50,000 safety cabins annually.

Fortaco's steel fabrications are built for durability and strength, excelling in tough conditions. Advanced welding technology with more than 80 welding robots improves safety, optimizes costs, improves productivity, and ensures quality.

Steel Fabrication offering includes welded steel components, such as complete frames and booms, and different kinds of structures. Fortaco also offers cut and processed steel parts produced by the state-of-the-art equipment.

Surface preparation enhances durability by protective coatings and finishes, like E-coating (KTL), wet painting, powder painting and thermal spray processes (Zn, Al, AlMg metallization).

Fortaco processes more than 80,000 tons of steel annually.

Fortaco develops complex, high-tech solutions for defense clients.

Variety of applications include module assemblies and steel fabrications, such as complete small and large welded steel structures, chassis, frames, and bodies.

For cabins, Fortaco offers the whole integrated solution, combining cabin hardware and customer-specific applications and control systems.

Fortaco's Business Site Kurikka meets the requirements of the Nato AQAP 2110 certificate, Nato's quality standard for suppliers in the defense sector.

Fortaco's defense products are deployed by OEMs worldwide.



PEOPLE

In 2025, Fortaco employed 2,538 people across its business sites, women representing 10.3 per cent.

During the year, we prioritized company culture development, continuous learning and effective collaboration by organizing webinars, behavioral workshops, and employee engagement programs.

Responsible and attractive employer

We achieved notable progress in employer branding, mental health support and sustainability practices. We focused on enhancing employee awareness, particularly concerning Fortaco's Code of Conduct and compliance training. These efforts reflect our dedication to promote a compliant, engaged and high-performance culture in an inclusive work environment.

Employer branding

We conducted a series of webinars focusing on emotional intelligence, resilience, and leadership skills, providing employees with valuable tools for personal and professional growth. Approximately 150 people joined webinars; both internal employees and externals attended.

Fortaco DNA workshops were held in several business sites. These behavioral workshops support ongoing cultural transformation and teamwork throughout the organization.

Fortaco Welding Competition 2025 served as a platform to recognize the technical excellence of our workers and promoted continuous learning.

Fortaco Engagement Award program recognized and celebrated the outstanding contributions of our employees in three categories: building company culture, innovations, and production optimization.

'Thank You' campaign was launched to reinforce the culture of appreciation and recognition. Both individual and team achievements were highlighted.

Demonstrating a commitment to employer branding, Fortaco was present at several prominent job fairs and actively participated as a speaker in industry conferences. External engagement was instrumental in promoting Fortaco values and opportunities to a broader audience and attracting top talents to support sustainable growth.

People development

In 2025, Fortaco conducted 212 live training sessions for 1,438 participants and completed 5,921 e-learning courses. All together 32 e-learning modules supported ongoing learning and compliance initiatives. Specific emphasis was put on cybersecurity training and the implementation of artificial intelligence to streamline administrative tasks and enhance operational efficiency.

Fortaco remained committed to providing innovative tools, comprehensive onboarding processes, and robust training programs for employees.

Learning programs were completed with regular feedback, enabling continuous improvement and an adaptation of training content to address emerging needs. The holistic approach for people development foster a sense of ownership and motivation among employees, and reinforce Fortaco's reputation as a forward-thinking company.

Prioritizing professional growth and embracing new technologies, Fortaco not only enhances individual competence but also drive overall organizational performance and resilience.

Mental health and employee well-being

Fortaco's mission is to provide support during challenging times. Whether people are coping with stress or anxiety or require someone to speak with, our mental health ambassadors offer support. We are committed to enhancing a community that encourages open dialogue and understanding around mental health. Our goal is to promote a work environment where everyone feels acknowledged and respected.

At Fortaco, we had six mental health ambassadors in 2025. We facilitated

workshops and webinars for all employees featuring expert presentations delivered by professional psychologists.

Corporate Social Responsibility

Fortaco's People & HR strategy is built on the principles of Corporate Social Responsibility (CSR) focusing on employee well-being, diversity and sustainability. Our approach includes supporting mental health, promoting flexible work and fair compensation, and fostering a positive and inclusive culture.

Recruitment and employer branding highlight diversity and CSR results. Employee growth is encouraged through ongoing trainings, while safety campaigns address both physical and psychological well-being, including cybersecurity. We encourage our employees in CSR through green initiatives and volunteering.

Our HR practices emphasize environmental responsibility by adopting paperless and digital processes. Open communication is maintained across multiple channels to keep everyone informed.

Employee engagement and Pulse survey

The annual Pulse survey provided key insights; the engagement rate was 35% (38% in 2024), and the response rate was

51% (63% in 2024). Identified strengths included the customer focus, health and safety, and quality. Challenges were noted in the areas of remuneration, recognition, and cooperation.

Our results align with broader engagement challenges in the EU and the US markets. Therefore, we are prioritizing employee engagement and motivation. We promote a more integrated company culture and recognize it as an essential step in strengthening the Fortaco culture.

In 2025, we launched an engagement video, 'Proud to Be Us', that highlighted employees' perspectives and stories. Their stories represent our core values and showcase behaviors that bring our team together.

2026 strategy

In 2026, we will focus on initiatives that strengthen Fortaco's long-term competitiveness and employee engagement.

Mentoring program as a pilot will foster knowledge sharing and career growth by pairing experienced leaders with future talents.

Refreshing employer branding with the aim to attract and retain top talents.

Expanding digital HR that improves reporting, streamlines processes and improves employee experience.

Developing robust leadership roles to ensure strong successors for key roles.

Improving reporting and measurement enable data-driven decisions and transparent progress tracking.

Concentrating on a selected number of high-impact projects, we will maximize our results and drive meaningful and sustainable changes aligned with our strategic vision.

Looking ahead to 2026

Reflecting on 2025, our emphasis was on corporate culture, learning, and collaboration that established a strong foundation for our continued growth. While we have achieved notable progress in developing employer brand and ways of working, we still have opportunities to enhance fairness, recognition, cross-functional collaboration, and overall employee engagement.

In 2026, we will focus on implementing mentoring programs, enhancing employer brand, advancing digital HR initiatives, and developing leadership capabilities.

By directing our efforts toward selected high-impact projects and refining our measurement processes, we aim to strengthen resilience and foster engagement across all teams.





SUSTAINABILITY

In 2025, Fortaco continued its sustainability activities, focusing on three main areas: (1) progress in line with the sustainability agenda outlined in 2023, (2) preparation of the Fortaco Climate Programme, and (3) ongoing work to support our customers in their green transitions.

We recognize the many advantages of driving a strong and ambitious sustainability programme. These include market leadership, attracting the right talents, building stakeholder trust, strengthening business and supply chain resilience, mitigating risks, reducing costs, and improving financial efficiency.

Fortaco's sustainability agenda serves as a structured backbone for our work, guiding implementation of initiatives related to our focus areas and monitoring of KPIs.

In 2025, we considered the results of our 2024 sustainability materiality analysis as valid and undertook a deep dive into climate-related impacts, risks and opportunities (see the ESRS 2 section of the Sustainability Statement for details).

The outcome of our materiality analysis aligns with the main sustainability challenges in the heavy off-highway equipment industry, where Fortaco operates. These challenges include:



- negative environmental impact
- social issues in the supply chain
- regulatory pressures
- changing customer preferences

In the scope of the agenda, Fortaco targets ambitious sustainability goals across its own operations and value chain. We have identified and prioritised actions for the coming years in three focus areas: environmental sustainability, social sustainability, and sustainability governance.

Environmental sustainability

Environmental concerns are fundamental to Fortaco's operations and everyday work. Our environmental sustainability efforts focus on climate change mitigation, product design, and life-cycle management.

Main environmental impacts have been evaluated at each Fortaco business site. In 2025, we continued

monitoring progress and following up on developments. All sites have reported energy saving activities, implemented environmental improvements, or achieved emissions reductions since baseline year 2022.

Our Technology team continued to develop environmental offerings and support customers in their green transitions. We work closely with our customers to reduce emissions, primarily through:

- reducing lifecycle emissions of vehicles via weight-decreasing innovations such as new materials and technology
- improving steel manufacturing through sourcing adjustments that extend steel components lifetime and incorporate green or low emission steel for selected applications and customers.

As our impact also reaches upstream in the value chain, we work continuously on strengthening the collaboration with suppliers, ensuring that they share our commitment to sustainability. To manage material impacts, risks, and opportunities related to sustainability in Fortaco's supply chain, we also develop processes for monitoring indicators and practices related to these topics.

Social sustainability

We take social responsibility seriously and acknowledge our impact, not only on our people, but also on external workers, the supply chain, local communities, and the end-users of our products.

In our operations, we strive for a safe, injury-free work environment where everyone is committed to and active in driving risk reduction and zero accidents. Simultaneously, we want to ensure the well-being of our people by offering career development, equal treatment, and a diverse workplace without discrimination of any kind.

In 2025, we executed multiple local campaigns related to social aspects such as safety, mental health, and our Code of Conduct.

Sustainability governance

Fortaco's sustainability agenda provides a clear structure to comply with new legislative and regulatory requirements, meet increasing stakeholder demands, and tackle challenges related to climate change and social issues in the value chain. We aim to maintain the highest legal and ethical standards and improve business practices related to environmental and social aspects. We continuously develop our sustainability data management systems, reporting processes, and integration of sustainability into key operations.

The Corporate Sustainability Reporting Directive (CSRD) sets criteria for our reporting and expectations for sustainability processes such as risk management and due diligence. To remain compliant, we closely monitor developments in the EU and locally where we operate, acting upon changes when necessary.

Read our full CSRD compliant Sustainability Statement as from page 40.



CORPORATE GOVERNANCE



CORPORATE GOVERNANCE STATEMENT 2025

Introduction

This statement presents Fortaco Group Holdco Plc's key corporate governance principles. The statement has been approved by the company's Supervisory Board and Board of Directors.

Fortaco Group Holdco Plc is a public limited liability company registered in Finland, whose bonds are publicly traded on the bond list managed by Nasdaq Helsinki Ltd and the Frankfurt Stock Exchange (Open Market).

Fortaco Group Holdco Plc's governance complies with applicable laws and regulations, such as the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act, the Market Abuse Regulation (EU), the rules and guidelines of Nasdaq Helsinki Ltd, as well as the company's Articles of Association and Code of Conduct. As the issuer of the bonds, the company is not obliged to comply with the

Finnish Corporate Governance Code maintained by the Securities Market Association. However, the company publishes an annual Corporate Governance Statement.

The most important guidelines and principles guiding Fortaco's operations are:

- Rules of Procedure of the governing bodies
- Code of Conduct
- Insider Guidelines
- Disclosure Policy
- Risk Management Policy
- Decision-making Policy

Group structure

Fortaco Group Holdco Plc is the management company of Fortaco Group Oy and its subsidiaries, domiciled in Helsinki, Finland. The registered address of the company's head office is Äyritie 24, Vantaa, Finland. Fortaco Group Holdco Group

Group structure 31 December 2025		
Company name	Country of incorporation	Ownership, %
Fortaco Group Holdco Plc	Finland	100 %
Fortaco Group Oy	Finland	100 %
Fortaco Finland Oy	Finland	100 %
Fortaco Finance Oy	Finland	100 %
Fortaco s.r.o.	Slovakia	100 %
Fortaco Polska Sp z o.o.	Poland	100 %
Fortaco Sp z o.o.	Poland	100 %
Fortaco JL Sp z o.o.	Poland	100 %
Fortaco Estonia OÜ	Estonia	100 %
Linda Properties OÜ	Estonia	100 %
Fortaco GmbH	Germany	100 %
Fortaco AB	Sweden	100 %
Fortaco Austria Holding GmbH	Austria	100 %
Walter Mauser GmbH	Austria	100 %
Fortaco France Holding	France	100 %
Buisard S.A.S	France	100 %

was formed on 30 September 2022, when Fortaco Group Holdco Plc acquired the shares of Fortaco Group Oy.

The Group's parent company, Fortaco Group Holdco Plc, has one class of shares, and each share entitles its holder to one vote. The number of shares in the company is 1,000 and all shares confer equal rights in the company. On 31 December 2025, 100 per cent of the company's shares were owned by OEP 81 B.V., a company managed by One Equity Partners.

The divestment of the Group's Serbian entity (Fortaco d.o.o. Gruža) was completed on 11 June 2025.

Fortaco Oy was merged into Fortaco Ostrobothnia Oy and at the same time the company name of Fortaco Ostrobothnia Oy was changed to Fortaco Finland Oy. The merger was implemented on 31 December 2025.

Governance

Fortaco Group Holdco Plc's responsibilities related to governance, control and management are divided between the General Meeting, the Supervisory Board, the Board of Directors, the President & CEO and his subordinate Group Leadership Team as set out below. Fortaco Group Holdco Plc and its Group companies are subject to the Rules of Procedure, which define in more detail matters related to decision-making and division of responsibilities between the Supervisory Board, the Board of Directors, the President & CEO and the Group Leadership Team.

Matters pertaining to the General Meeting

Fortaco Group Holdco Plc's highest decision-making power is exercised by the company's shareholder. The shareholder participates in the decision-making, governance and supervision of the company by making decisions on matters pertaining to the General Meeting.

According to the Finnish Limited Liability Companies Act, the Annual General Meeting must be held annually within six (6) months of the end of each financial year.

The Annual General Meeting resolves on matters falling within its competence under the Finnish Limited Liability Companies Act and the company's Articles of Association, including the following:

- a) adoption of the financial statements
- b) measures necessary to meet the profit or loss shown on the balance sheet
- c) discharge from liability to the members of the Supervisory Board and the Board of Directors and to the President & CEO
- d) election and remuneration of the members of the Supervisory Board and the Board of Directors
- e) election of the auditor
- f) other matters required by the company's Articles of Association and by law.

The resolutions of the Annual General Meeting are published as soon as

possible after the General Meeting by means of a stock exchange release.

Supervisory Board

Fortaco Group Holdco Plc has a Supervisory Board whose task is to supervise the governance of the company, which is the responsibility of the Board of Directors and the President & CEO. The Supervisory Board consists of three to six (3–6) members, who are elected by the General Meeting. The term of office of the members of the Supervisory Board continues until further notice.

The general task of the Supervisory Board is to steer the company's business operations in such a way that it generates the highest possible added value for the capital invested in the

company in the long term, while taking into account different stakeholders.

According to the Rules of Procedure, the company's Supervisory Board has the right to make decisions in matters falling within the competence of the Supervisory Board, which, according to the Finnish Limited Liability Companies Act, fall within the exclusive competence of either the General Meeting or the Board of Directors, in which case the decisions are officially recorded as decisions of either the General Meeting or the Board of Directors.

According to the Rules of Procedure, the Supervisory Board decides, among other things, on all material business matters (including, but not limited to, the purchase and sale of real estate, business, shares or other securities),

significant organisational changes, material investments, material leases and the appointment and dismissal of the President & CEO. Such decisions are officially recorded as decisions of the Board of Directors.

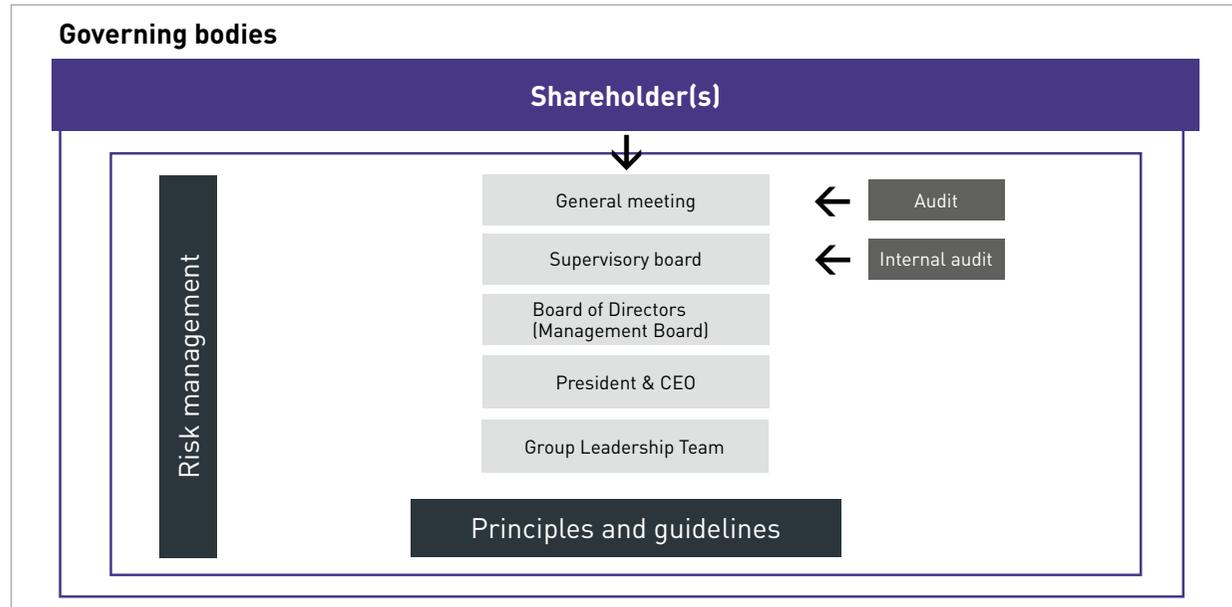
The Supervisory Board is also responsible for monitoring and evaluating the company's internal control, internal audit and risk management.

The President & CEO draws up the agenda for the meetings of the Supervisory Board and is responsible for preparing and presenting matters to the Supervisory Board. The Supervisory Board evaluates its activities and working methods once a year.

When selecting the members of the Supervisory Board, it is ensured that the candidate's competence profile supports Fortaco's current and future business. Essential factors for diversity are the members' complementary education, competence, experience in different industries and operating environments, and personal characteristics such as age and gender.

Supervisory Board members in 2025

Fortaco Group Holdco Plc's Annual General Meeting held on 23 June 2025 resolved that the number of ordinary members of the Supervisory Board shall be five (5). Panu Routila (Chairman), Lars Hellberg, Marc Lindhorst, Sebastian Schatton and Markus Sjöholm were re-elected as members of the Supervisory Board. David Pfeifer has been an observer member of the Supervisory Board during 2025.



Members of the Supervisory Board, 31 December 2025



Panu Routila

Born 1964, Finnish citizen
Supervisory Board Chairman
2022-2025
Board Chairman 2020-2022
DBA, Aalto University
M.Sc. in Finance & Accounting

Key positions of trust

Patria Oyj
Chairman of the Board since 2020

Neova Oyj
Chairman of the Board since 2022

Ensto Oyj
Board Member since 2020

Relevant work experience

Konecranes
President & CEO 2015-2019

Ahlström Capital
President & CEO 2008-2015

Panu Routila has served as the Chairman of the Supervisory Board until 31.12.2025.

Markus Sjöholm has served as the Chairman of the Supervisory Board since 1.1.2026.



Markus Sjöholm

Born 1971, Finnish citizen
Supervisory Board Chairman
since 2026
Supervisory Board Member 2022-2025
Board Member 2016-2017, 2019-2022
M.Sc. in Economics and Business
Administration
LL.M.

Key positions of trust

Rototec Group AB
Chairman of the Board since 2025

Oy Bamsekram AB
(Avosylin Corporation)
Chairman of the Board since 2023

Relevant work experience

Actone Oyj
Founder & CEO since 2018

CapMan Buyout
Various positions 1996-2018
incl. Managing Partner 2014-2017
Partner 2001-2018



Lars Hellberg

Born 1959, Swedish citizen
Supervisory Board Member since 2025
B.Sc. in Mechanical Engineering

Key positions of trust

Hydroline Oyj
Board member since 2025

SinterCast AB
Board Member 2018-2020

Walki Oyj
Board Member 2013-2019

Troax Group AB
Board Member 2014-2015

GLG
Council Member since 2013

Komas Oyj
Board Member 2011-2019

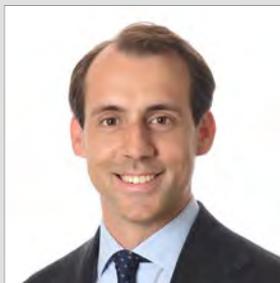
Relevant work experience

Fortaco Group
President & CEO 2013-2024

Wärtsilä Oyj
President, PowerTech division
Board of Management Member 2004-2013

General Motors Europe
Executive Quality Board Member 2001-2004

Members of the Supervisory Board, 31 December 2025



Marc Lindhorst

Born 1986, German citizen
Supervisory Board Member since 2022
M.Sc. in Finance
B.Sc. in General Management &
Business Law

Relevant work experience

One Equity Partners
Partner since 2024
Various positions 2015-2023

Hanson Asset Management
Associate 2013-2015

Greenhill & Co. and Credit Suisse
Various positions in Investment
Banking 2009-2013



Sebastian Schatton

Born 1990, German citizen
Supervisory Board member since 2022
B.Sc. in General Management

Key positions of trust

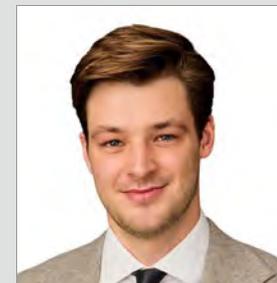
Alltub
Member of Supervisory Board
since 2023

SGB-SMIT
Member of Advisory Committee
since 2023

DESMI
Board Member since 2022

Relevant work experience

One Equity Partners
Principal since 2024
Vice President 2018-2024



David Pfeifer

Born 1994, German citizen
Board Observer since 2024
M.A. in Accounting and Finance
M.Sc. in International Management
B.Sc. in Business Administration

Relevant work experience

One Equity Partners
Associate since 2024



Remuneration of the members of the Supervisory Board

Panu Routila, Chairman of the Supervisory Board, is paid an annual compensation of EUR 52,800 in monthly instalments, and Markus Sjöholm, a member of the Supervisory Board, is paid an annual compensation of EUR 40,000 in monthly instalments. No remuneration is paid to the other members of the Supervisory Board.

In 2025, the Supervisory Board convened 13 times and made written decisions without convening 8 times.

Board of Directors

According to Fortaco Group Holdco Plc's Articles of Association, the Board of Directors is responsible for the administration and proper organisation of the company's operations. The Board of Directors has at least one (1) and at most five (5) ordinary members elected by the General Meeting. If there are fewer than three (3) members in the Board of Directors, there must be at least one (1) deputy member. If there are several members on the Board of Directors, a chairperson must be elected. The term of office of the members of the Board of Directors ends at the end of the Annual General Meeting following their election.

Members of the Board of Directors in 2025

On 23 June 2025, Fortaco Group Holdco Plc's shareholder resolved that the number of members of the Board of Directors shall be one (1) ordinary member and one (1) deputy member.

Mika Mahlberg was re-elected as the ordinary member of the company's Board of Directors, and Kimmo Raunio was elected as the deputy member.

Remuneration of the members of the Board of Directors

Board members are not remunerated.

In 2025, the Board of Directors made written decisions without convening 28 times.

President & CEO

Fortaco Group Holdco Plc's President & CEO is appointed by the company's Supervisory Board. The President & CEO is responsible for the everyday management and supervision of the company in accordance with the provisions of the Finnish Companies Act as well as in accordance with authorisations and guidelines received from the Supervisory Board.

The President & CEO is responsible for ensuring that the obligations, agreements or other legal actions to which the company is committed or in which it takes part are properly documented and that they do not conflict with Finnish or foreign mandatory legislation. The President & CEO furthermore oversees compliance with the goals, procedures and strategy plans on which the Supervisory Board has decided and ensures that these goals, procedures and plans are submitted to the Supervisory Board for update or review when necessary.

President & CEO in 2025

Mika Mahlberg has served as the company's President & CEO since 1 January 2025.

Leadership Team

The President & CEO is assisted in the management of the company's business by the Group Leadership Team, the members of which are appointed by the company's Supervisory Board based on a proposal made by the President & CEO. The Group Leadership Team must have at least three (3) members.

The Group Leadership Team is responsible for the development of the Group and its business as well as operational activities in accordance with the goals confirmed by the Supervisory Board. The Leadership Team convenes monthly, or more often if needed, and focuses on strategic matters pertaining to the Group and its businesses. Performance and business reviews, development projects and People & HR are regularly on the agenda. The President & CEO is the Chairman of the Group Leadership Team.

Group Leadership Team in 2025

In 2025, the Group Leadership Team included six (6) members: Mika Mahlberg, Kimmo Raunio, Agnieszka Koziara, Mikael Persson (until 18 June 2025), Rafal Sornek, Gustav Svärd and Michael Volz (as of 25 August 2025). Tuula Kivelä served as the secretary to the Group Leadership Team.

Members of the Group Leadership Team, 31 December 2025



Mika Mahlberg

Born 1963, Finnish citizen
M.Sc. in Engineering
President & CEO since 2025
Group Leadership Team member
since 2024

Relevant work experience

Fortaco Group
Chief Operating Officer (COO)
1 Nov–31 Dec 2024

Senior Advisor 1-10/2024

Konecranes Port Solutions
Executive Vice President 2017–2023

Konecranes Port Cranes
Senior Vice President 2008–2016



Kimmo Raunio

Born 1985, Finnish citizen
M.Sc. in Technology
Senior Executive Vice President & CFO
since 2023
Group Leadership Team member
since 2016

Relevant work experience

Fortaco Group
Senior Vice President & CFO
2016–2023
Group Business Controller
2012–2016

HLP Corporate Finance Oy
Associate 2010–2012



Agnieszka Koziara

Born 1981, Polish citizen
Master in Human Resource Management
MBA
Senior Vice President, People & HR
since 2019
Group Leadership Team Member
since 2018

Relevant work experience

Fortaco Group
HR Director 2018–2019
HR Manager 2014–2018

Ruukki Polska Sp. z o.o.
HR Specialist 2007–2014

Members of the Group Leadership Team, 31 December 2025



Rafal Sornek

Born 1972, Polish citizen
Ph.D. University of Tokyo
Executive MBA, Aalto University
Senior Vice President, Technology &
Zero Emissions since 2023
Group Leadership Team Member
since 2018

Relevant work experience

Fortaco Group
Senior Vice President, Fortaco
Technology 2018–2023

HIAB Cargotec
Vice President R&D 2010–2018



Gustav Svärd

Born 1980, Swedish citizen
M.Sc. in Information Systems/
Information Technology
Senior Vice President, Sourcing & IT
since 2024
Group Leadership Team Member
since 2024

Relevant work experience

Volvo Group
Vice President Purchasing 2006–2024



Michael Volz

Born 1972, Austrian citizen
Engineer, Electrotechnics
Senior Vice President,
Sales & Marketing since 2025
Group Leadership Team member
since 2025

Relevant work experience

Walter Mauser GmbH
Managing Director 2022-2025

matev GmbH
Managing Director 2014-2022

BHDT GmbH
Purchasing Director 2012-2013

Walter Mauser GmbH
Sales Director 2005-2012





Senior Leadership Team

On 31 December 2025, Fortaco Group's Senior Leadership Team consisted of the Group Leadership Team members and the following people:

Group functions

Lauri Anttilainen

Director, Business Control Cabins and Technology & Zero Emissions
Born 1983
M.Sc. in Economics
Employed by Fortaco since 2021

Jean-Guy Cocaign

Vice President, Cabin Business Development
Born 1966
Engineering Degree from ESTACA Ecole Supérieure des Techniques Aéronautiques et de Construction Automobile
MBA
Employed by Fortaco since 2022

Andras Csizmazia

Director, QHSE
Born 1972
M.Sc. in Chemical Engineering and Management
Employed by Fortaco since 2014

Piotr Galiński

IT Director
Born 1982
M.Sc. in Mechanical Engineering
Employed by Fortaco since 2019

Teemu Hovi

Legal Director, Fortaco Group
Born 1981
LL.M., Executive MBA
Employed by Fortaco since 2024

Tuula Kivelä

Director, Brand, Communication & Marketing
Born 1961
Bachelor of Business Administration
Employed by Fortaco since 2013

Joanna Lesicka

Director, Business Control Steel Fabrication, Sourcing and Group Finance
Born 1985
M.Sc. in Technology, Management and Marketing
Employed by Fortaco since 2015

Cecilia Mickos

Director, Group Sustainability
Born 1989
M.Sc. in Economics and Business Administration
Employed by Fortaco since 2023

Henrik Toni

Director, Group Business Control and Business Control Assembly
Born 1993
M.Sc. in Economics and Business Administration
Employed by Fortaco since 2021

Zbigniew Zych

Director, Manufacturing Technology
Born 1962
M.Sc. in Mechanical Engineering
Employed by Fortaco since 2019

Business Site Leadership

Arto Aro

General Manager, Kurikka Assembly & Cabins
Born 1976
M.Sc. Engineering
Employed by Fortaco since 2025

Adam Czerwicz

General Manager, Wrocław Steel Fabrication & Assembly
Born 1978
M.Sc. in Engineering, MBA
Employed by Fortaco since 2014

Mariusz Majdanik

General Manager, Janow Lubelski Steel Fabrication
Born 1974
Executive MBA
Employed by Fortaco since 2011

Juraj Prachár

Managing Director, Holic Cabins
Born 1979
M.Sc. in International Management and Finance
Employed by Fortaco since 2011

Markku Pulliainen

General Manager, Sastamala Assembly
Born 1979
M.Sc. in Mechanical Engineering
Employed by Fortaco since 2023

Nicolas Roussel

General Manager, Sablé Cabins
Born 1981
M.Sc. in Economics and Business Administration
Employed by Fortaco since 2023

Jörg Schröder

General Manager, Breitenau Cabins
Born 1971
M.Sc. Engineering
Employed by Fortaco since 2025

Larissa Shabunova

General Manager, Narva Steel Fabrication
Born 1975
MBA
Employed by Fortaco since 1997

Karol Svatý

General Manager, Gliwice Steel Fabrication
Born 1981
M.Sc. Engineering (Ing.) Automation & Process Information
Employed by Fortaco since 2018

Auditor

According to Fortaco Group Holdco Plc's Articles of Association, an audit firm approved by the Finnish Patent and Registration Office shall be appointed as the company's auditor, and the company's principal auditor shall be an authorized public accountant, KHT. The term of office of the auditor ends at the end of the Annual General Meeting following the election.

The statutory task of independent external auditing is to verify that the financial statements and the Board of Directors' report provide accurate and adequate information on the company's result and financial position for the

financial year. The auditor issues a statutory Auditor's Report to the company's shareholders in connection with the financial statements.

Auditor in 2025

In the financial year from 1 January to 31 December 2025, Ernst & Young Oy served as Fortaco's auditor, and Anders Svennas, authorized public accountant, KHT, was the principal auditor. Ernst & Young Oy also served as the company's sustainability auditor in the financial year of 2025.

Related party transactions

Fortaco Group Holdco Plc maintains a register of natural persons and legal

entities that are defined as related parties. Related parties of Fortaco Group are defined to consist of the company's subsidiaries, key Group management personnel and their close family members as well as legal entities, which the aforementioned persons control.

Insider management

Fortaco Group Holdco Plc has Insider Guidelines, the purpose of which is to ensure that inside information is handled in accordance with applicable laws and regulations. The Insider Guidelines include provisions on, among other things,

management of inside information, prohibited use of inside information, insider registers, trading restrictions pertaining to insiders and insider management.

The Director, Legal of Fortaco Group is responsible for the Insider Guidelines, the maintenance of the insider list and general insider management in the company. Fortaco Group organises regular personnel trainings on insider management.

Risk Management

The responsibilities and duties of risk management in Fortaco Group are divided between the Supervisory Board, the company's management and the internal audit function as illustrated in the picture. Differing levels and perspectives ensure that risks are appropriately managed within the organisation.

Risk management is a key part of internal control. In Fortaco Group, risk management means a structured way of organising the roles, responsibilities, and processes to reduce risks and to take advantage of opportunities in accordance with the strategy.

Internal Audit

The purpose of an internal audit is to provide independent and objective assurance and consulting services that are designed to add value and improve Fortaco's operations. Internal audit work is expected to cover risks

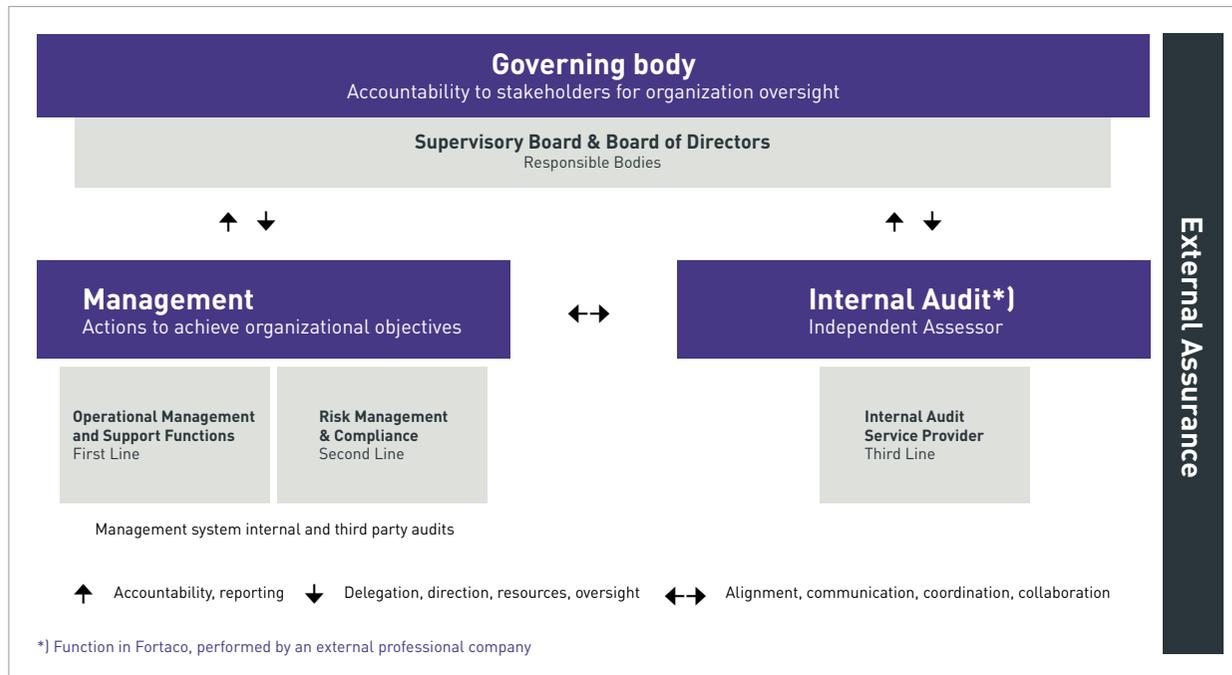
that threaten Fortaco's strategic, operational, compliance and reporting related objectives. Through a systematic and objective approach, internal audit can help Fortaco to improve the effectiveness of governance, risk management and control processes. Internal audit work should contribute to the achievement of defined objectives.

An internal audit determines whether the organisation's risk management, control and governance processes, as designed and represented by the Supervisory Board and management, are adequate and functioning.

The Director, Legal is responsible for coordinating internal audit work, and the internal Audit is administratively organised under their authority.

To ensure the independence of the internal audit, the function reports to the Supervisory Board. The Supervisory Board is responsible for monitoring the efficiency of the internal audit and approving operating instructions as well as long term and annual audit plans.

Planning and execution of the internal audit work is managed by an external professional service provider.



BOARD OF DIRECTORS REPORT 2025





BUSINESS AND STRATEGY

Fortaco Group is the leading brand-independent strategic partner to the heavy off-highway equipment industry, offering technology, assemblies, vehicle cabins, and steel fabrications. Fortaco has 'operations in multiple European business sites and technology hubs, supporting global customers in a number of industrial sectors like agriculture, construction, forestry, material handling, and mining.

Fortaco benchmarks itself to the automotive industry and its standards to secure maximized value added for customers as a true Tier 0.5 partner. Competitive advantages include expertise in product technology and manufacturing, cabin design and development, demanding welding of steel structures, as well as module- and vehicle assemblies.

Fortaco improves its customers' businesses and profitability by providing market-leading safety, quality, delivery accuracy, and a right price. People engagement is the cornerstone of all operations. Fortaco makes tomorrow safer and better as a true lean-operating company.

The heavy off-highway equipment industry is a large, fragmented, and underdeveloped market driven by several megatrends and ongoing structural changes. Overall, the industry is following the evolutionary steps that the automotive business has made in the last decade, such as an increasing share of outsourcing, consolidation of supply chains, and increased importance of technology and R&D services. These changes will benefit Fortaco as the leading company within the industry, with its wide range of offerings and strong focus on technology.

FINANCIAL YEAR 2025

Business environment and key actions 2025

The business environment and markets evolved during the financial year 2025 largely in line with our expectations. The first quarters of the year were characterized by continued challenging market conditions across most of our relevant industry segments. Short term demand remained subdued, resulting in a double digit decline in net sales, particularly during the first months of the year. Increasing macroeconomic uncertainty, driven by the United States' unpredictable customs policy, further contributed to volatility across all industries, including ours. Despite these uncertainties, we began to observe the early signs of market activation toward the end of the first half of 2025.

The latter half of 2025 developed materially as expected. The signs of recovery and improved order intake emerged in Q3 2025, and this positive trend continued in Q4 2025. During the final quarter, we recorded clearly increasing net sales on a year on year basis. However, continued macroeconomic uncertainties related to tariff policies caused softness in certain market segments, especially during the last quarter.

Overall, the market was characterized by significant differences in demand across segments. Mining and defense segments performed strongly throughout the year with a positive outlook for the ongoing financial year. Conversely, demand in the forest, agriculture, and certain material and container handling sub segments remained subdued.

Fortaco continued to win new business both from the existing and new customers supporting future net sales. Some business or the share of wallet was, however, lost due to moving production or resourcing to Asia. Steel - the main input material - continued to decline in price during 2025. Fortaco typically transfers steel price fluctuations to its customers.

The cost development of other inputs remained generally stable, though salary inflation remained high in some operating countries.

The holistic performance improvement programme, Fortaco 25, continued throughout 2025. The programme, initiated toward the end of 2024, to mitigate the impacts of a declining market, included a broad set of actions to improve sales margins and volumes, reduce fixed and variable

costs, and enhance net working capital performance, all aimed at improving profitability and cash flow. The programme progressed according to the plan and resulted in gradually increasing profitability, particularly in the second half of the year.

Following the successful execution of Fortaco 25, a new performance improvement programme, Fortaco 26, was launched toward the end of 2025. The new programme follows a similar structure but with an expanded scope, placing greater focus on productivity improvements and cost control across the company.

During the financial year, Fortaco announced and completed the divestment of its marine and energy business in Gruza, Serbia. This divestment represented the final step of the strategic evaluation made in 2024 to focus on the heavy off highway equipment industry. The divestment was completed on 11 June 2025. Fortaco also completed structural investments in Narva (Estonia), Holic (Slovakia), and Gliwice (Poland). Operations were started at all locations. The ramp-up of Gliwice investment has taken longer than anticipated and is still ongoing.

On 27 May 2025, Fortaco completed the reorganization of its financing. The measures included extending the maturity of the senior bond debt by two years, raising EUR 20 million of new equity to strengthen the balance sheet and liquidity, implementing other favorable amendments to the

bond terms that improved cash flow in 2025 and 2026, and extending the maturity of the EUR 7.5 million super senior revolving credit facility by two years. These arrangements significantly strengthened Group's cash flow and the balance sheet.

Group legal structure and changes during the financial year

Fortaco Group companies as of 31 December 2025 are listed in the table.

During the financial year, Fortaco d.o.o. Gruza was divested. The transaction was completed on 11 June 2025.

During the financial year, Fortaco Oy was merged into Fortaco Ostrobothnia

Oy and at the same time, the name of Fortaco Ostrobothnia Oy was changed to Fortaco Finland Oy. The merger was completed on 31 December 2025.

Net sales, operating result and financial position

In this report, figures in parentheses refer to the corresponding period from the previous fiscal year.

In 2025, Fortaco Group's order intake was EUR 362.8 (351.8) million. Increase in order intake was driven by gradually improving market conditions as the financial year proceeded. Year on year comparison was impacted by executed divestments. Order intake, excluding

divested businesses, increased 9 per cent year on year.

Net sales decreased 2 per cent year on year and amounted to EUR 348.2 (356.5) million. Also, concerning net sales, year on year comparison was impacted by executed divestments. Net sales, excluding divested businesses, grew 4 per cent. The year on year growth in net sales, excluding divested businesses, was negative during the first half of 2025 but turned clearly positive during the second half of the year due to gradually improving market conditions.

The Group's recurring EBITDA was EUR 18.5 (18.6) million or 5.3 (5.2) per cent of net sales, a change of -1 per cent from

the comparison period. The flattish recurring EBITDA was driven by costs associated to the ramp-up of the new business site in Gliwice, Poland. The profitability of the rest of the Group increased clearly, driven mainly by the positive impact originating from the Fortaco 25 performance improvement programme.

Ramp-up costs impacting EBITDA in Gliwice, Poland, amounted to EUR 7.2 million during the financial year. Recurring EBITDA, excluding ramp-up costs in Gliwice and divested businesses amounted to EUR 26.0 million, i.e. 7.5 per cent of net sales. In the last quarter of the year, the same metric was EUR 10.3 million, i.e. 10.6 per cent of net sales.

Group structure on 31 December 2025		
Company name	Domicile	Holding %
Fortaco Group Holdco Oyj	Finland	100 %
Fortaco Group Oy	Finland	100 %
Fortaco Finland Oy	Finland	100 %
Fortaco Finance Oy	Finland	100 %
Fortaco s.r.o.	Slovakia	100 %
Fortaco Polska Sp z o.o.	Poland	100 %
Fortaco Sp z o.o.	Poland	100 %
Fortaco JL Sp z o.o.	Poland	100 %
Fortaco Estonia OÜ	Estonia	100 %
Linda Properties OÜ	Estonia	100 %
Fortaco GmbH	Germany	100 %
Fortaco AB	Sweden	100 %
Fortaco Austria Holding GmbH	Austria	100 %
Walter Mauter GmbH	Austria	100 %
Fortaco France Holding S.A.S	France	100 %
Buisard S.A.S	France	100 %

Fortaco Group Key Financials		
EUR million unless otherwise noted	1-12/25	1-12/24
Net Sales	348.2	356.5
EBITDA	15.8	7.6
% of net sales	4.5 %	2.1 %
EBITA	-0.8	-7.4
% of net sales	-0.2 %	-2.1 %
Non-recurring items	2.7	11.1
Recurring EBITDA	18.5	18.6
% of net sales	5.3 %	5.2 %
Recurring EBITA	1.9	3.7
% of net sales	0.5 %	1.0 %
Balance sheet ratios		
Return on Capital Employed % (ROCE)	0.8 %	1.6 %
Equity ratio %	10.9 %	12.7 %
Net debt	153.9	150.0
Net gearing %	461.9 %	384.9 %
Net debt / last 12 months recurring EBITDA	8.3x	8.1x

Non-recurring items impacting EBITDA during the financial year totalled EUR 2.7 (11.1) million, clearly less than in the comparison period. Non-recurring items included divestment costs, project costs related to corporate transactions, employee severance costs and business development costs. Reported EBITDA was EUR 15.8 (7.6) million or 4.5 (2.1) per cent of net sales. EBITA for the financial year 2024 was EUR -0.8 (-7.4) million or -0.2 (-2.1) per cent of net sales. Net income was EUR -27.4 (-48.5) million. Net income included impairments related to divestments amounting to EUR -0.7 (-11.3) million. Earnings per share were EUR -27.4 (-48.5).

On 31 December 2025, the consolidated balance sheet amounted to EUR 306.2 (306.3) million. Cash and cash equivalents amounted to EUR 29.6 (32.0) million. Equity ratio was 10.9 (12.7) per cent, including the subordinated shareholder loan of EUR 7.1 (6.4) million treated as equity-like instrument. Net gearing was 461.9 (384.9) per cent.

Financing

On 31 December 2025, Fortaco Group had a senior secured bond, outstanding totaling EUR 134.3 million. The IFRS net principal in the balance sheet equaled EUR 130.1 million. In addition to the bond, the Group's debt financing consists of local term loans, leasing debt, a super senior revolving credit facility, as well as earn-out liability. On 31 December 2025, total gross debt

(IFRS) totalled EUR 184.0 million. EUR 7.5 million of the agreed super senior facility was not used but available as a liquidity reserve.

In May 2025, Fortaco Group refinanced the super senior facility. As part of the refinancing of the facility, the maturity was extended by 2 years until June 2027, and Fortaco Group received a waiver from the creditor. According to the waiver, the creditor waived all rights that would arise from potential covenant breaches during the financial year 2025. The waiver was valid until 31 December 2025. The potential breaches of the covenants would not constitute as an event of default, and Fortaco Group can continue to use the facility normally. Fortaco Group also received waivers related to some of its local term loans in Estonia in May, June and September 2025 for the envisaged breaches of some of the local financing covenants. According to the waivers, the creditor waived these breaches, and the breaches did not constitute an event of default. The sole impact of the breach would have been a temporary increase of the loan margin to 4.5 per cent p.a. (current margin 3.0 per cent p.a.).

During the financial year, Fortaco carried out a written procedure with respect to its senior secured bonds. The written procedure was announced on 2 April 2025, and it was successfully completed on 17 April 2025. The written procedure regarded certain amendments to the terms and conditions of the senior secured bonds, including an extension of the tenor by

two years, amending the interest rate during 2025 and 2026, introducing the option to make voluntary partial redemptions of up to EUR 20 million at a price of 101 per cent, together with certain other amendments. Connected to the written procedure, Fortaco also received EUR 20 million of new equity from the sole shareholder of the company, OEP 81 B.V.

On 10 October 2025, Fortaco concluded an agreement, whereby it received without a consideration a long-term loan receivable of EUR 5.9 million (principal) from the sole shareholder of Fortaco Group, OEP 81 B.V. On 31 December 2025, the receivable carried PIK interest totalling EUR 0.6 million, and therefore the total receivable on 31 December 2025 was EUR 6.5 million. The agreement was a positive conclusion of a commercial dialogue between Fortaco Group, its shareholder and a certain seller of one of the previously conducted acquisitions.

On 31 December 2025, the total principal of the subordinated shareholder loan was EUR 7.1 million. The loan carries PIK interest. On 31 December 2025, Fortaco had a cash balance of EUR 29.6 million. Net debt was EUR 153.9 million.

On 31 December 2025, investments in equity consisted of EUR 125.2 million (31 December 2024: EUR 105.2 million). The increase in invested equity during the financial year originated from an equity injection of EUR 20 million from the company's sole shareholder in connection with the written procedure to amend the terms and conditions of the senior bond financing. On 31 December 2025, the book value of equity was EUR 26.2 million (31 December 2024: 32.5), including non-controlling interest. The Group applies a non-recourse based factoring program. On 31 December 2025, 78 per cent of all receivables were sold based on the program, and the credit risk was transferred to the buyer.

Net Debt		
MEUR	1-12/25	1-12/24
Senior secured bond	130.1	122.7
Local bank financing	3.3	9.5
Leasing liabilities	45.0	44.8
Other gross debt items	5.6	5.5
Total Gross Debt	184.0	182.5
Cash and cash equivalents	29.6	32.0
Security deposits	0.5	0.5
Pledged cash	0.0	0.0
Gross Cash	30.1	32.5
Net Debt	153.9	150.0



Investments

Fortaco's net investments amounted to EUR 5.5 (14.4) million in 2025.

Research and development

Fortaco Technology services include research of new technologies and product development. Cabin product development projects are run by the CabTech team, executing full-service vehicle cabin development projects from concept and design to serial production. The Fortaco Technology team focuses on four areas: (1) SystemTech focuses on cabin control systems and integration of cabin and battery thermal management systems. (2) SteelTech and ManuTech teams focus on light-weight design and simulation techniques, as well as new manufacturing technologies and production line design. (3) The DefenseTech team focuses on demanding system integration projects for defense and rescue services.

As of January 2026, the Technology team has been dismantled as a separate unit within Fortaco.

Resources have been integrated into the cabin business or to the Fortaco Group overhead cost base.

Personnel and management

During the financial year, average number of personnel employed was 2,271 (2,627). On 31 December 2025, the number of personnel was 2,287

(2,327). Total salary cost was EUR 102.4 (103.9) million, including all employee benefit expenses.

Group Leadership Team

On 31 December 2025, Fortaco Group's Leadership Team members were Mika Mahlberg, President & CEO; Kimmo Raunio, Senior Executive Vice President & CFO; Agnieszka Koziara, Senior Vice President, People & HR; Gustav Svärd, Senior Vice President, Group Sourcing & IT; Michael Volz, Senior Vice President, Sales & Marketing; and Rafal Sornek, Senior Vice President, Technology & Zero Emissions.

During the financial year, Michael Volz joined the Group Leadership Team on 25 August 2025. Mikael Persson left the Leadership Team on 18 June 2025. After the financial year, Kimmo Raunio announced his resignation on 29 January 2026. His last date of employment is expected to be 30 April 2026. The recruitment process for the new CFO has been initiated.

Board of Directors

The Board of Directors is responsible for making decisions required by the provisions of the Finnish Companies Act. The Board of Directors makes all necessary resolutions in accordance with the instructions given by the Supervisory Board on matters which belong within the competence of the Board of Directors according to the Finnish Companies Act, but which have been addressed to the Supervisory Board under the Rules of Procedure. On 31 December 2025, the members of the Board of Directors

were Mika Mahlberg, chairman and Kimmo Raunio, deputy member.

Supervisory Board

The Supervisory Board's role is to oversee the management of the company, and it directs Fortaco Group's business to generate the greatest possible added value on the capital invested. On 31 December 2025, the members of the Supervisory Board were Panu Routila, chairman, Lars Hellberg, Markus Sjöholm, Marc Lindhorst, and Sebastian Schatton. David Pfeifer served as a board observer.

As of 1 January 2026, the members of the Supervisory Board are Markus Sjöholm, chairman, Lars Hellberg, Marc Lindhorst and Sebastian Schatton.

Ernst & Young Oy served as an auditor with Anders Svennas (APA) as the chief responsible auditor.

Risk Management

Fortaco follows and categorizes its risks based on the following categories, under which each individual risk is evaluated based on probability and business impact:

- Strategic risks
- Financial risks
- Operational risks
- Cyber- and technological risks
- Regulatory risks



Fortaco seeks to protect itself against risks in these categories by utilizing the Fortaco Group Risk Management approach, which is based on three lines of defense - governing body, management, and internal audit - combined with a proper analysis and reporting tools. A broader description of the company's risk management practices is available on the company's website.

Direct impacts stemming from the crisis in Ukraine are and have been very limited for Fortaco. Fortaco does not have or does not have had any net sales to Russia or Ukraine. Also, customers' exposure to orders from Russia and Ukraine has been limited, with a few exceptions. However, the crisis has resulted in increasing geopolitical tensions and uncertainty about the development of the global economy has fueled overall inflation, resulting in the increased risk related to overall market demand and the costs of production. Also, the availability of key commodities, such as electricity, may still be negatively impacted.

Fortaco operates in a sector which, to a large extent, is affected by macro-economic factors. The economic downturn and uncertainty of international financial markets have adverse impacts on the global economy and may cause a decreased demand for Fortaco's products and services. Also, other external factors, such as uncertainties related to the global tariff policy can negatively impact the overall economy and hence Fortaco.

Fortaco is currently in the process of ramping up its new investment in Gliwice, Poland. Should this ramp-up not be successful or be further delayed, it could negatively impact Fortaco. As a part of the overall financing structure, Fortaco is selling its receivables based on a non-recourse basis factoring program. The continued availability of such financing is imperative for Fortaco Group. Also, continued good payment terms from suppliers and the availability of credit risk limits from credit insurance companies are imperative to secure the cash flow generation.

Other key risks that might negatively impact Fortaco include, for example, the availability of employees, security of systems and devices, inflationary cost environment, risks related to the extensive business development agenda, regulatory compliance related risks, and specific risks associated with defense business contracts and compliance.

Shares, ownership structure, and proposal for distribution of profits

The parent company of Fortaco, Fortaco Group Holdco Oyj, has one type of share with one vote per share. The company has in total 1,000 shares, and all shares carry an equal right to dividends and company assets. On December 31, 2025, 100 per cent of the shares in Fortaco Group Holdco Oyj were owned by OEP 81 B.V., which is a fund managed by One Equity Partners.

On 31 December 2025, the parent company Fortaco Group Holdco Oyj had distributable equity of EUR 113.6 (95.4) million. The Board of Directors proposes at the Annual General Meeting that the company will not pay dividends, and the result for the financial year to be transferred to the profit and loss account for previous years.

Events after the financial period

As announced on December 23, 2025, Markus Sjöholm is the chairman of the Supervisory Board as of January 1, 2026. Panu Routila, the former chairman stepped down from the Supervisory Board at the same date. On January 1, 2026, Fortaco's Supervisory Board members are Markus Sjöholm (chairman), Lars Hellberg, Marc Lindhorst and Sebastian Schatton.

On 29 January 2026, it was announced that Kimmo Raunio, Senior Executive Vice President & CFO will leave the company. His last date of employment is expected to be 30 April 2026. The recruitment process for the new CFO has been initiated.

In January 2026, Fortaco received a letter and a EUR 2 million claim invoice from its former factoring partner. Fortaco has terminated the sale of receivables agreement in 2025 due to the partner's numerous and continuous breaches of contract. Fortaco has disputed the invoice received, and discussions with the partner are ongoing. Since all claims have been contested, Fortaco has not

made any provisions related to the matter.

On February 24, 2026, Fortaco revised its financial guidance for 2026 and withdrew the long-term financial outlook for 2027 published on 2 April 2025.

Assessment of operating environment and outlook for 2026

Market demand is expected to remain overall at approximately the Q4 2025 level throughout the first half of 2026. The outlook for the second half of the year remains uncertain. The demand situation varies considerably across different customer segments. Demand in the mining and defense segments is expected to be strong. The demand outlook in other key customer segments is more volatile, ranging from still low levels to average levels depending on the segment.

Fortaco remains committed to its strategy, including expanding its customer base and leveraging its full range of offerings for customers. These activities are expected to support growth in market share and increase share of wallet among existing customers. The Fortaco 26 performance improvement programme, together with the ramp up of operations in Gliwice, Poland, is expected to contribute positively to the Group's profitability.

Reconciliation of Alternative Performance Measures

The following table sets forth a reconciliation of the Alternative Performance Measures as of the dates and for the periods indicated.

MEUR	1-12/25	1-12/24
EBIT	-7.5	-24.2
Amortisation and impairments	6.7	16.8
EBITA	-0.8	-7.4
Depreciation	16.6	14.9
EBITDA	15.8	7.6
Non-recurring items		
Transaction costs	1.0	2.9
Other non-recurring items	1.7	8.1
Non-recurring items, total	2.7	11.1
Recurring EBITDA	18.5	18.6
Recurring EBITA	1.9	3.7

Formulas of alternative performance measures

EBITDA = Operating profit + depreciation + amortisation + impairments

EBITA = Operating profit + amortisation + impairments

Recurring EBITDA = Operating profit + depreciation + amortisation + impairments +/- non-recurring items

Recurring EBITA = Operating profit + amortisation + impairments +/- non-recurring items

Non-recurring items = Certain costs or income not related to the ordinary course of business, including restructuring costs, strategic development projects and transaction costs

Return of Capital Employed % (ROCE) = Recurring EBITA (annualised) / (total assets – current liabilities)

Equity ratio = (Equity + subordinated shareholder loans) / total assets

Net debt = Current and non-current interest-bearing liabilities + M&A liabilities - total liquidity

Net gearing = Net debt / (total equity + subordinated shareholder loans)

SUSTAINABILITY STATEMENT

The following sustainability statements have been prepared according to the Finnish Accounting Act with reference to the European Sustainability Reporting Standards (ESRS) and EU Taxonomy Regulation. In the first chapter of the sustainability statements, we give a detailed account of our double materiality assessment conducted in 2024 and provide an overview of the ESRS topics that we identified as material. In the following sections, we report on our impacts, ambitions, policies, strategies, actions, resources and progress towards targets for each of these material topics. For a detailed overview of all the ESRS disclosure requirements addressed in this report and a list of datapoints that derive from other EU legislation, please see the Sustainability Statement appendices.

GENERAL (ESRS 2)

Basis for preparation

The data is consolidated according to the same principles as the financial statements. Thus, the consolidated quantitative ESG data comprises the group company Fortaco Group HoldCo Oyj and subsidiaries controlled by Fortaco Group. No information has been omitted due to intellectual property, impending developments or other sensitive information.

In the process of conducting our Double Materiality Assessment we reviewed Fortaco's value chain upstream and downstream in order to get a realistic understanding of all the impacts, risks and opportunities sustainability may have on Fortaco or Fortaco on various sustainability topics and the information disclosed in these statements are reaching out to the very end of the value chain, both upstream and downstream, where required, applicable and possible.

The accounting policies have been applied consistently over the financial year and for comparative figures unless otherwise stated.

Consolidation of all quantitative data follows the principles above, unless otherwise specified in the accounting policy for each reported data point in the sections E, S, and G.

Estimates and judgements

We use assessments and estimates for the reporting of some data points, e.g. our scope 3 emissions. We regularly reassess our use of estimates and judgements based on the development of ESG reporting, source data availability, and other factors. Changes in estimates are recognized in the period in which the estimate in question is revised. In addition, we make judgements when we apply the accounting policies. For further information on the key estimates, judgements, and assumptions applied, can be found in the pages with quantitative ESG data tables.

For adjustments to financial numbers, we follow the financial statements. For adjustments to ESG information, we indicate where we have restated the data.

Governance

Administrative, management and supervisory bodies

Fortaco has a Supervisory Board, which role is to oversee the management of the company, which is the responsibility of the Board of Directors (Management Board) and the Managing Director. The Supervisory Board consists of three to six (3-6) members elected by the General Meeting. The Supervisory board does not include workers' representatives. When selecting members of the Supervisory Board, it is ensured that the competence profile supports Fortaco's current and future business operations. In terms of diversity, essential factors are the members' complementary education, know-how, experience in different industrial sectors and operating environments, as well as personal characteristics, such as age and gender.

The Board of Directors consists of at least one (1) and at most five (5) ordinary members elected by the General Meeting. In 2025, the Board of Directors consisted of one ordinary member Mika Mahlberg, President and CEO, and one deputy member Kimmo Raunio, Senior Executive Vice President and CFO. The Board of Directors supervises the company's operations and management, deciding

on significant matters concerning strategy, investments, organisation and finance. Fortaco's Board of Directors is Fortaco's highest body overseeing sustainability, and it approves the policies guiding Fortaco's operations.

Principles concerning sustainable business are defined in the Code of Conduct, as well as policies and other documentation such as those related to procurement, People and HR, legal compliance, quality, risk management, contracts, data protection, information security, taxation, health and safety, and communication. Policies are approved by the Board of Directors.

Changes in the operating environment are addressed as needed in updating targets and policies. The Group Leadership team, appointed by the Board of Directors, approves Fortaco's strategic sustainability targets, and the Director of Group Sustainability is responsible for target implementation. The Group Leadership team consists of executives covering needed experience, skillset and know-how to develop the group and businesses as well as operational activities in accordance with the goals confirmed by the Supervisory Board.

In 2025, the progress made towards targets has been reported to the Group Leadership Team quarterly and Board of Directors sporadically, while key performance indicators have been reported more regularly. Fortaco business sites has reported a selection of sustainability indicators monthly

to the group's Senior Leadership Team. Sustainability is reported to the Supervisory Board at least once a year. Sustainability is incorporated into the business strategy as well as in long-term business and investment plans, risk assessments, and annual action plans. Environmental, Social, and Governance aspects are taken into consideration on a wide spectrum depending on the situation. For example, the strategy process utilizes the results of the risk assessments on a general level. Implementation and processes related to sustainability is under constant improvement and development to become and then remain at the core of our operations.

Sustainability is a standard point on the agenda of the Group Leadership Team's meetings. Sustainability is presented by the Group Director of Sustainability, member of the extended Senior Leadership Team, while related topics such as health and safety, data security, and employee training are presented by Fortaco's other experts and executive management responsible for respective area. The reviews ensure the Board of Directors' and Group leadership team's understanding and competence are up to date in sustainability matters.

In 2025, all members of the Group Leadership Team and the Senior Leadership Team participated in Sustainability trainings provided internally at Fortaco but with external experts involved, and external trainings as needed. Additionally, the local

leadership teams of business site Breitenau, Gliwice, Narva and Wrocław have received training in Sustainability, a campaign continuing in 2026.

Fortaco's Group Sustainability Director coordinates in collaboration with relevant functions and units the work related to material impacts, risks and opportunities, and reports identified gaps in skills and expertise to the Group Leadership Team. Also functions responsible for policies, targets and actions related to a particular impact, risk or opportunity may act on gaps. For example, the People and HR organisation has appointed a manager to lead Corporate Social Responsibility (CSR) initiatives to ensure social sustainability topics are addressed sufficiently. More about Fortaco's social sustainability actions in section S1-S3.

In 2025, the Board of Directors and the Group Leadership Team focused on topics such as updates to sustainability targets and policies, finalization of the group's climate program, employees' wellbeing and development, occupational safety, information security, and regulatory development related to sustainability. The Group Leadership Team supervised the implementation of sustainability measures such as new and updated policies, compliance with new regulations, updated expectations and requirements towards suppliers, and improved dialogue with customers. Impact, risks and opportunities identified through the double materiality assessment conducted in spring 2024 have been reviewed and no changes has been made. More about targets and action plans for the material

topics in chapters for Environment (E), Social (S) and Governance (G).

Sustainability-related performance has not yet been integrated into incentive schemes or remuneration policies. In the future we will develop our target-setting model and investigate how to sufficiently encourage continuous assessment and improvement of sustainability matters through remuneration.

Due diligence statement

Fortaco carries out sustainability due diligence to identify and monitor its impacts on the environment and people connected to the business. Fortaco has embedded environmental, human rights, and governance due diligence into its management systems and in key processes. See the

table Core elements of due diligence, for a mapping of information provided in this Sustainability Statement about the due diligence process.

Risk management and internal controls

All corporate functions and business sites are responsible for ensuring that group-wide initiatives are implemented to meet Fortaco's sustainability goals. In 2025, we integrated all identified sustainability impact, risks and opportunities into our group-wide risk management system, which is incorporated to assess the probability and impact of risks and opportunities regularly as of the full implementation. In the risk assessment process sustainability risks are covered more generally, including topics such as environment, climate change and well-being of our employees. The

wider spectrum of sustainability impact, risks, and opportunities are assessed more thoroughly in the Double Materiality Assessment. The risk assessment includes applying internal control in line with established processes, and centralized reporting of business operations to the Group Leadership Team in accordance with Fortaco's general internal control governance model and the annual cycle.

Fortaco has identified specific risks related to the sustainability reporting process. These include limited visibility into the upstream value chain, particularly beyond first-tier suppliers, scattered data, and sustainability reporting process under constant development. Currently, our suppliers are not required, or do not yet have the ability, to share complex data

	2025	2024
Supervisory board	5	4
Executive members	0	0
Non-executive members	5	4
Female members	0 %	0 %
Male members	100 %	100 %
Gender diversity ratio	0 %	0 %
Independent members	0 %	0 %
Board of directors	2	2
Executive members	2	2
Non-executive members	0	0
Female members	0 %	0 %
Male members	100 %	100 %
Gender diversity ratio	0 %	0 %
Independent members	0 %	0 %

Accounting principles

Gender diversity ratio

Calculated as an average ratio of female to male board members per December 31st.

Independent members

Fortaco has dual boards, a supervisory board consisting of independent executives elected by the General Meeting. The board of directors is a management board consisting of one ordinary member and one deputy member. In 2025, Fortaco adopted a more conservative approach to assessing independence and updated the figures for 2024 accordingly.

Core elements of due diligence	Section in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 ESRS G1
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 ESRS S1, S2, S3 ESRS G1
c) Identifying and assessing adverse impacts	ESRS 2 ESRS E1, E2, E4, E5 ESRS S1, S2, S3 ESRS G1
d) Taking actions to address those adverse impacts	ESRS 2 ESRS E1, E2, E4, E5 ESRS S1, S2, S3 ESRS G1
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 ESRS E1, E2, E4, E5 ESRS S1, S2, S3 ESRS G1

needed for e.g. emission calculations. This makes it challenging to obtain reliable and verifiable data required for CSRD-compliant reporting.

We are still developing our sustainability management capabilities to manage these new requirements from various stakeholders. To address the risks, we are strengthening the dialogue with our suppliers and clarifying our expectations towards them, working towards improved value-chain transparency. At the same time, we are fostering internal sustainability competencies to improve internal control. Together with the limited assurance by an external auditor, these steps will help ensuring that the information in this report is reliable.

In the double materiality assessment 20 material risks were identified covering all aspects (Environment, Social and Governance) of sustainability, mainly in our own operations and upstream value chain. For more information about identified risk see the section for Material Sustainability topics, and sections for topical standard disclosures. More information about the processes of internal control, internal audit and risk management, is available in section Business conduct (G1).

Fortaco's risk management policy (Risk Management Handbook) outlines how we in a structured way organize the roles, responsibilities and processes of our business to reduce risks and to take advantage of opportunities according to the strategy.

Group-wide policies that are in place, to mitigate risks and promote opportunities, with our Code of Conduct serving as an ethical foundation. The code also describes our approach to sustainable business operations, people and society, and environmental issues. Fortaco strives for globally consistent and transparent practices, to ensure stakeholders can reliably assess the company's operations and development.

Reflecting our commitment to sustainability, 77 percent of our operations are certified in accordance with ISO 14001:2015 (environmental) and ISO 9001:2015 (quality) management standards. Additionally, 36 percent of our operations hold the ISO 45001:2018 (health and safety) certification.

Sustainability reporting is in line with Fortaco's group-level principles and processes for statutory reporting, risk management and internal control. In sustainability reporting, internal control is based on risk identification and focus on the most material risks identified, as well as the best practices of internal control. The sustainability reporting control environment is based on Fortaco's values, the management's commitment to sustainable operations, a corporate culture including ethics and sustainability, policies promoting sustainable operations, professional employees, and transparent operations.

Sustainability reporting is centrally coordinated by the Group

Sustainability Director, part of the Group Finance team. The Sustainability Director oversees and is responsible for the Sustainability statements. ESG data is collected and reported in all Business Sites and functions, by experts in respective field.

Strategy

Strategy, business model and value chain

Fortaco serves as the leading brand-independent strategic partner to the heavy off-highway equipment. Our operations in multiple European business sites and technology hubs support global customers who are the leading OEMs in their own industry sectors like agriculture, construction equipment, container handling, defence, forestry, marine and energy, material handling, and mining. Fortaco's offering is versatile including assemblies, vehicle cabins, and steel fabricated components as well as technology services and zero emission solutions. Information about Fortaco's financials and net sales available in note 2.1 Net sales of the Financial Statements.

Viewing the transition to a carbon-neutral economy as an opportunity, we consider zero-emission solutions crucial for mitigating climate change impacts. By offering these solutions, reducing exhaust emissions and usage of natural resources, we want to enable decarbonization in our customers' industries. Fortaco has not yet set any sustainability related goals

to specific products, services, customer categories, geographical areas or relationships with stakeholders.

Beyond providing value for owners, Fortaco contributes economically and socially as an employer, taxpayer, and buyer of goods and services. Fortaco provides employment and business opportunities to a wide range of stakeholders and indirectly builds wealth in local communities. We predominantly purchase raw materials, components, energy, and services from suppliers in European countries. Some direct suppliers are customer nominated as Fortaco collaborates closely with customers from development to the commercialization of new solutions.

Our employees, with their expertise and motivation, are central to the company's success and bring the company's strategy to life. More information about our people, such as the head count per country can be found in the section for Own workforce (S1).

An illustration of Fortaco's value chain and identified material sustainability impacts, risk and opportunities can be found in the section for Double Materiality Assessment. Identified impacts identified in our own operations are present and highly connected to Fortaco's business model and nature of operations. Fortaco's strategy and business model enables positive impact in the downstream value chain. See the table in section Material sustainability topics for an overview of Fortaco's impacts.

The material impact, risks and opportunities do not change our business model or strategy significantly, and we see no need to adjust the direction, only continue the path we are on, setting goals, planning change and implementing actions. We expect Fortaco's current strategy and business model to have the sufficient capacity to address material impacts and risk, and to take advantage of opportunities. A resilience analysis has been conducted on a high level for all sustainability risks and as part of the transition plan preparation a more thorough resilience analysis has been conducted for Climate related risks. The climate risk resilience analysis has conducted according to definition in ESRS E1.

Interests and views of our stakeholders

Stakeholder engagement is an integral part of our business. Through ongoing dialogue, we strive to understand their positions, concerns, and expectations. The insight gained through this continuous interaction serves to inform our due diligence processes, double materiality assessment, operational development, and decision-making, allowing us to align with industry trends, and the interests and views expressed by stakeholders. See the stakeholder table for more information on which channels and form of dialogue we utilize to engage with each stakeholder group.

The views and interests of affected stakeholders regarding our sustainability-related impacts are

Key stakeholders	How engagement is organised	Purpose of engagement	Examples of outcomes from the engagements
Employees	<ul style="list-style-type: none"> • Internal communication • Employment relations and occupational health and safety representation • Personal development dialogues • Surveys and workplace assessments • European Works Council dialogues • Fortaco Behaviour Model workshops 	<ul style="list-style-type: none"> • Including employees' perceptions and experiences • Contributing to a sustainable workplace and working life • Improve wellbeing and work satisfaction • Improve cooperation with trade unions • Creating culture based on company values 	<ul style="list-style-type: none"> • Internal policy updates • Improvement and action plans • Communications from management • Global initiatives and campaigns • Behaviour Ambassadors from Trade Unions
Customers	<ul style="list-style-type: none"> • Continuous discussions and support • Joint projects for emission reduction and sustainability • Customer data requests 	<ul style="list-style-type: none"> • Building trust and strong collaboration • Providing sustainable solutions • Enabling customers to achieve their targets • Understanding expectations 	<ul style="list-style-type: none"> • Product/service improvements • Sourcing process improvements • Shared sustainability knowledge • Responses to customer queries
Suppliers	<ul style="list-style-type: none"> • Periodical dialogue • Supplier due diligence • Workshops and industry collaborations • Supplier self-assessments and on-site audits 	<ul style="list-style-type: none"> • Compliance with our code of conduct • Promoting sustainability • Decarbonising our supply chain • Mitigating risks 	<ul style="list-style-type: none"> • Streamlined supplier expectations • Supplier improvement plans • Informed selection of suppliers • Improved sustainability data quality
Owners and investors	<ul style="list-style-type: none"> • Investor calls and data requests • Periodic investor updates • Reporting 	<ul style="list-style-type: none"> • Understanding expectations • Build and maintain an attractive business • Enhancing transparency 	<ul style="list-style-type: none"> • ESG rating improvement plans • Responses to investor queries • Internal policy updates
Governments and regulators	<ul style="list-style-type: none"> • Reporting 	<ul style="list-style-type: none"> • Ensuring regulatory compliance 	<ul style="list-style-type: none"> • Aligning business model and strategy • Value creation and risk mitigation from compliance
Civic and non-profit organisations	<ul style="list-style-type: none"> • Collaboration on community projects • Donations to NGOs • Contributions to research projects 	<ul style="list-style-type: none"> • Contributing to local initiatives • Addressing concerns of communities • Supporting means important to our people 	<ul style="list-style-type: none"> • Site-specific initiatives on e.g. community development • Monetary donations to non-profit organisations • Enabled work possibilities for Ukrainian refugees
Industry and sustainability associations	<ul style="list-style-type: none"> • Joint initiatives and programmes • Inputs into strategic directions • Events, workshops and knowledge sharing 	<ul style="list-style-type: none"> • Gain insight on sustainability trends • Initiate sustainability development • Working to tackle sustainability challenges in the industry • Understanding views of value chain workers 	<ul style="list-style-type: none"> • Alignment on sustainability practices and measurement standards • Design of value chain workers initiatives
Local communities	<ul style="list-style-type: none"> • Programmes and events for employees' families • Partnerships for community benefits 	<ul style="list-style-type: none"> • Building trust and community support • Support community wellbeing • Addressing community concerns, questions, and feedback 	<ul style="list-style-type: none"> • Support of local projects

communicated to our Group Leadership team at least twice a year by the Group Sustainability Director (general sustainability and environmental matters), the Senior Vice President People and HR (employee related matters) and the Group QHSE Director (Health and Safety matters). The constant dialogue with stakeholders leads also to regular but less formal updates to Fortaco's business sites' leadership teams, Group Functions and the Group Leadership Team Members. The Supervisory board is informed annually by the CEO and CFO.

In 2025, strategy and business model has not been amended because of interest or views of its stakeholders. However, external stakeholders such as owners, investors, customers and regulators are raising their expectations regarding sustainability performance and accountability. Fortaco meets these expectations and requirements for example by innovating new solutions, investing in sustainability actions and improving the sustainability know-how among our own people.

Impact, risk, and opportunity management

Double materiality assessment

In the spring of 2024, in preparation for CSRD-compliant reporting, we conducted a Double Materiality Assessment (DMA) with external guidance and support. The DMA was guided by ESRS principles and the EFRAG guidance and leveraged our previous materiality assessment conducted in 2022. The assessment followed a structured, step-by-step approach, where impacts, risks and opportunities were assessed through a value chain analysis, incorporating both inside-out (organizational impact) and outside-in (financial exposure) perspectives. Where quantification was possible, data-driven assessments were conducted and supplemented by qualitative insights.

Stakeholder input was collected from internal subject-matter experts and from selected customers, suppliers, and industry organisations.

In 2025, the DMA results were reviewed against operational and market changes. Fortaco conducted a comprehensive climate-related risk- and scenario analysis, assessing risks and opportunities related to climate change and energy. This analysis resulted in updates to the impact, risks, and opportunities identified under Climate Change (E1). No other changes have been significant enough to amend the previously reported DMA results.

To ensure continuous compliance we will refine our DMA process, methodology, and stakeholder engagement practices in the coming year. The outcome presented here is a true and fair representation of our impacts, risks and opportunities for 2025.

Approach and methodology

Our DMA methodology is derived from EFRAG and ESRS principles, linking all identified impacts, risks, and opportunities to relevant ESRS topical standards. The score of material impacts, risks and opportunities determined their placement in the DMA matrix, which function as basis for prioritization.

Scope

Our assessment focused on sustainability impacts directly associated with our operations and value chain, as well as potential risks and opportunities to business continuity across our value chain. The value chain assessments were based on both internal knowledge, commonly available information, and stakeholder interviews. Due to this being the first Double Materiality assessment Fortaco has conducted, all areas and factors were emphasized equally.

The key principles guiding our methodology included the following:

- Both positive and negative impacts were considered.
- Impacts were assessed as either actual or potential.

- Financial risks and opportunities were evaluated as potential effects caused by sustainability matters

Stakeholder engagement

For our DMA, internal subject-matter experts from both the business sites and Group functions were engaged. External stakeholders such as customers, suppliers and the industry association were consulted to understand how they may be impacted by Fortaco's business activities, and Fortaco by them. Throughout the process we leveraged insights from our functions that are in continuous dialogue with our stakeholders and that have a good overview of their interests and views. External stakeholders were not directly consulted to the same extent as internal experts and nor have external stakeholders reviewed the outcome of our DMA.

In addition, our continuous engagement activities in the communities in which we are present are a solid basis for assessing the impacts, risks and opportunities most material to us.

Scoring of impact, risk and opportunities

The utilised methodology for assessing 'scale', 'scope', and 'irremediability' follow the guidelines provided by EFRAG in October 2023.

1. 'Scale' was assessed as the magnitude of impact on the environment or people, after considering mitigation of current actions.

2. 'Scope', was assessed as how extensive the impact is based on parameters such as geographical coverage, percentage of affected stakeholders, or financial spend that the impact relates to.

3. 'Irremediability', refers to the difficulty level (in terms of cost and time) of the evaluated impact's remediation measures. Financial, technological and operational requirements were considered in the evaluation of irremediability and measures taken before occurred impact (e.g. emission reduction measures).

Each parameter was evaluated based on the known proof of evidence, experience, data, measurement or other reliable observation. Additionally, the impact categorization included two dimensions: actuality and potentiality. Actual impact is where the connection and actual impact is known to exist, or there are good reasons to expect so. Potential impact is where there is no clear evidence for the impact. For potential impacts, risk and opportunities, an additional parameter of 'likelihood' was scored.

Financial impact was assessed based on the most obvious financial implications caused by the impact, risk or opportunity. As impacts, risks and opportunities can have multiple impacts chains which triggers financial implications, we included the most obvious recognized financial implications, and risk mitigation actions that are already in place.

The potential magnitude of financial effects was scored as 'low', 'medium', or 'high' using relevant time horizons of short-, mid-, or long-term. The assessment of financial scaling of risks and opportunities and their likelihood was done with substance-expertise and Fortaco's group leadership team. The financial risk assessment model leverages the risk classifications and risk assessment model that Fortaco is using for other business risks. Quantification in monetary terms was supplemented with qualitative assessments due to the complexity of defining exact values for potential sustainability risk scenarios.

Fortaco has taken a cautious approach in its DMA and set the materiality thresholds at 'high', meaning if any of the parameter scores was identified as 4 or higher on a scale from 1-5, the sustainability matter has been defined as material.



Process

Fortaco's DMA process includes a value chain analysis, impact assessment, and financial assessment. The process contains 6 steps, and appropriate stakeholders were engaged for each step.

1. Definition of Fortaco's value chain and stakeholders. Fortaco's value chain was analysed from the perspective of the industry, upstream, own operations and downstream. Firstly, an analysis of the industry trends and characteristics was conducted. Following, the upstream value chain was analysed on a high level with key emphasis on direct spend and the steel supply chain, which was identified as the most important supply stream and production material for Fortaco.

The next step included review of Fortaco's strategy and business model to identify and verify key stakeholders. This DMA process step was concluded with an analysis of Fortaco's key customer industries and recycling processes. This step also included identification of experts in the business sites and group functions with insights into the topics and deep knowledge of our business within each area.

2. Identification of impacts, risks, and opportunities. Impacts include those impacts, risks, and opportunities connected with Fortaco's own operations and upstream and downstream value chain, including

Fortaco's products and services, as well as business relationships.

The identification process included documentation review, interviews with internal and external stakeholders as well as review of previous assessment. The outcome was a long list of actual and potential sustainability related impacts, risks, and opportunities related to raw material extraction, production and manufacturing of relevant or critical raw materials and utilities, own processes, customers, end use and end-of life processes.

3. Materiality assessment of identified impacts, risk, and opportunities. The identified sustainability impacts, risks and opportunities were assessed by their scale, scope, irremediability and likelihood. All identified impact, risks and opportunities, and respective scoring on all parameters were tracked in a DMA tool. For each impact also the rationales, sources, related business areas or value chain actor was documented.

4. Assessment of financial impact. The potential financial effects of the identified impacts, risks and opportunities were assessed. For this, relevant stakeholders were engaged to ensure appropriate consideration of sustainability risks and opportunities. These included internal subject-matter experts, the Fortaco group leadership team, as well as the owner of Fortaco's corporate risk management process. Financial risks and opportunities were documented in the DMA tool.

5. Review and validation of the results. The identified and assessed sustainability-related impacts, risks and opportunities have been subsequently categorized following our scoring methodology approach and linked to the ESRS.

Consolidated overviews of the DMA were presented to and discussed with internal stakeholders and management. Finally, the determined materiality threshold yielded a final list of 24 material matters that were assessed as 'high' impact or above.

Fortaco aims at revisiting the DMA process annually to review and re-evaluate scope, process, stakeholder engagement and outcome to ensure the most material sustainability impacts, risks and opportunities are reacted on. A more qualified and quantified re-assessment will be conducted at least every five years or more often when sufficient.

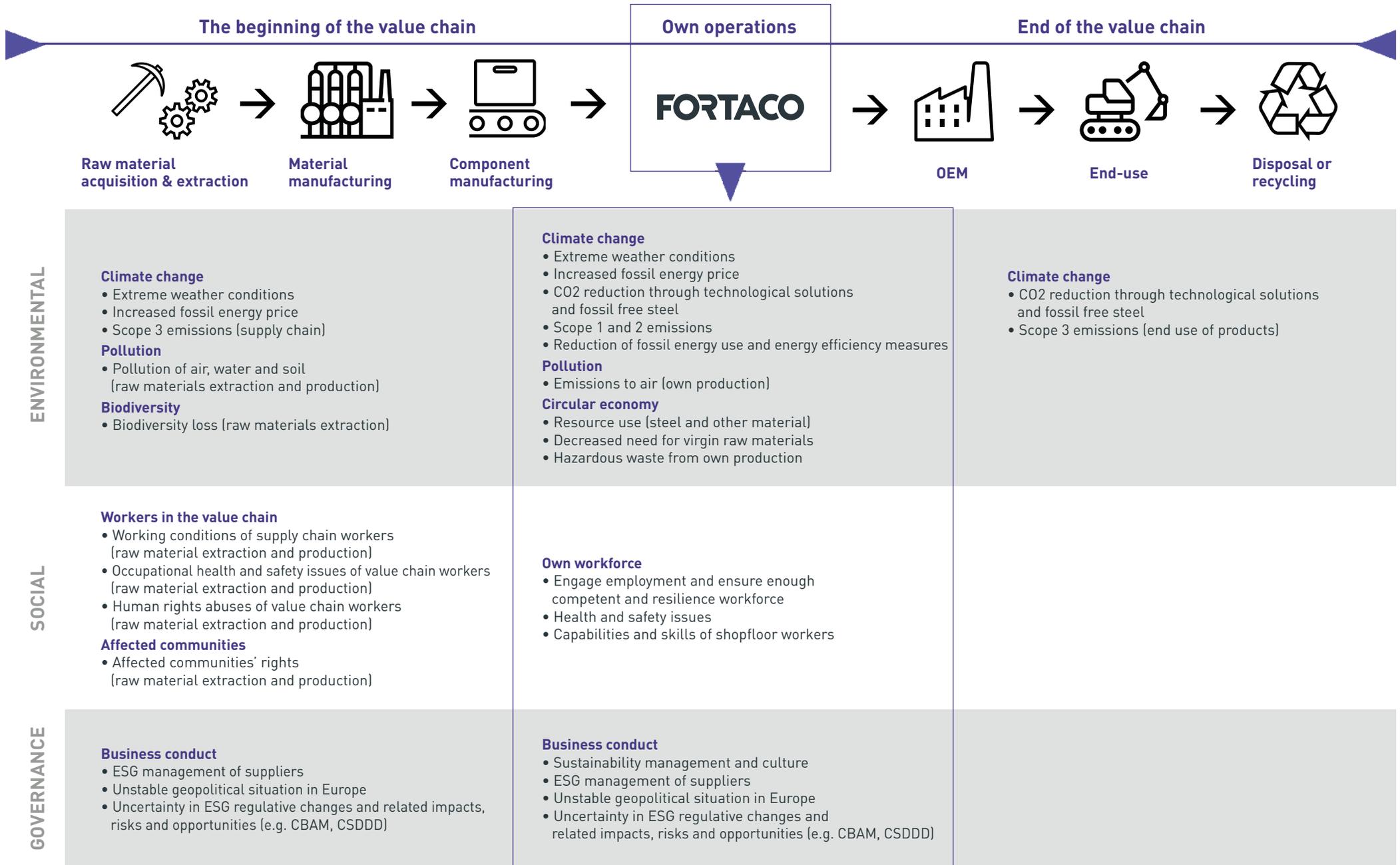
Outcome

The sustainability impacts, risks and opportunities that we have identified as material for Fortaco are 42. Each material matter has been linked to the ESRS, showing that of the topical standards E1, E2, E4, E5, S1, S2, S3, and G1 include topics that are material sustainability matters to Fortaco. Sub-topics classified as high (a value of 4-5 of 5) were determined as material sub-topics. Sub-topics and sub-sub-topics of low materiality are not addressed in these sustainability statements.

The environmental impacts, risks and opportunities we have, are closely linked to our strategic efforts to deliver zero emission solutions to our customers while minimizing our own negative impact on the environment. The deployment of new emission free solutions mitigates climate impacts further down the value chain but also requires significant amounts of natural resources such as steel with negative impacts on the climate, the environment and biodiversity.

Our own people and workers in Fortaco's value chain are also heavily impacted by working conditions, safety measures and labour rights.

Fortaco's value chain and material sustainability impacts, risks and opportunities:





Material sustainability topics

The following tables list the sustainability-related impacts, risks and opportunities we have identified and assessed as material through our double materiality assessment process. Eight out of the ten ESRS topical standard are material to Fortaco. Our scoring includes mitigation actions that are already part of our daily operations to reduce or mitigate any negative impacts or risks.

More information on our material impacts, risks and opportunities, and how we respond to the effects of them, is included in the topical sections under 'Environment', 'Social', and 'Governance'.

E1 Climate change			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Climate change adaption			
Physical risk (long-term)	Own operations, upstream value chain		Increased risk of extreme weather conditions causing damages or disruptions and require investments in own operations and supply chains.
Climate change mitigation			
Positive impact (long-term)	Upstream and downstream value chain		CO2 reduction through technological solutions and by using fossil free steel
Negative impact (short-, medium- and long-term)	Own operations		Scope 1 and 2 emissions related especially to infrastructure and heating, e-coating, and painting.
Negative impact (medium- and long-term)	Upstream and downstream value chain		Scope 3 emissions related to especially purchased goods and services, transportation and distribution, business travel and end use of products.
Transitional risk (medium-term)	Own operations		Green transition and related regulation can increase the price of steel and fossil free steel, requiring adjustments to customer agreements and pricing.
Transitional opportunity (medium- and long-term)	Own operations, downstream value chain		Low-emission solutions and transparent reporting can provide a competitive edge and strengthen brand value.
Energy			
Positive impact (medium-term)	Own operations		Reduction of fossil energy and fuels through increase of renewable energy share in facilities, machinery, and by electrifying and automating. Enables Scope 2 emission reduction.

E2 Pollution			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Pollution of air			
Negative impact (short-, medium- and long-term)	Own operations		Pollution to air in form of dust and heavy metals from metal fabrication such as welding processes, as well as volatile organic compounds (VOCs) released from painting processes, and emissions from transportation.
Negative impact (short-, medium- and long-term)	Upstream value chain		Noise and pollution of air and noise related to raw material extraction and production of materials such as iron ore/steel, copper, and glass.
Regulatory risk (medium-term)	Own operations		Extra costs for investigation and investments of measurement technologies (e.g. heavy metal, VOC emissions).
Strategic risk (long-term)	Upstream value chain		Reputational impacts of unmanaged air pollution and noise caused by suppliers especially in the supply chains of steel, iron ore, copper, aluminium, and glass.
Pollution of water			
Negative impact (short-, medium- and long-term)	Upstream value chain		Pollution of water related to the extraction and production of especially iron ore and steel.
Pollution of soil			
Negative impact (short-, medium- and long-term)	Upstream value chain		Pollution and contamination of soil as a result of extraction and production of iron ore and steel.

E4 Biodiversity			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Direct impact drivers on biodiversity loss			
Negative impact (short-, medium- and long-term)	Upstream value chain		Biodiversity loss as a result of activities in raw material extraction of steel and iron ore, copper, aluminium, glass and rubber. Impacts related to e.g. land, freshwater and sea use change, tree cover loss, protected or conserved areas.
Strategic risk (medium-term)	Upstream value chain		Reputational risk related to biodiversity loss in form of, threatened species, ecosystem services, conflict with agriculture or indigenous people, integrated land management, and deforestation caused by suppliers of steel, copper, glass, aluminium and rubber.

E5 Circular Economy			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Resources of inflows, including resource use			
Negative impact (short- and medium-term)	Own operations		The impact related to the use of material such as steel, glass, paint chemicals, and aluminium, all causing negative environmental impact in their supply chain.
Positive impact (long-term)	Own operations		Decreased need for virgin raw materials and increase of material efficiency through circular design of products impacts positively. For example, the use of recycled insulation materials and plastics.
Operational opportunity (medium-term)	Upstream and downstream value chain		Circular design and responsible sourcing and production including material and resource efficiency, use of alternative materials, and optimizing use of production materials enables minimized use of materials.
Waste			
Negative impact (short- and medium-term)	Own operations		Generation of hazardous waste, e.g. toxic waste from machining and painting.

S1 Own workforce			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Working conditions			
Positive impact (medium- and long-term)	Own operations	Secure employment	Engaging employment and enough competent and resilient workforce enabled through investments in automation, digitalisation, internal rotation and training, mentoring and change management.
Positive impact (medium- and long-term)	Own operations	Health and safety	Automation, robotics, new techniques and machinery reduce physical load for employees and improve working conditions.
Negative impact (short- and medium-term)	Own operations	Health and safety	Demanding working conditions and human errors cause various health problems, diseases, and accidents on the shop floor.
Operational risk (medium-term)	Own operations	Secure employment	Inability to maintain flexibility and resource-efficiency in fast, mainly inorganic, growth and increasing personnel with cultural diversity.
Operational risk (long-term)	Own operations	Health and safety	Decreasing productivity and higher costs related to health due to increasing employee health issues as a result of demanding working conditions.
Equal treatment and opportunities for all			
Positive impact (short-, medium- and long-term)	Own operations	Training and skills development	Fortaco supports and provides opportunities for employees to improve capabilities and skills.
Operational risk (medium-term)	Own operations	Training and skills development	Challenges to recruit technically competent and engaged shopfloor workers when education level as well as technical and language skills of younger generations and agency workers do not meet the need in many countries.
Operational opportunity (medium-term)	Own operations	Training and skills development	Investment in automation, digitalisation, internal rotation and training, mentoring and change management to ensure enough competent and resilient workforce.

S2 Workers in the value chain			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Working conditions			
Negative impact (short- and medium-term)	Upstream value chain		Unfair terms and conditions of employment related to extraction and production of certain materials.
Negative impact (short- and medium-term)	Upstream value chain	Health and safety	Occupational health and safety impacts of workers in the extraction and production phase of certain materials.
Strategic risk (short- and medium-term)	Upstream value chain		Risk of hidden mistreatment of supply chain workers, particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium. Failure to address issues may lead to significant reputational damage and ethical concerns for businesses reliant on these supply chains.
Strategic risk (medium- and long-term)	Upstream value chain	Health and safety	Potential issues related to occupational health and safety of supply chain workers, particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium. Failure to address the issues may lead to reputational damage for businesses reliant on these supply chains.
Other work-related rights			
Negative impact (short- and medium-term)	Upstream value chain		Serious human rights abuses related to extraction and production of materials such as steel, glass, aluminium and rubber.
Strategic risk (medium-term)	Upstream value chain		Serious human rights abuses of employees in raw material extraction and production processes of key materials cause reputational risk to businesses reliant on these supply chains.

S3 Affected communities			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Communities' economic, social, and cultural rights			
Negative impact (short- and medium-term)	Upstream value chain		Infringement of rights related to communities in the extraction and production of certain raw materials.
Strategic risk (medium-term)	Upstream value chain		Sourcing battery materials from certain countries supports the limitation of freedom of expression for local communities.
Strategic risk (medium-term)	Upstream value chain		Reputational risk caused by infringement of rights related to communities in the extraction and production of certain raw materials.



Based on the double materiality assessment water and marine resources (E3), as well as consumers and end users (S4) are not material sustainability topics for Fortaco. When evaluating potential or actual, direct or indirect, water-related impacts, risks, and opportunities, we utilised the results of previous biodiversity assessments including water risk analysis of own locations. We also utilized insight from the ISO14001 certified management system which sets common requirements for the company's business sites to assess and mitigate material environmental risks. Additionally, open industry and location data was leveraged. Water-related business risks were assessed from a physical, regulatory and reputational angle. In the assessment of water-related impacts, risks and opportunities affected communities were not directly consulted.

G1 Business conduct			
Material impact, risk or opportunity	Location	Sub-topic	Short description
Corporate culture			
Strategic risk (medium- and long-term)	Own operations		In the midst of acquisitions and integrations, creating a unified corporate culture regarding responsibility is a challenge.
Strategic risk (medium- and long-term)	Own operations		The pressures from legislation and stakeholders are growing and new skills are required to maintain required sustainability expertise.
Strategic risk (medium- and long-term)	Upstream value chain		A materialized ESG risk may cause significant reputational damage to Fortaco. ESG risk assessments should be fully integrated in the value chain risk management processes.
Management of suppliers			
Strategic risk (medium-term)	Upstream value chain		Small- and medium sized suppliers typically lack knowledge and resources about sustainability.
Strategic opportunity (medium-term)	Upstream value chain		Improving Supplier ESG requirements and compliance control and development on Fortaco Group level.
Corruption and bribery			
Strategic risk (short- and medium-term)	Upstream value chain		Fortaco's supply chains are long, and raw materials may originate from countries where corruption is part of the country's culture.



ENVIRONMENT

EU taxonomy for sustainable finance

The EU taxonomy for sustainable finance The European Union Sustainable Finance Taxonomy Regulation (the EU taxonomy) requires large companies subject to the CSRD to disclose the extent to which their economic activities have a substantial positive environmental impact. The EU taxonomy is intended to encourage financial markets to invest and finance more sustainably. It sets the criteria for activities that the EU has classified as environmentally sustainable.

Economic activities with the most significant need and potential to make substantial contribution are in the taxonomy referred to as eligible activities. Eligible activities that also meet set criteria are referred to as aligned activities in the taxonomy. The criteria allow companies to demonstrate their contribution to six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and

protection of water and marine resources, (4) pollution prevention and control, (5) transition to a circular economy, and (6) protection and restoration of biodiversity and ecosystems. To assess eligibility, Fortaco's operations have been reviewed against the economic activities listed in Annexes I and II of the delegated regulation, and complementary regulations published by the European Commission. Our approach to identifying and reporting sustainable economic activities consists of:

1. Eligibility assessment: mapping of economic activities to taxonomy activity descriptions and NACE codes.
2. Substantial contribution assessment: screening of eligible activities against technical screening criteria.
3. Do no significant harm (DNSH) assessment: screening of Fortaco's procedures to ensure that our operations do not cause significant harm to relevant environmental objectives. Screening conducted at an appropriate level for each environmental objective.

4. Minimum safeguards assessment: a review of Fortaco's corporate social safeguards to ensure that our operating instructions, company policies, and management system are compliant with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Currently the majority of Fortaco's business, i.e., the manufacturing of vehicle cabins, steel fabrications and assemblies, does not fall within the scope of the taxonomy. As a result of the assessment, the only economic activity that was identified as taxonomy eligible is CE 5.2 Sale of spare parts. However, in 2025 the activity's share of Fortaco's turnover, capital expenditure (Capex), and operational expenditure (Opex) was less than the reporting threshold of ten percent.

The three financial indicators must be reported according to their definition in the taxonomy. The definitions of Capex and Opex differ from their definition in the IFRS. Fortaco has calculated the financial indicators in accordance with the taxonomy

regulation and interpreted the regulation conservatively.

Total Capex (denominator) has been presented and measured in accordance with the investments presented in the consolidated financial statements. These include investments in tangible and intangible assets and additions to right-of use assets. Total Capex also includes the tangible and intangible assets acquired in a business combination, as well as right-of-use assets. Additions to goodwill are excluded. Total Opex (denominator) includes expenses related to the maintenance and repair of premises and buildings, as well as short-term leases.

Since the identified activity's (CE 5.2. Sale of spare parts) taxonomy-eligible share of turnover, Capex, and Opex was 0 per cent in 2025, and the taxonomy-alignment of the activity is therefore not required to be reported, steps 2-4 of the process described above, have not been carried out in the 2025 assessment.

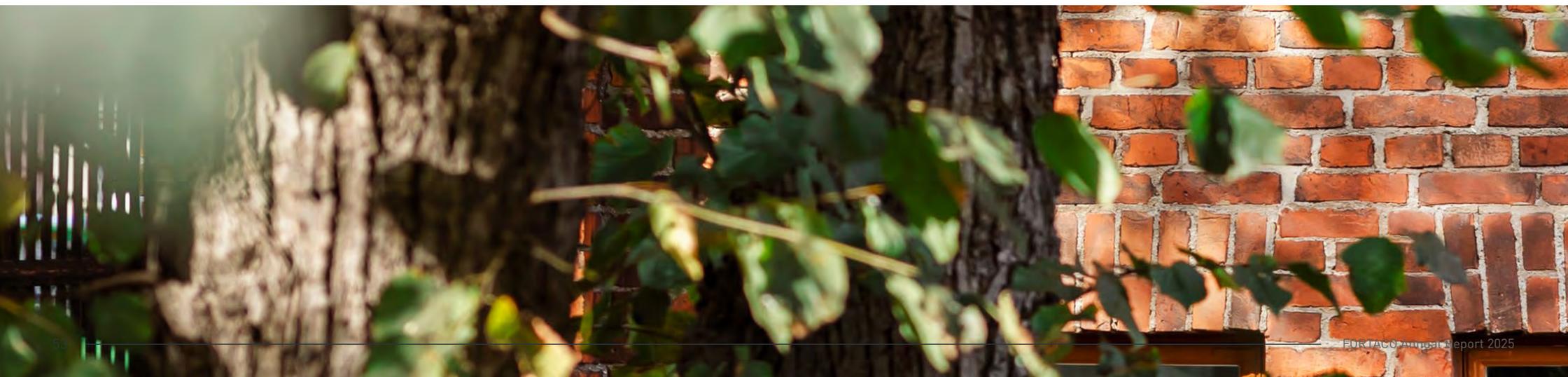
For Fortaco's spare parts to be considered taxonomy-eligible they

should relate to equipment classified under the NACE code C28.22 Manufacturing of lifting and handling equipment and they must be parts that can replace a part of a product and thus enable the intended functioning of the product. Most of the components and parts included in Fortaco's offering are not necessary for the proper functioning of the customer's product or are not used in lifting and handling equipment, but in equipment covered by other NACE codes. We consider spare parts related to personal safety to be necessary for the proper functioning of the products.

Fortaco offers zero-emission solutions for the heavy off-highway vehicle industries and supports more sustainable logistics in these industries. We expect Fortaco's eligibility to increase as the taxonomy evolves to include more sectors relevant to Fortaco's operations. Fortaco continues to develop taxonomy-related reporting and complies with new guidance when it is published by the EU.

Financial Year 2025

KPI	Breakdown by environmental objectives of Taxonomy aligned activities														
	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in previous financial year 2024	Proportion of Taxonomy aligned activities in previous financial year 2024
Turnover	348 MEUR	0 %	0 €	0 %	-	-	-	-	-	-	-	-	0 %	0 €	0 %
CapEx	12 MEUR	0 %	0 €	0 %	-	-	-	-	-	-	-	-	0 %	0 €	0 %
OpEx	3 MEUR	0 %	0 €	0 %	-	-	-	-	-	-	-	-	0 %	0 €	0 %



Climate change (ESRS E1)

We strive to do business in a sustainable manner and enable our customers to achieve their net zero targets. This aspiration drives our determination to deliver emission free solutions and care for climate change mitigation and adaption throughout our own operations. With our efforts we want to do our share in the transition towards a sustainable future.

Our approach and governance

Accountability for our sustainability commitment and targets lies with Group Leadership Team and is steered by our Group Sustainability Director. Climate-related factors are not yet considered in the remuneration, but we are to investigate how we best can do this in the future.

We recognize our responsibility for the climate change related impacts our operations have, and our key role in enabling our customers to reach their respective sustainability targets. Fortaco has not yet a policy for climate change or included in its current policies how to manage impacts and risks related to climate change. The preparations of including climate change related impacts, risks and opportunities into policies has been started in already 2024 and continues.

Impact, risks, and opportunities

Material impacts, risks and opportunities related to climate change have been identified in our double materiality assessment which is described in the section for Double materiality assessment under ESRS 2.

Fortaco's material impacts, risks and opportunities related to climate change in our own operations and value chain				
Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Climate change adaption	Increased risk of extreme weather conditions which cause damages or disruptions and require investments in own operations and supply chains. As Europe has become the fastest warming continent with other extreme weather conditions it may cause e.g. power outages. Increased extreme weather phenomena affect also throughout global supply chains e.g. mining, production phases, logistics and transportation.	Physical risk	Own operations, upstream value chain	Long-term
Climate change mitigation	Reduction of CO2 emissions in the value chain with Fortaco's technology solutions, needing less raw materials, built with fossil free steel, and including innovative sustainable solutions.	Positive impact	Upstream and downstream value chain	Long-term
Climate change mitigation	Scope 1 and 2 emissions resulted from especially infrastructure and heating, as well as production line phases e-coating and painting.	Negative impact	Own operations	Short-, medium- and long-term
Climate change mitigation	Scope 3 emissions related to especially purchased goods and services (mainly steel), transportation and distribution, business travel and end use of products. New Business Site Gliwice's operations increased scope 3 emissions due to transportation and distribution to/from the site.	Negative impact	Upstream and downstream value chain	Medium- and long-term
Climate change mitigation	Green transition and related regulation will increase the price of steel and fossil free steel, requiring adjustments to customer agreements and pricing.	Transitional risk	Own operations	Medium-term
Climate change mitigation	Low-emission solutions and transparent reporting can provide a competitive edge and strengthen brand value.	Transitional opportunity	Own operations, downstream value chain	Medium- and long-term
Energy	Reduction of fossil energy and fuels through energy efficiency measures and increase of renewable energy share in facilities and machinery, and by electrifying and automating production phases. Enables Scope 2 emission reduction.	Positive impact	Own operations	Medium-term

Climate scenario risk analysis

At Fortaco we see sustainability actions as one of the ways to strengthen our resilience and ability to stay competitive in a future with increasing stakeholder expectations, regulation requirements, and climate change challenges. Addressing material impact, risks and opportunities can lead to new partnerships, innovative projects with customers, and other commercial opportunities.

Material impacts, risks and opportunities related to climate change were identified first in 2024, in our double materiality assessment described in the section for Double materiality assessment under ESRS 2. In 2025, we conducted a thorough climate-related risk and scenario analysis where we reviewed risks and opportunities, overwriting results of the DMA.

Identification of climate-related risks and scenario analysis

The primary objective of the scenario analysis was to identify and evaluate physical and transition risks and opportunities across the company's entire value chain, including upstream, own operations, and downstream activities. The scenario analysis was conducted in accordance with ESRS E1-2 requirements to ensure comprehensive identification and assessment of climate-related risks and opportunities during autumn 2025.

Physical risks are categorized as acute and chronic, while transition risks relate to indirect impacts associated

with the low-carbon transition. The selection of scenarios aligns with ESRS application requirements including one Paris Agreement-aligned scenario (transition risks and opportunities) and physical risk scenarios based on global warming of over 2°C and 4°C. The analysis covers three time-horizons: short-term (≤ 1 year), medium-term (2–5 years), and long-term (> 5 years).

Scenario selection is based on IPCC scenarios RCP4.5 and RCP8.5 (physical risks) and IEA Net Zero by 2050 (transition risks), with assessments tailored to the company's industry, value chain, and geographic locations. Data sources included IPCC reports and the IPCC Interactive Atlas tool. A literature review provided background information and sector-specific studies on the impacts of these scenarios.

The analysis involved compiling a list of climate-related risks and opportunities from internal and external sources. These relate to Fortaco's value chain, critical assets, raw materials, services, stakeholders, and locations of operation. Sources included internal documents and DMA materials. Physical hazards identified as potentially causing risks upstream, in own operations, or downstream included key chronic hazards such as temperature changes, wind patterns, and precipitation changes and types, as well as acute hazards such as storms and floods. Relevance was determined based on location and business activities.

The assessment was conducted utilizing the knowledge of an expert panel consisting of Fortaco operational and financial specialists. The panel evaluated the likelihood and financial impact of identified risks and opportunities. Participants included individuals with a strong understanding of our value chain, financial metrics, and business strategy. Physical and transition risks and opportunities were distinguished and assessed based on relevant scenarios, emphasizing clarity and a deep understanding of scenario impacts. Climate-related risks and opportunities were evaluated financially, including changes in asset value, cash flow, operating margin, and access to capital. Financial impacts were evaluated using a 0–5 magnitude scale combined with probability ratings in line with the DMA and assessed across three time horizons: short-term (≤ 1 year), medium-term (2–5 years), and long-term (> 5 years).

Resilience in relation to climate change

In relation to the double materiality assessment, we have in 2025, conducted a resilience analysis of the identified material climate-related risks and opportunities. Resilience to climate-related risks was assessed through scenario analysis and considering both transitional and physical risks as well as related opportunities. The process engaged Fortaco's operational and financial specialists as well as external sustainability experts.

As a physical risk, extreme weather events pose a growing threat to own operations and supply chains.

In the medium term, investments in cooling systems and renewable energy (e.g., solar panels) will be essential to maintain productivity and protect machinery. For the long term, resilience will depend on adapting transportation routes and sourcing strategies to reduce supply chain disruptions. These measures will require capital allocation and operational planning to ensure continuity under severe climate scenarios.

The frequency and severity of extreme weather events may differ from scenario assumptions, and the timing of chronic hazards such as heatwaves is uncertain. The effectiveness and cost of planned cooling and renewable energy solutions also depend on future technological developments.

Regulatory requirements and the green transition are expected to drive up the cost of steel and low-emission alternatives, increasing material transition risk. In the short term, the impact is moderate, and its likelihood is expected to rise over time. To remain resilient, Fortaco must continuously monitor regulatory developments, engage customers in pricing discussions, and adjust agreements accordingly. Strategic implications include the need for proactive customer inclusion and pricing scenario analysis to mitigate financial exposure.

Offering low-emission solutions and transparent reporting can strengthen brand value and provide possible financial opportunities. Continuous

market analysis and customer engagement are critical to leverage opportunities effectively.

Uncertainty remains about the pace and scope of regulatory changes, while market reactions to pricing adjustments and acceptance of low-emission products are unpredictable. Additionally, fluctuations in the cost and availability of fossil-free materials may exceed current projections.

Fortaco's strategy and business model will need to evolve to address these risks and opportunities. Key actions include:

- Investments in energy efficiency and facility upgrades, such as installing cooling systems to address rising temperatures in operating countries.
- Supply chain diversification and route optimization to enhance resilience.
- Regulatory and pricing analysis to manage transitional risks.
- Market positioning through offering low-emission products and transparent reporting.



Fortaco's planned resilience measures are expected to reduce the magnitude of risks by approximately 20% and the likelihood by around 50% in the long term, while also strengthening identified opportunities. While especially the physical risks may appear regardless, the resilience actions significantly decrease the likelihood for negative financial impacts. None of the risks exceed manageable level (magnitude 3) and the actions to mitigate them are resourced already in investment plans.

As a result, we consider Fortaco's business strategy well-positioned for future challenges. We consider Fortaco's business strategy well-positioned for future challenges. The risk management plan and actions to enhance climate opportunities are efficient and Fortaco's operations are resilient under the analysed scenarios. The demand for our solutions supports growth, while the decarbonization and electrification in the medium term presents additional opportunities.

Although physical hazards may occasionally disrupt Fortaco's operations and supply chain, our approach to anticipate, prepare for, and adapt to disruptions will help minimizing interruptions, ensuring they remain manageable and do not result in significant financial losses. In the future when we have conducted a scenario analysis, we aim to analyse the resilience of our business by looking at climate-related transition and physical risks and opportunities.

When addressing the impacts, risks

and opportunities of climate change we divide our efforts into three streams, the upstream value chain, our own operations, and downstream value chain.

Upstream value chain

We recognize that a green transition is not possible without collaboration with actors in our value chain. We engage particularly with our first-tier suppliers and strive to build relationships where we can actively call to action for activities in line with the goals of the Paris Agreement.

Most of our upstream value chain emissions come from hard-to-abate sectors like steel and transportation. We have therefore identified some strategic levers that we are working on embedding, in order to reduce emissions from our supply chains:

- Engaging with suppliers on the integration of decarbonization strategies in their operations. We strive to activate our engagement with key suppliers, who account for the major share of our total procurement spend and cover carbon-intensive sectors of our supply chains. This includes the adoption of science-based targets, transparent climate reporting, and decarbonization of their value chains.
- Low-emission products are essential to the green transition. We contribute towards the scaling of new technologies and fossil-free steel by reducing uncertainties for our

suppliers and further incentivising their investments in low-emission technologies.

Fortaco's own operations

We have calculated our Scope 1 and 2 emissions to be approximately 10% of our emissions, and upstream Scope 3 emissions to approximately 90%. We assume that our downstream Scope 3 emissions are also material, but Fortaco has no operational control of the end-of-life phase, and we can best impact through circular thinking in product design. Although emissions from Fortaco's own operations are minor in the big picture, we recognize the responsibility to decarbonize.

The overarching science-based targets we are setting will be supported by mid-term decarbonization targets. In addition to tracking and monitoring our company-wide emissions reduction progress, we can utilise the climate targets internally to anchor our other strategic initiatives. These include, for example, decarbonisation of our supply chains for materials and components.

Downstream value chain

To contribute to the global net-zero goal in the most impactful way, we are committed to go beyond reducing our own emissions and support our customers in their green transition. To address negative impacts, we are setting targets and plans to actively engage and partner with suppliers enabling us to provide customers with

zero emission solutions as alternatives to the traditional offerings, and to engage with customers to understand their sustainability needs better.

Some of our customers have set net zero targets that have been approved by the Science Based Targets initiative (SBTi) and we can support them by, for example, enabling emission reduction related to extraction of steel and manufacturing of main components.

Fortaco's Zero Emission Solutions-team focuses on improving the company's readiness to support the green transition in customer industries. The team's activities are aligned with the company's technology vision for 2030 and aims to further strengthen Fortaco's R&D work to develop its offering and utilize emission-free steel. Our zero emission solutions offering includes:

- Applications of green steel and other eco-materials in mass production.
- Development of highly productive and environmentally friendly manufacturing processes.
- Research and development of lightweight and extended lifetime components.
- Expanding of Fortaco's offering related to electrification: integrated thermal management, battery pack weldments and assemblies.

Actions

In 2025, actions related to our material impacts, risks and opportunities have been mainly focused on our own operations and upstream value chain. Each business site is accountable for their actions and their alignment with the group's targets. Energy or emissions consumption reductions of for example energy efficiency improvements are collected and calculated once a year. In 2025, we made some progress towards being able to monitor reductions more systematically by adding training and improving data collection templates. Some examples of climate change related actions during the year are:

- Modernization of compressed air systems: Several sites replaced aging air compressor units with new, higher efficiency equipment. In addition to the machinery upgrades, control systems were modernised to optimise operating time and reduce unnecessary running hours. At the Wroctaw and Janów Lubelski sites, heat recovery systems were installed to utilise waste heat from compressors, thereby reducing the need for additional heating energy.
- Transition to LED lighting: Fortaco completed the remaining conversions from traditional lighting to LED technology across production and warehouse areas. In the end of the year, all Fortaco units were operating with LED lighting as the primary lighting solution.

- Optimised building automation and heating controls: Energy consumption reduction were achieved at the Wroctaw and Kurikka sites through improvements to building automation systems and the adjustment of heating parameters during non operational hours.
- Reallocation of inefficient building use: In Narva business site, an older and less energy efficient building was repurposed as an unheated storage facility, reducing heating demand.
- Heat source development: In Sablé business site, the installation of a heat pump instead of gas-based heating is reducing the heating energy consumption and environmental footprint.

Fortaco is in the beginning of its sustainability journey and promotes sustainability internally through communication, training and campaigns. In 2025, we continued to grow awareness and ownership of environmental and climate actions, for example in meetings or webinars with each business site, with the Group Leadership Team, and the Senior Leadership team. Fortaco also actively responds to customers' increasing demand for sustainable products and services such as LCA requests, low emission steel solutions, and refurbishments. The emissions reduction activities will be continued in 2026 and beyond in accordance with Fortaco's climate program. In 2026 and beyond we:

- continue to investigate and targets (SBTs) and a transition plan, we identified the need to further assess the financial impacts of the transition. While we understand the general cost implications of decarbonizing our operations, more granular, business-site-level analysis is required to enable Fortaco's Board to approve the SBTs and the transition plan. The cost analysis is planned for 2026.

Fortaco has no EU Taxonomy-eligible or aligned activities related to climate change mitigation or climate change adaptation. See further details in the section EU Taxonomy.

Actions taken in 2025 did not require significant Capex or Opex as disclosed in the Financial Statements. However, as part of our Climate Program to set science-based targets (SBTs) and a transition plan, we identified the need to further assess the financial impacts of the transition. While we understand the general cost implications of decarbonizing our operations, more granular, business-site-level analysis is required to enable Fortaco's Board to approve the SBTs and the transition plan. The cost analysis is planned for 2026.

Metrics and targets

In 2023, Fortaco set a Group-level energy consumption reduction target for the period 2023–2025, aiming to achieve cumulative energy consumption reduction actions equivalent to 10 percent of the 2022

baseline energy consumption. In 2022, total energy consumption across the nine business sites belonging to Fortaco Group at that time was 69,358 MWh. When adjusted to exclude sites divested during 2023–2025, the recalculated baseline is 52,592 MWh.

Because the target covers a three-year period, energy consumption reduction actions could contribute cumulatively depending on their implementation date between 2023 and 2025. This target-setting approach was selected to minimise the impact of production-volume fluctuations and weather-related variations in heating and cooling demand. Based on the adjusted baseline, the cumulative energy-saving target for 2023–2025 was 5,259 MWh.

To be aligned with the Paris Agreement and to align our core business activities with our sustainability ambition, we have in 2025 prepared science-based targets and transition plans in accordance with ESRS E1-1 DR 17 that will be approved by the Supervisory Board and can then be submitted to the SBTi. The setting of GHG emission reduction targets is part of our Climate Programme, and the aim is for the Supervisory Board to approve the program in 2026. Setting science-based targets and a transition plan requires thorough preparations and calculations. The transition plan includes decarbonisation actions related to our own operations and our value chain.

Key decarbonisation levers identified to reach our energy consumption target are consumption reduction through energy efficiency solutions, fuel switching and increased use of renewable energy. In the process of creating a climate program we will identify key levers and their estimated potential also for scope 3 emissions.

The energy consumption reduction target is not linked to a specific policy and covers consolidated energy consumption of our own operations. Target is based on calculations of possible scenarios including consideration of energy efficiency or reduction solutions. It has been assumed reduction in energy will also decrease Scope 1-2 emissions.

Internal stakeholders from all business sites have been heard during target setting and support in their action plans is provided from group function. Target, underlying measurements or related processes has not been changed since target setting in 2023. Fortaco plans on setting new energy consumption reduction targets as part of or in addition to the Climate Programme.

Energy

Progress toward the target of 10 percent energy consumption reduction has been reviewed annually through Fortaco's regular environmental management processes. Since the target applied specifically to business sites within Fortaco during 2023, the sites in Breitenau (Austria), Sablé (France), and Gliwice (Poland) units were not required to report energy-saving actions under the same framework.

Cumulative energy-saving actions realized during the target period were as follows:

2023: 2,221 MWh
2024: 3,417 MWh
2025: 4,461 MWh
Total: 10,099 MWh

The total achieved savings exceed the target by 92 percent, delivering almost double the planned reduction. This strong performance indicates that the first phase of energy efficiency initiatives generated results better than anticipated, particularly at sites with significant initial savings potential.

When looking at the total energy consumption it decreased by two percent in 2025 compared to 2022, and nine percent compared to 2024.

Financial aspects related to climate change GHG removals, carbon credits and internal carbon pricing

In 2025, Fortaco has not participated in projects aiming at enhancing natural sinks or innovating technical solutions to remove GHGs from the atmosphere in our own operations or our value chain. Fortaco has also not financed GHG emission reductions and removals from climate change mitigation projects with purchased carbon credits. Fortaco has not yet implemented an internal carbon pricing scheme. GHG removal projects, purchase of carbon credits and internal carbon pricing schemes are all interesting development possibilities and as Fortaco implements science-based targets and transition plans, we will investigate options and best practice and related to these.

As part of the double materiality assessment financial effects from risks and opportunities have been subjectively evaluated on a scale from 1-5. A score of 1 indicates low magnitude, with only minor negative impact on operations or concerns only a small area of the organisation, while a score of 5 represents extreme magnitude where Fortaco's strategic objectives are significantly compromised, financial losses can be major, Fortaco's reputation significantly hurt or key operations interrupted. In the future we are developing our analysis of financial effects and investigate how to apply science-based data in the calculations.

Energy consumption and mix	2025	2024
Coal and coal products (MWh)	-	-
Crude oil and petroleum products (MWh)	1,937	2,084
Natural gas (MWh)	17,289	19,130
Other fossil fuels (MWh)	2,944	3,484
Electricity, heat, steam and cooling from fossil fuels (MWh)	24,238	13,871
Total fossil energy consumption (MWh)	46,408	38,569
Share of fossil sources in total energy consumption (%)	68%	52%
Total nuclear sources consumption (MWh)	6,211	11,378
Share of nuclear sources in total energy consumption (MWh)	9%	15%
Fuels from renewable sources (MWh)	41	390
Electricity, heat, steam, and cooling from renewable sources (MWh)	14,984	23,838
Self-generated non-fuel renewable energy (MWh)	518	527
Total renewable energy consumption (MWh)	15,543	24,755
Share of renewable sources in total energy consumption (%)	23%	33%
Total energy consumption (MWh)	68,162	74,702
Energy intensity (MWh/MEUR)	196	210

GHG intensity per net revenue	2025	2024	2025/2024
Location-based GHG emission intensity, tCO ₂ eq/MEUR	872	944	-8%
Market-based GHG emission intensity, tCO ₂ eq/MEUR	880	944	-7%

Accounting principles

Total energy consumption

Includes energy from fossil-based sources and renewable sources. Purchased electricity of business site Gliwice is estimated. Total energy consumption is the same as total energy consumption from activities in high climate impact sectors.

Energy consumption reduction

The scope of the internal energy consumption reductions covers both heat and energy consumption and process optimization reductions at our business sites (i.e. reduction of fuel and electricity consumption). Projects are included when they are fully implemented and operational.

Energy intensity

Calculated as energy consumption per net revenue. Fortaco operations are part of the Manufacturing sector, described in NACE Section C as defined in Commission Delegated Regulation (EU) 2022/1288, and is therefore classified as one of the high climate impact sectors. The net revenue (dominator) can be found in the financial statements note 2.1 Net sales.

Accounting principles

GHG emission intensity

Calculated as total scope 1-3 GHG emissions (where scope 2 is either market-based or location-based) divided by total net sales (dominator) as it is presented in the financial statements note 2.1 Net sales.

Accounting principles

Scope 1 GHG emissions

Scope 1 emissions are reported in accordance with the Greenhouse Gas (GHG) Protocol and include all direct emissions from operations over which Fortaco has operational control. The emissions are calculated based on actual energy consumption and emission factors provided by energy suppliers.

Scope 2 GHG emissions

Scope 2 emissions are reported in accordance with the GHG Protocol and include indirect emissions from the generation of electricity and district heating purchased and consumed where Fortaco has operational control. The emissions are calculated based on actual measured energy consumption.

In the market-based approach, contract-specific emission factors are applied for purchased electricity, while the location-based approach uses country-specific factors by the Association of Issuing Bodies. In 2025, more detailed information on the origin of energy was received from electricity providers, enabling more accurate estimation of market-based emissions. Emissions from district heating was calculated applying country-specific electricity generation residual mix, in all countries except Finland where contract-specific factors were applied. No removals or carbon credits were included in the emission calculations.

As green certificates are not widely used, this results in larger difference between the calculation approaches. In 2025, contractual instruments covered 6 percent of total electricity and district heating purchases, of which 100 percent were bundled instruments.

GHG emissions scope 1-3	Retrospective						Milestones and target years
	2022	2024	2025	2025 / 2024	2030	2050	Annual % target / Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO2eq)	5,907	6,107	4,933	-19%	-	-	-
Share Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-	-	-	-
Scope 2 GHG emissions							
Gross location-based GHG emissions (tCO2eq)	19,485	17,408	15,877	-9%	-	-	-
Gross market-based GHG emissions (tCO2eq)		17,203	18,507	8%	-	-	-
Significant scope 3 GHG emissions							
Total gross indirect GHG emissions (tCO2eq)		313,161	282,909	-10%	-	-	-
1. Purchased goods and services (tCO2eq)		311,517	281,153	-10%	-	-	-
3. Fuel- and energy-related activities (tCO2eq)		6	6	6%	-	-	-
4. Upstream transportation and distribution (tCO2eq)		1,638	1,750	7%	-	-	-
Total GHG emissions							
Total GHG emissions (location-based)	25,392	336,676	303,719	-10%	-	-	-
Total GHG emissions (market-based)	5,907	336,470	306,349	-9%	-	-	-

Scope 3 GHG emissions

Scope 3 emissions are reported based on the GHG Protocol and cover material upstream and downstream value chain activities. Only one of the scope's 15 sub-categories is material to Fortaco. All other are non-material (less than 1 percent of Scope 3 emissions) or not applicable on Fortaco. We have chosen to disclose also emissions for the subcategories [3] Fuel- and energy related activities and [4] Upstream transportation and distribution.

Where available, emissions are calculated using verified product-level emission factors obtained directly from suppliers or Environmental Product Declarations

(EPDs). These factors represent the highest quality of upstream life-cycle data and are applied primarily to steel components purchased in significant volumes. Product-specific emission factors are used on 18 percent of the materials for which physical weight is known.

When product-specific emission factors are unavailable but physical weight is known, Fortaco uses general material-specific emission factors from the OpenCO2 database. The underlying data sources include the World Steel Association, DEFRA and European Commission's life-cycle datasets. 37 percent of the emissions are calculated based on this method.

For purchases where no physical quantity data is available (63 percent of total emissions), Fortaco applies factors from Exiobase, using spend-category-specific intensities. This method is used fully on category 4 and indirect purchases in category 1. All monetary values are adjusted for inflation to ensure methodological consistency with the reference year of the emission factors used.

Emissions for 2024 have been recalculated during 2025 to match new accounting principles, to correct errors and utilize updated emission factor data.

GHG emissions outside of scope 1-3

In 2025, Fortaco did not separately calculate biogenic emissions (CO₂, CH₄ and N₂O) arising from the combustion or biodegradation of biomass (Scope 1) or from Scope 3, where product-specific emission factors and Exiobase emission factors were applied. Biogenic emissions are included in the CO₂eq figures presented in the table. Separate disclosure of biogenic emissions is planned as part of the 2026 emission accounting development.

No emissions were subject to regulated emission trading schemes.

Pollution (ESRS E2)

Our approach and governance

Fortaco commitment to environmental matters is communicated through our EHS Handbook (policy). It highlights our approach that we aim to be in harmony with our environment, always improving our resource efficiency and achieving full compliance with legal requirements and regulations. Importance of environmental matters including pollutions and emissions control is understood by implementing environment management systems according to ISO 14001 for each of the Fortaco Business sites. Only the recently acquired (in 2023) business site in Breitenau, Austria lacks the environmental management system. Its implementation is scheduled for 2027.

The focus of our currently operating environmental management system is Fortaco own operations. There are guidelines in place to manage and control emissions to air, water and soil (referred as pollution). The main approach is to continuously meet the targets set in our environmental permits for different emissions and improve our resource efficiency by decreasing the number of pollutants compared to volume of production.

Environmental impacts, risks and opportunities are evaluated annually, and it include evaluation of emissions to air, soil and water. Regular environmental assessments and audits are

organised to ensure functioning of the environment management system. Fortaco internal audit schedule has been set to evaluate environmental issues in compliance with ISO14001 and ESG requirements for all Business sites during a 3-year period.

Potential supply chain related environmental impacts in form of emissions are monitored in the supplier selections process through review of implemented environmental management systems of potential suppliers.

Accountability for our commitments and targets related to pollution lies with Group Leadership Team and is steered by our Group QHSE Director in collaboration with our Group Sustainability Director.

Impact, risks, and opportunities

The material impacts, risks and opportunities related emissions have been identified in environmental aspect assessment as defined in ISO14001 standard. These evaluations have been confirmed and adjusted in our double materiality assessment (described in the general section ESRS 2 of the Sustainability Statement) based on the available data and statistics about emissions to air, water and soil in our operations. In due diligence processes over the past years all our business sites have been screened on both the current operation impacts and the past and historical impacts to environment.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Pollution of air	Pollution to air in form of dust and heavy metals from metal fabrication such as welding processes, as well as volatile organic compounds (VOCs) released from painting processes, and emissions from transportation.	Negative impact	Own production	Short-, medium- and long-term
Pollution of air	Noise, vibrations, dust and other air emissions from the extraction, and transportation of iron ore/steel, copper, glass and aluminium. Frequently dumping of processed rocks generates noise and dust pollution in the iron ore mining industry, also common diesel-powered generators add to air emissions by producing CO2 and other noxious emissions. The transportation of iron ores causes air emissions and noise leading to potentially significant secondary impact. These risks may lead to a number of environmental and social impacts, especially when not properly controlled.	Negative impact	Supply Chain	Short-, medium- and long-term
Pollution of water	Pollution of water related to the extraction and production of especially iron ore and steel. The steel making processes use significant amounts of water for activities such as the extraction process, washing, dust suppression, slurry transport and for the maintenance of the site and to supply water to the workforce.	Negative impact	Supply chain	Short-, medium- and long-term
Pollution of soil	Pollution and contamination of soil as a result of extraction and production of iron ore and steel. 50% of iron mines are located in forests and vegetation is removed for mine constructions. Spills of fuel and chemicals contaminate soil and have both direct impact and indirect cumulative impact on the immediate environment.	Negative impact	Supply chain	Short-, medium- and long-term
Pollution of air	Extra costs for investigation and investments of measurement technologies such as heavy metal and VOC emissions.	Regulatory risk	Own production	Medium-term
Pollution of air	Reputational impacts of unmanaged air pollution and noise caused by suppliers especially in the supply chains of steel, iron ore, copper, aluminium, and glass.	Strategic risk	Supply chain	Long-term

Below a summary of Fortaco's impacts, risks and opportunities related to pollution in our own operations and value chain. Main impacts and risks are related to our own production and the raw material extraction and production in our supply chain

Pollution in our own operations

In Fortaco's own operations emissions to air are mainly generated in welding operations as welding fumes, dust particles, heavy metal contamination and from painting as VOC emissions. These emissions (pollution) are considered as regular operation related. In some of our business sites, the annual amounts of emissions and pollutants are set in respective environmental permits. Those pollutants are monitored regularly as set in the environment permits. Business sites' EHS organisation is responsible for monitoring and reporting pollutants to local authorities.

Environmental management and environmental performance are guided by the requirements of our business sites' certified environmental management systems. To ensure compliance, resource efficiency and meeting the targets for protecting our environment we:

- regularly review of legislative requirement and ensuring compliance,
- review and if needed update our environmental goals and targets,

- identify and annually evaluate our environmental impacts and operational risks related to environmental impacts,
- regularly test and define emergency procedures,
- identify environmental training needs and organise necessary training,
- explore opportunities with chemical and paint suppliers to use less hazardous chemicals products we purchase

These actions are managed and coordinated at Business sites, Group EHS is monitoring and in case supports with guidance and Group best practices.

A key goal is to actively engage in preventive environmental work. Business Site employees must continuously observe their work environment, actively make EHS observations and adopt immediate corrective action if required.

All Fortaco's employees have the right and responsibility to report a situation that may cause a leakage or malfunction. Any infringement of environmental permit limits and significant deviations are investigated, and corrective actions are determined. The site's leadership is always in charge of the possible investigations, as well as the adequacy and implementation of corrective actions.

Pollution in our value chain

Our efforts to monitor and minimize Fortaco's impacts and risks related to pollution in the supply chain are bound to the engagement and relationship we have with our suppliers. With our Supplier Handbook, which we expect all direct material suppliers to sign, we ask for commitment to be actively engaged with environmental concerns. Specific policies outlining Fortaco's efforts to manage specifically emissions to air, soil, water and noise in the supply chain, has not yet been established but is generally embedded in the Supplier Handbook's and Code of conduct's sections on Environmental impacts. Our possibilities to manage indirect impact in our value chain is something we will investigate in the future.

Metrics and targets

On group level Fortaco has not set specific targets for decreasing pollution. However, we monitor pollution as part of maintaining environment permits for all business sites and to improve our resource efficiency by decreasing the number of pollutants compared to volume of production. Environment permits are based on each country legislation with different requirements and limits for pollution; thus, no Group consolidation has been prepared. Environmental targets set on site level are expected to decrease emissions close to limit values.

In 2025, the only monitored emission target at Group level, related to pollution is the energy reduction

target, which impacts the carbon-dioxide equivalent (CO2eq) emissions to air. The intention is to decrease the energy consumption by 10% from 2022 base year by the end of 2025. In December 2025, also science-based decarbonisation targets have been set and monitoring starts in 2026. The energy targets and decarbonisation targets are described in section Climate change (E1).

No environmental impacts, claims or compensation related to the pollution of air, water and soil were recorded in 2025, nor was there any media coverage on these topics. Fortaco had no deviation from environmental permits during 2025. This has been verified through environmental audits conducted at selected sites and during annual environmental reporting sessions. The Fortaco EHS Handbook provides guidance on the reporting process and timelines to be followed in the event of environmental deviations.

Reducing pollution in the value chain can be challenging as impact possibilities are limited. However, there is material impact and risk related to pollution in Fortaco's supply chain, and we will investigate how this impact and risk should be addressed most properly.

Emissions to air in our own operations

In Fortaco standard operations emissions to air is considered as one of the main impacts on the environment. Nevertheless, none

of the air pollutants coming from Fortaco's operations reaches disclosing threshold set in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register "E-PRTR Regulation").

Fortaco's most common air pollutants originate from its welding operations. In recent years investments have been made to improve indoor air quality by removing and filtering welding fumes, both through source exhaust and background welding fume ventilation. These actions have reduced dust particle levels and improved the overall efficiency of the ventilation systems.

In 2025, no additional investments were made to improve indoor air quality or air emissions, as the installed filters and ventilation units are performing as expected. Welding also generates ozone, and nitrogen oxides formed in the arcs. These amounts have not been estimated as the amounts generated in the process are naturally very small.

Wet painting generates VOC emissions, which are assessed and monitored using calculation templates provided by the paint supplier for each product, based on actual consumption. In 2025, Fortaco invested in both e-coating and wet painting in business site Breitenau (Austria). While the primary goal was to improve efficiency and reduce continuity risks, the updated technical equipment in both processes also resulted in reduced pollutant emissions.

In addition to VOC emissions, our production sites in Estonia, Poland, and Slovakia regularly analyze their air emissions as required by local environmental permits. Monitoring is based on self-reporting, where sites submit information through an online portal to authorities on the quantities of consumed welding wire, paints, and solvents. Based on consumption figures, pollutants such as VOCs, solid particles, and TOC are calculated, and environmental fees are determined according to the emission amounts. In Slovakia, the environmental permit additionally requires an external air-emission (including Ni, Mn, Zn, Sn, TOC, solid dust particles, NO, and CO) measurement once every six years. This measurement was conducted in September 2025, and no emission limits were exceeded.

Biodiversity and ecosystems (ESRS E4)

Our approach and governance

At Fortaco, we recognize our

responsibility and possibilities to impact positively on biodiversity and ecosystems. In the double materiality assessment, it was identified that our material impact on biodiversity is located upstream in the value chain, connected to mining and extraction of raw materials. We have not identified material negative impact related to land degradation, desertification, soil sealing or threatened species, in Fortaco's operations under normal conditions, nor in the value chain that we have operational control over. We ensure that all needed environmental permits of our sites are up to date. More about our environmental permits in section Pollution (E2).

We are aware that best practice around biodiversity is rapidly evolving. For us to develop our approach and policies we need to frequently update our biodiversity assessment, understand the adverse effects that our own operations and mining have on wildlife, habitats, and ecosystems, and thereafter, identify the possibilities we have to impact positively on biodiversity. Fortaco has not yet assessed the resilience of our business model and strategy to biodiversity and ecosystems-related risks.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to biodiversity and ecosystems have been identified in our double materiality assessment which is described in the general section (ESRS 2) of the Sustainability Statement.

At Fortaco we have identified that our work related to biodiversity is influenced by various factors, including the EU's biodiversity strategy for 2030, the Global Biodiversity Framework, and national legislation in the countries where we operate. In our biodiversity impact assessment, we have used sources such as Natura 2000, WWF Biodiversity Risk Filter, and data of The Key Biodiversity Area Partnership. As our double materiality assessment reveals, our most material impacts are related to raw material extraction and production of materials used in Fortaco products. Potentially affected communities and ecosystems, or transition or physical risks have not been specifically reviewed in the process.

In 2025, we updated our biodiversity assessment to confirm that none of Fortaco's sites, also the most recently acquired ones, are located within protected areas. As the protected

areas can change over time, we consider it essential to review all locations regularly and incorporate new science-based data from various frameworks.

Of our nine business sites only two are located near protected areas: Janow Lubelski (Poland) is located in an industrial zone less than one kilometer from Lasy Janowskie Landscape Park, and Breitenau (Austria) is located in an industrial zone approximately one kilometer from Feuchte Ebene.

A third-party assessment conducted in 2018 for the Janów Lubelski site concluded that Fortaco's operations do not negatively affect the nearby sensitive area under normal conditions. A similar assessment has not been conducted in for the Breitenau site as we consider environmental impacts and risks of the site to be mitigated and managed through environmental

permits and an ISO certified Environmental Management System.

Biodiversity related to our material risk and impact is not yet addressed in our policies and related actions. Biodiversity was identified as material in the materiality assessment conducted in 2024. The direct drivers of biodiversity loss in Fortaco's supply chain were considered when we in 2025 reviewed policies covering our supply chain. However, no changes were yet made in reviewed policies.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Direct impact drivers of biodiversity loss	Biodiversity related impacts are one of the key environmental impacts in metals and mining industry. Impacts relate to e.g. land, freshwater and sea use change, tree cover loss, protected/conserved areas. Although Fortaco's possibilities to affect impacts are limited, there are growing information needs on biodiversity due to upcoming regulations and customers surveys in the future. Fortaco's impact is related to the biodiversity loss in raw material extraction of steel and iron ore, copper, aluminium, glass and rubber.	Negative impact	Downstream value chain	Short-, medium- and long-term
Direct impact drivers of biodiversity loss	Biodiversity loss caused by suppliers of steel, copper, glass (Silica), aluminium and rubber (e.g., threatened species, ecosystem services, conflict with agriculture or indigenous people, integrated land management, and deforestation) form a reputational risk to Fortaco.	Strategic risk	Upstream value chain	Medium-term



Though biodiversity and ecosystem protection has not been addressed in policies yet, Fortaco has adopted actions that indirectly mitigates our impacts and risks. Local environmental permits and ISO certifications are examples of how we mitigate in our own production. By applying supplier selection criteria and conducting supplier screenings as well as audits, all including environmental aspects, we have able to mitigate some of our impact in the supply chain. More about supplier selection and our relationships with suppliers can be found in section Business Conduct (G1).

In 2025, we reviewed the biodiversity assessment and confirmed that there are no material changes to biodiversity impacts, risks or opportunities since the previous evaluation. Going forward, in 2026, we will reassess

the biodiversity impact of our own operations as part of updating the DMA. In case biodiversity is continuously identified as material, we will start identifying our key impacts on biodiversity in our upstream value chain, e.g. by identifying which materials have the greatest impact on biodiversity, reviewing the biodiversity risk of those supply chains, and cooperate with our suppliers on mitigating negative impacts on biodiversity.

As a strategic partner for many customers, Fortaco also sees this as an opportunity to improve its reputation, aiming to increase the knowledge sharing of sustainability issues with customers and suppliers (especially steel suppliers).

In the future we will also clarify our biodiversity ambition and integrate

KPIs to our ESG reporting framework. We will investigate the dimensions of integrating biodiversity into supplier requirements and map possibilities to engage our people in local projects improving biodiversity and mitigating negative impact on the environment.

Accountability for outlining policies and targets related to biodiversity lies with Group Leadership Team and is steered by our Group Sustainability Director.

Metrics and targets

Impacting positively on the value chain as far up as material extraction is challenging and we work on firstly identifying the possibilities to impact positively that Fortaco have. In our own locations mitigating risks related to biodiversity is significantly

easier and we will investigate the possibilities and needs to set targets for mitigating our negative impact, and impact positively in the areas our business sites are located. Fortaco's current target is to maintain the local environmental permits and certifications in own operations. No specific targets have yet been set for upstream biodiversity impacts and risks.

In long-term we strive to set specific biodiversity targets and plan actions related to our material impact and risk in the upstream value chain. We also want to ensure alignment with biodiversity related frameworks, and new regulations guide our continued development and engagement with biodiversity, including outlining policies, setting targets and planning actions.

Fortaco has business sites under operational control in Breitenau (Austria), Gliwice (Poland), Holič (Slovakia), Janów Lubelski (Poland), Kurikka (Finland), Narva (Estonia), Sablé (France), Sastamala (Finland) Wrocław (Poland). Of the sites Janów Lubelski and Breitenau are located near protected areas. The Business sites manufacturee steel fabrications for material handling, construction, mining and energy sectors. The business sites Environment Management System is certified according to ISO 14001:2015 and demonstrates Fortaco's commitment to reduce our environmental footprint, like pollution and waste generation, and as well improve our energy performance. No material impacts with regards to land-use change or conditions of ecosystems have been identified.



Resource use and circular economy (ESRS E5)

Our approach and governance

In Fortaco's operations we aim to follow circular economy principles, minimising waste and emissions, and keeping natural resources in use for as long as possible. The use phase of Fortaco's products can last for decades, so investing in low emission and resource-efficient products means our customers can reduce their environmental impact. Being a preferred partner, and being able to select trustworthy partners, is paramount for the whole Fortaco value chain. Sustainable business practices and systematic risk management are crucial for creating long-term value and financial stability. Our environmental management and continued environmental performance are guided by the requirements of the production site's certified management systems.

Our manufacturing of off-highway vehicle equipment relies on various metals, plastics, glass, rubbers and chemicals for paints. We are looking for ways to improve promotion of responsible supply chains for the key materials we rely on. For more information about social aspects of our sourcing of minerals and metals, see section S2 on workers in the value chain.

The major share of our upstream carbon emissions comes from the extraction and processing of materials

for our products (approximately 90 percent) – steel alone accounts for 63 percent of our sourced materials. By incorporating circular principles across our business, we can reduce carbon emissions, support our customers in meeting their targets, while also ensuring responsible waste management. Our approach to circularity evolves around three principles:

1. Reduce and optimise resource usage by rethinking design and offering. We want to engage with key suppliers and customers to promote the use of recycled and recyclable materials, particularly in high-impact categories like steel. We also continuously look for possibilities to minimize the use of materials by optimizing processes and innovating new solutions.
2. Maximise the value of our components and products. We investigate opportunities for repairing, refurbishing, and reusing key components to prolong their lifetime, and we aim to make our products recyclable. Our technology teams support our customers with change management and after market needs during the entire product life cycle. Fortaco has a dedicated PLM ecosystem to manage engineering, product information and documentation needs.
3. Repair, recover or recycle all materials possible before they reach their end-of-life stage in our manufacturing processes. Making the most out of scrap metal, repairing and reusing

wooden pallets, and recycling plastics are just the start.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to resource use and circular economy have been identified in our double materiality assessment which is described in the section for double materiality assessment under General (ESRS 2). Impacts, risks and opportunities have mainly been assessed by utilizing internal information and knowledge about Fortaco's resource use and circularity. The information and knowledge we have about the value chain is obtained through close relationships with suppliers and customers. Information about affected stakeholders and communities has also been collected from open sources by a third party on behalf of Fortaco in order to assess material sustainability matters.

Accountability for our circularity efforts lies with our Group Leadership team and is divided into three streams. Commitment and targets related to waste from our own operations are managed and coordinated at Business sites, while Group QHSE Director is monitoring, supporting and guiding best practices. Accountability for our commitments and targets related to circularity in product design and Fortaco's offering lies with VSP Technology, and VSP Sourcing and IT.

Resource inflows

Fortaco is reliant on significant amounts of steel and of other critical materials such as copper, glass and rubber. However, renewable energy supply chains are under pressure, and bottlenecks and material scarcities are already defining the pace of green transition in many markets. We can reduce some of these pressures through circularity efforts. By considering the origin and mix of materials, and by increasing recycling and reusing, we can reduce the need for raw materials and reduce unpredictability in our supply chain while minimising carbon emissions throughout the value chain.

Fortaco's supplier policy (Supplier Handbook) covers themes such as material certifications and materials of concern. The policy and sourcing operations is accounted for by SVP Sourcing and IT. Circularity and minimized use of materials in our products is led by SVP Fortaco Technology. Additionally, the EHS Handbook outlines expectations, recommendations and tools for resource efficiency in the production process.

Our main actions related to sustainable resource use and the circular economy we have taken in 2025 are:

- Implemented steel material efficiency metrics to track the proportion of steel used in finished products versus scrap or waste. This is specially relevant for sites with plate cutting operations, where optimized nesting layouts help improve material utilization. Currently, not all sites are able to report steel material efficiency and reported performance ranges from 68-78 percent.
- We increased collaborations with steel suppliers regarding low-emission steel products and increased the share of low-emission steel in the steel products we purchased.

In 2026 and beyond, we continue our work related to material efficiency and circular economy in our product design, supply chain, and own operations. Efforts will be seen in avoiding downgrading and instead retain the quality and value of metals and other wasted material. We focus the actions on our three principles: Reduce and optimise resource usage, maximise value, and repair, recover or recycle all materials possible.

Waste

To support the promotion of circularity and waste management in our business, we have taken waste elimination to our values. EHS Handbook covers expectations, recommendations and tools for resource and waste management

in all Fortaco’s activities and locations. With this we also want to address our aim of minimizing the use of raw materials and to provide the direction for sustainable sourcing of resources. More about the EHS Handbook under Pollution (E2).

Environmental impacts of Fortaco’s waste management facilities are minimized in accordance with the environmental permits and operated according to Fortaco’s operational management system. Most of the waste is delivered to external waste management companies, whose operations are subject to environmental permits, for processing or disposal. The sustainability of waste management operators is ensured in supply agreements.

Some circularity related actions Fortaco has taken in 2025:

- Full rearrangements of waste handling facilities in business sites Janow, Narva, and Wrocław to limit unintended mixture of wastes, avoid risks of potential spills and impacts from weather conditions, and improve recyclability.
- In all sites, improvement of guidelines and training on correct waste management to ensure maximal recycle rate of waste.
- In business site Narva, the process for repairing and using broken wooden pallets that previously have been sent to incineration has been successfully implemented to the full. The project was initiated in 2024 and since implementation more than 22 000 pallets, i.e. close to 100 percent, have been repaired and taken back in use.

Metrics and targets

We are in the beginning of structuring our circularity approach and have voluntarily set targets to

a) improve our recycling rate, defined as the share of utilized and recycled waste out of total waste excluding scrap steel. The target is a 65 percent recycling rate by 2028. Recycled waste in 2025 was 43 percent representing an improvement compared to 34 percent in 2024. Current efforts focus on investigating recycling possibilities for each waste category, as well as improving waste sorting and reporting.

b) increase steel material efficiency, measured as the ratio of steel materials used in products to the total amount of purchased steel materials, to 80 percent by 2030 Measurement practices and monitoring procedures for this metric are however yet to be defined and implemented.

Each business site has set its own targets to support the Group objective, and progress will be monitored both at the site level and at the Group level. Naturally, sites with in-house plate preparation operations including nesting, plasma cutting, and/or laser cutting, will show different levels of steel material efficiency compared to sites that purchase ready-to-weld components.

These targets are incorporated into the Fortaco EHS Handbook under the objective of improving material efficiency. The targets have been developed internally, while also taking into account input from customers during site visits, audit discussions, and customer sustainability questionnaires.

No numerical targets have been set for waste categories or the volume of hazardous waste; however, sites are instructed to implement actions to increase recycling and, where recycling is not feasible, to prioritize waste-to-energy recovery.

Our products are most often tailored to customer’s needs and designed in close collaboration with customers. For Fortaco, there is opportunity to work with customers to increase

Sub-topic	Short description	Impact/Risk/Opportunity	Location	Time horizon
Resource inflows, including resource use	Resource use is a major driver of other environmental impacts such as climate change, pollution, water and marine resources and biodiversity. The impact relates to Fortaco’s use of steel, glass, rubber, plastic and paints, copper, and aluminium.	Negative impact	Own operations	Short- and medium-term
Resource inflows, including resource use	Decreased need for virgin raw materials (insulation material, plastics etc) and increase of material efficiency, through circular design of products enables positive impact. For example, the use of recycled insulation materials and plastics.	Positive impact	Own operations	Long-term
Waste	Generation of hazardous waste, e.g. toxic waste from machining and painting.	Negative impact	Own operations	Short- and medium-term
Resource inflows, including resource use	Circular design and responsible sourcing and production enables minimized use of materials. Material and resource efficiency, use of alternative materials and optimizing use of production materials (design, sourcing, logistics and utilising IoT, automation and AI analytics) is increasingly demanded by customers.	Operational opportunity	Upstream and downstream value chain	Medium-term

the use of e.g. recycled insulation materials and plastics and also optimizing the use of production materials through design, sourcing, and utilising IoT, automation and AI analytics). Measurable targets related to circularity in the value chain (inflows and circularity of our products) are yet to be set and focus is laid in accordance with our three principles: Reduce and optimise resource usage, Maximise value, and Repair, recover or recycle all materials possible. Minimisation of steel, which is Fortaco's primary raw material, is under constant improvement and in many cases, it is already possible for customers to choose green steel, low-carbon steel or recycled steel.

Inflows

We strive to promote circularity and waste management both upstream and downstream the value chain, in addition to our own operations. We strive to minimize waste in our production by reusing and recycling, when possible, we also work together with suppliers and customers to minimize emissions in the products we deliver. An overall objective is to minimise the use of virgin resources and to provide the direction for sustainable sourcing of materials and components.

Of the materials and products Fortaco sources, approximately 50 percent by spend is constituted by steel parts (plates, hot rolled steel sheets, solid bars, castings, open die forgings, etc.). Thereafter approximately 20 percent

are electrical components (cables harnesses, electronic devices, lights, etc.) and 20 percent mechanical components (hydraulics and pneumatics, wiper systems etc.). We predominantly purchase raw materials, components, energy, and services from several suppliers, mainly from European countries.

Fortaco has in 2025 not collected information on amounts of recycled and used components on group level. As individual customers have requested their respective information, we planned in 2024 to start monitoring the amount of recycled and reused components on an annual level starting in 2025. However, the development continues into 2026 as the need for updated data management system is required for fluent monitoring.

Waste

From the point of view of recycling, steel is a valuable raw material that retains its properties well, and due to its magnetism, it is easy to separate. For this reason, steel is one of the most recycled raw materials in the world. For us it is essential to recycle scrap steel from our production and to improve recycling rates of other raw materials we utilize.

In Fortaco's operation waste is mainly steel scrap generated from production processes, but also plastics and different packaging materials. We continuously strive to reduce hazardous waste, primarily from the paint shop, machining and cutting oils. Our processes do not

consume significant amounts of water, and the water is often reused or recycled. Water is mostly used in our E-coating lines for cabin manufacturing and for the washing of products before painting.

The total amount of non-recycled waste from Fortaco's operations is 1,696 tonnes, 15 percent of total waste. The total amount of hazardous waste is 471 tonnes, of which none is radioactive.

Waste (tonnes)	2025	2024
Diverted from disposal	9,625	9,250
Hazardous	-	-
Reused	-	-
Recycled	-	-
Recovered	-	-
Non-hazardous	9,625	9,250
Reused	-	-
Recycled	9,625	9,250
Recovered	-	-
Directed to disposal	1,696	1,674
Hazardous	471	660
Incinerated	-	-
Landfill	-	-
Other disposal	471	660
Non-hazardous	1,225	1,014
Incinerated	875	648
Landfill	349	366
Other disposal	-	-
Total waste	11,320	10,924
Share of non-recycled waste of total waste	15%	15%

Accounting principles

Waste by type and disposal method

The waste volumes include waste transferred from Fortaco properties, including production, warehouses and transportation. Waste is collected and stored based on categories defined in the list of wastes (Directive 2008/98/EC). Waste is stored on Fortaco property in temporary waste storage areas before transported to rightful handling by authorised waste handling companies. Disposal can be incineration, landfill disposal, or hazardous waste treatment, and is defined for each waste type in the list of wastes directive. Amounts of waste are reported based on invoices received from waste utilisation companies and categorised into landfill, recycled waste, incinerated waste. Fortaco does not currently collect and consolidate Group-level data for each waste category as defined in the European Commission's List of Waste (LoW), 2000/532/EC.

Inflows (tonnes)	2025	2024
Total products and materials	81,200	74,400
Biological materials	-	-
Technical materials	1,990	-

Accounting principles

Products and materials

Total weight of products and materials used in Fortaco's products. Actual weight data has been available for 74 percent (57 percent in 2024) of the direct spend, and the rest has been estimated utilizing available weight and spend data. Double counting has been avoided by only including data from external purchases. The number for 2024 has been restated due to error correction and updated calculation method of estimates. A qualitative estimate of the amount of technical materials for 2024 cannot be provided due to limited data availability.



SOCIAL

Own workforce (ESRS S1)

Our approach and governance

We strive to provide a safe and inspiring working environment to all employees and external workers working on Fortaco's premises, especially those in blue collar roles in our production processes. We aim to be an attractive employer, and to develop and retain qualified and motivated people as our people are one of the corner stones of the foundation of Fortaco. Our company operates in line with the principle "We care, you learn. Your future, our Fortaco." This motto reflects our commitment to creating an environment where people feel supported, valued, and encouraged to grow. Additionally, at Fortaco we prioritize leadership, team building, and highly engaged people over managers and hierarchy.

Impact, risk, and opportunities

Fortaco's business model is highly people-driven. The expertise, engagement, and safe performance of our employees and contracted workers are essential to delivering quality, reliability, and continuous improvement across our operations. Effective integration into our strategy and business model strengthen our competitiveness and support sustainable growth.

Material impacts, risks and opportunities related to own workforce including external workers contracted by Fortaco

have been identified through our double materiality assessment, as described under ESRS 2. The material impact, risks and opportunities directly affect our ability to remain flexible and resource-efficient amid fluctuating demand, inorganic growth, and increasing cultural diversity.

Our strategy and operating model also affect our people. Automation and digitalization are changing competence requirements and increasing the need for systematic upskilling, while safety-critical production processes make strong health and safety performance a business-critical priority.

To manage this, own workforce topics are embedded in our management systems and annual planning. This is supported by initiatives such as leadership and competence development, wellbeing and engagement actions, and the continuous strengthening of our health and safety culture.

Since July 2025, when Fortaco sold its operations in Serbia, all Fortaco entities operate within the European Economic Area. Compliance with local legislation and group wide management systems in place mitigates the risk of incidents, such as forced labour or child labour, that are against the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Working conditions; Secure employment	Engaging employment and enough competent and resilient workforce enabled through investments in automation, digitalisation, internal rotation and training, mentoring and change management.	Positive impact	Own operations	Medium- and long-term
Working conditions; Health and safety	Demanding working conditions on shopfloor and human errors have negative impact such as causing respiratory problems and diseases, neurological problems, disorders and diseases of the musculoskeletal system, sensory impairments and damage, other accidents on the shopfloor.	Negative impact	Own operations	Short- and medium-term
Working conditions Health and safety	Automation, robotics, new techniques and machinery reduced physical load for employees and improve working conditions.	Positive impact	Own operations	Medium- and long-term
Equal treatment and opportunities for all, Training and skills development	Fortaco supports and provides opportunity for employees to improve capabilities and skills. Deficiencies in school systems in many countries result in a lack of skilled employees.	Positive impact	Own operations	Short-, medium- and long-term
Working conditions, secure employment	Inability to maintain flexibility and resource-efficiency in fast, mainly inorganic, growth and increasing personnel with cultural diversity. Substantial financial risks related to fluctuating market and demand.	Operational risk	Own operations	Medium-term
Working conditions, Health and safety	Decreasing productivity and higher costs related to health due to increasing employee health issues as a result of demanding working conditions.	Operational risk	Own operations	Long-term
Equal treatment and opportunities for all, Training and skills development	Challenges to recruit technically competent and engaged shopfloor workers when education level as well as technical and language skills of younger generations and agency workers do not meet the need in many countries.	Operational risk	Own operations	Medium-term
Equal treatment and opportunities for all, Training and skills development	Investment in automation, digitalisation, internal rotation and training, mentoring and change management to ensure enough competent and resilient workforce.	Operational opportunity	Own operations	Medium-term

Our processes and controls to identify and address negative impacts on our people cover risk assessment, analysis of accident and incident data, regular employee consultations, as well as analysis of insight data collected through Fortaco's mental health program, various channels for reporting and interaction (e.g. the Pulse survey, our whistleblowing channel, and local problem reporting channels), and also by analysing training and development results.

Risk assessments include for example evaluation of employee health and safety, exposing potential negative impact such as accidents, occupational diseases, and stress. Workplace accident and incident data is also collected and analysed to determine root causes and preventive measures are planned accordingly. To minimize actualization of the potential negative impact of health and safety hazards we organize Safety Days.

Topics related to Fortaco's own people are managed by the People & HR (P&HR) team, led by Group Leadership Member responsible for P&HR. The team has appointed a dedicated professional to advance Corporate Social Responsibility and ESG topics related to our people. In addition, the QHSE, Manutech, Legal and Sustainability departments collaborate on activities that impact on Fortaco's people. Beyond Human resources, allocates targeted financial resources to initiatives that enhance safety, training, wellbeing and health.

Working conditions

Working conditions and the guidelines for how we treat our people are covered in our Code of conduct, our EHS Handbook, Safety Handbook, and HR policy (People Handbook) and in our HR Manual. The policies have been approved by the Group Leadership Team and together they cover all subjects to material impacts, risks and opportunities related to ESRS S1 as well as all employees and contractors 'working at Fortaco business sites.

Implementation of the People Handbook and HR manual is accounted for by Fortaco's People and HR team, led by Vice President People and HR. Read more about the Safety Handbook below in the section about Health and Safety, and see section G1 Business Conduct for more about our code of conduct. We respect key international human and labour rights standards included in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Our Code of Conduct and People policy highlights our dedication to ensuring freedom of association, the right to collective bargaining, elimination of forced or compulsory labour, effective abolition of child labour, and elimination of discrimination in employment and occupation, among other critical issues. In our work with human rights, we are guided by the authoritative global frameworks, UN Guiding Principles on Business and Human Rights

and the OECD Guidelines for Multinational Enterprises.

Fortaco's People and HR strategy emphasizes effort on engaging employment and ensuring enough competent and resilience workforce. To support the strategy and mitigate the risks, our action plans include for example training programs, skill development, and mentoring. The offering for skill development and offering is customised depending on the employee role and interests.

In 2025 we have continued the work on translating Fortaco's values into practical and consistent behaviour models. Workshops have been arranged in our business sites in Wroclaw and Gliwice, Poland, in Narva, Estonia, and the group offices in Vantaa, Finland and Wroclaw, Poland, with the aim to create models that enhance performance, innovation, and engagement among our people.

Health and safety

Fortaco's ambition and vision is to have zero accidents. Creation of a safe working environment requires intentional effort building awareness, setting guidelines, and monitoring working conditions. Therefore our safety systems include several elements to ensure safe working conditions. We recognize that awareness and safe behaviour are critical for incident prevention, which is why we expect every employee, at every level of the organization, to take responsibility for safety.

At Fortaco, safe working conditions include:

- Safety on equipment, to ensure that only proper tools, machinery, and equipment are being used.
- A continuous process of identifying and reducing workplace hazards, both to remove unsafe conditions and to train ourselves to recognize them.
- Guidance and awareness of safe working practices.
- Personal protective equipment (PPE) to prevent potential injuries.

To support our zero-accident mindset, Fortaco has introduced and implemented nine Golden Safety Rules to reflect the main hazards workers face in their everyday work. These rules have been developed to align worker behaviour and maintain safety processes at our places of work. The Golden Safety Rules apply to all Fortaco employees.

We have established a policy for health and safety (Safety Handbook), setting the standards for how we protect and ensure the well-being of our employees and good working conditions. The policy covers all our employees and facilities. Fortaco's Group QHSE Director is accountable for adequate policies and management systems group wide while General Managers of each Business site is responsible for the implementation locally. We have implemented workplace accident prevention procedures to ensure the safety and well-being of our employees.

We prioritise and protect the physical, social, and psychological safety of everyone in the workplace. Material risks and negative impacts are especially in focus in our health and safety related work. The production environment can be especially demanding in some parts of the process. Welding, carbon arc gouging, e-coating and painting cause ergonomic challenges, emission or dust, or high noise levels. The demanding working conditions and human errors may lead to respiratory problems and diseases, neurological problems, disorders and diseases of the musculoskeletal system, sensory impairments and damage and other accidents on the shopfloor.

We believe that personal health and wellbeing are fundamental drivers for living a balanced life where people can realise their potential. Therefore, it is fundamental to our operations that we have a robust health and safety management system in place and that we foster a culture that promotes our employees' health and safety. Fortaco's management system for occupational health and safety is fulfilling the requirements of the ISO 45001 Occupational Health and Safety management system in all business sites except those in Austria and France. Certifications are currently available in Narva and Kurikka, and we intend to annually add one more site to the certification.

Continuous monitoring of safety performance involves different safety

measures such as safety deviation reporting workplace risk evaluation, safety toolbox talks and several trainings both regulatory required and safety awareness related. Fortaco uses lost time incident frequency (LTIF) as a key lagging indicator and safety action frequency being the leading indicator used.

At Fortaco we have identified mental health to be an increasingly important part of holistic health. When it comes to mental health, our mission is to offer support to our people when life gets challenging. Our main goal is to create a supportive environment where everyone feels heard, valued, and empowered. We are dedicated to building a strong company culture where mental health is openly discussed and understood. To provide support in an early phase we have trained six mental health ambassadors in different locations. The ambassadors' role is to be low threshold contacts when employees face stress, anxiety, or just need someone to talk to.

In 2025, we organised webinars on mental health and conducted workshops in local factories. To teach about health more widely within the workplace People & HR share insightful blogs, interesting articles, and practical tips and tricks to help employees taking care of their mental well-being. Accountability for our activities related to well-being lies with the Senior Vice President People & HR.

Training and skills development

Fortaco operates in an environment of fluctuating demand, dynamic workforce needs, and growing competition for skilled shopfloor professionals. To respond, we invest in engaging employment and structured competence development, supported by internal rotation, mentoring, and change management. These efforts ensure a resilient workforce capable of meeting evolving business requirements.

Innovation and high quality are core elements of our business model. By strengthening commitment, competence and supporting continuous learning, we reinforce both our organisational culture and operational efficiency. We offer targeted training, upskilling opportunities, and initiatives that promote health, safety, and well-being.

At Fortaco we strive to build a high-trust culture and prepare our team for uncertainty. By connecting people, and providing opportunities to grow, we lay the foundation for sustainable transformation, benefitting both individuals and the company. We believe that when our employees are motivated and thrive, the whole organisation moves forward. Therefore we support each employee in achieving their goals and advancing in their role.

We also want to ensure that every employee feels empowered to contribute ideas and express

themselves openly. To support this, we have in 2025 trained yet another group of Fortaco leaders in emotional intelligence and launched a series of dynamic psychological safety workshops. The objective of these workshops is to cultivate a shared understanding and provide practical tools for nurturing psychological safety, with the ultimate goal of an inclusive, innovative and collaborative culture.

Our commitment to cultivating and expanding a skilled workforce is outlined in our HR policy (People Handbook). We firmly believe that for employees to thrive, perform effectively, and experience growth, it is essential for them to comprehend their role within the organisation and be aware of future opportunities that may arise. This also mitigates material risks related to training and skills development, as well as minimizes negative impact while enables opportunities.

The training and development of Fortaco people start upon hiring. For new hires Fortaco has implemented a standardized onboarding process, available in all local languages, where the process flow and tasks of responsible persons have been described in detail.

Throughout the employment our people are trained in professional and personal skills required in their respective roles, and voluntary trainings are also available as classroom training and in Fortaco's e-learning portal

Apprix. The e-learning management system was established with the sole purpose of developing our people and all employees have access. We provide our employees with access to external training delivered by professional training organizations.

To streamline communication and ensure a smooth process for requesting and attending external training, we have developed a dedicated Fortaco Group Training Procedure. We are organizing webinars and investigating different forms of personnel education.

For white-collar employees Fortaco has also established development discussions that are held with a direct superior. Discussions are conducted twice annually. In the first discussion, the previous year's achievements are reviewed, and goals are set for the coming year, and mid-year the status is reviewed. The development discussion process is a framework to help to ensure that our employees know and understand what is expected from them, and that they have the skills and ability to deliver what is expected. In 2025, 100 percent of our white-collar employees had all their planned development discussions with a superior.

Fortaco provides several individual trainings and training modules in a e-training portal, for example a training for Hiring Managers to ensure groupwide standard. In 2025, the month of September we designated as Training month across the whole Group. Trainings, such as Code of

conduct, Anti-harassment, Anti-bribery, and Whistleblowing were arranged both as e-training and classroom training. All mandatory trainings are available in all local languages.

In 2025, we have focused our actions related to training and development on:

- Leadership Development – Training and supporting our managers
- Mentoring Program – Creating opportunities for production employees to learn and grow
- Succession and Skill Matrix App – Making the most of these apps to plan careers and skills

Engaging with own workforce and workers' representatives

We are committed to creating a zero-accident culture where everyone feels psychologically safe to raise concerns, and address matters to them. We support this through safety equipment, employee training, employee surveys, channels for reporting risks and raising concerns anonymously (see Business Conduct (G1) for more information on our whistleblowing channel), encouragement of participation in workers' associations, biannual personal development discussions, and various working-culture campaigns. The perspectives of our people is utilized in the People and HR strategy and HR annual planning in order for Fortaco to stay attractive as an employer but also sustainable as a business.

The annually conducted anonymous employee survey Pulse gathers insights on satisfaction, working conditions, motivation and challenges. The survey is a sufficient tool for us to collect insight into employees' perceptions of Fortaco as an employer, their daily work experiences, their relationships with supervisors and senior management, and other factors impacting working life. The survey results serve as a valuable foundation for dialogue and identifying areas to further improve the workplace. Social dialogue and cooperation with trade unions helps us identify and remove workplace barriers. Engagement with the workforce is managed by the People & HR team led by Senior Vice President People & HR.

Fortaco held its first European Work Council (EWC) in 2014. Since then, the Council has gathered annual and functions as a forum where employee representatives and Fortaco Group Leadership Team discuss openly and communicate the Fortaco strategy, business plans and financial plans. Employee representatives are elected in compliance with the legislation of each country, collective agreement or labour market practices. We selected also two EWC members as Fortaco DNA model ambassadors to help with concept implementation in the shopfloor level.

We are promoting the Fortaco Engagement Award for best employees who are role models and encourage the rest of our people to improve their daily lives.

Remediation and channels to raise concerns

In all Fortaco's business sites we have implemented adequate management systems to identify, prevent, mitigate, and remedy any potential adverse human rights impacts, whether they are related to our own employees or contracted non-employees. In cases where we identify potential adverse human rights impacts, we are committed to promptly and effectively providing and enabling remedies. Our grievance and remediation approach includes addressing any adverse human rights impacts on individuals, workers, and communities that we have caused or contributed to.

Access to remedy helps ensure fairness, justice, and protection for individuals and communities. It allows people to seek recourse and find a solution when they believe that their rights have been violated, promoting a more equitable and fairer workplace. If any employee feels they have experienced an instance of bullying, discrimination, or harassment, they are encouraged to raise concern so that effective identification and resolution of issues can be ensured. This is possible through one of the many channels Fortaco provides:

- **Whistleblowing line:** An anonymous whistleblowing system is available to all employees, enabling the reporting of issues related to ethics, safety, or regulatory compliance. For more information on our whistleblowing channel and how we protect whistleblowers against retaliation, see section G1 on business conduct.
- **Direct Contact with Supervisors:** Employees are encouraged to openly communicate their concerns to their direct supervisors, allowing for prompt responses at the operational level.
- **P&HR Department and Union Representatives:** Employees can report their concerns to the P&HR department or union representatives, who provide support and advocate for employee interests.
- **Regular Employee Meetings:** Fortaco organizes regular meetings where employees can openly share their comments and concerns directly with the management team.
- **Local Systems for Filing Requests and Complaints:** Through the local management platforms and channels, employees can submit requests or complaints in an organized and recorded manner.

Fortaco has adopted a systematic approach to evaluate the effectiveness of remedial measures implemented in response to reported issues or identified risks. The evaluation methods include:

- **Regular Reviews:** Remedial measures are monitored through periodic reviews of operational processes allowing us to assess their impact and effectiveness. Results are utilized by the local Business site management and incorporated into improvement plans.
- **Key Performance Indicators (KPIs) Analysis:** Fortaco uses key performance indicators (KPIs) to assess the effectiveness of its measures, including the number of reported and resolved issues, response times to reports, and employee satisfaction levels after implementing remedial actions.
- **Employee Feedback:** Regularly collected feedback from employees through surveys and discussions helps identify whether the implemented measures have achieved the desired outcomes.
- **Corrective Action Tracking System:** All remedial actions are recorded in a central compliance management system. This system enables monitoring progress in their implementation and identifying areas that require further improvement.

We have also implemented concrete actions to ensure the effectiveness of the remedial measures and to create an environment where employees feel safe, raising their concerns. Systematic evaluations and a variety of reporting channels are integral to the company's strategy, supporting its

commitment to building a responsible and sustainable organization.

We take proactive steps to ensure that our employees are aware of and reminded about the grievance mechanisms available. This awareness is built into various aspects of our employee experience, including:

- **Code of conduct training:** As part of our training programme, we include specific modules on our grievance and complaints handling policy. According to the training policy, every Fortaco employee is required to complete Code of Conduct training at least once a year. To encourage participation, enhance awareness, and highlight the importance of adhering to the code of conduct, we organise annually a dedicated "Code of Conduct Month."
- **Internal information campaigns:** We regularly communicate with our employees through various internal channels, including emails, newsletters, and our intranet, to remind them about the availability of grievance channels and encourage their use.

We are dedicated to ensuring that our employees not only have access to these channels but also have the knowledge, confidence, and psychological safety to utilise them when necessary. Fortaco as an organization has the responsibility to take all reported cases seriously and provide fair outcomes for investigated cases

that take all parties' needs into consideration. Read more in section G1 Business Conduct.

Metrics and targets

Fortaco's targets related to identified material impact, risks, and opportunities are long-term goals to improve health, safety and wellbeing of our employees. Not all are yet time-bound with set baseline and monitored action plan, but we have set overall goals for development of our leadership and culture, introducing new tools and solutions to make work easier, improving wellbeing, health and safety, as well as employee engagement.

Fortaco's primary indicator of safety is the Lost Time Injury Frequency (LTIF). It is acknowledged that the LTIF alone does not communicate the full picture of the group's safety performance. Thus, employees are encouraged to report safety observations and improvement ideas in our safety reporting portal.

Fortaco targets to continuously decrease its LTIF, which is reported monthly to the group management. Safety action frequency is the number of reported health, safety and environment events (observations, deviations, safety rounds and safety toolbox talks) in Fortaco safety tool. The target is to introduce the same practices to new business sites and to increase the amount of safety actions. In 2025, the amount increased by 14 percent to a total of 5,697 preventive safety actions (approximately 3 per employee) were

made to improve safety conditions and reduce workplace hazards. Actions are made in all business sites except the Breitenau and Sable units, where similar safety actions with monitoring is being implemented.

Our employee engagement target is to improve the score measured in the Pulse Survey described below under the section for Working conditions. The target has no set baseline but is monitored annually in group management reporting and an action plan is defined according to the results, attempting to also improve the results annually.



	2025	2024
Employees who have left Fortaco	437	576
Employee turnover rate	17%	25%
Employee satisfaction survey results	35%	38%
Employee amount change	12%	-2%

Headcount by country			
Country	2025	2024	
Austria	244	231	
Estonia	429	405	
Finland	487	407	
France	355	285	
Poland	926	733	
Serbia	-	92	
Slovakia	126	146	

Headcount by contract type and gender in 2025					
	Female	Male	Other	Not disclosed	Total
Number of permanent employees	285	1,949	-	-	2,234
Number of temporary employees*	22	311	-	-	333
Number of non-guaranteed hours employees*	22	311	-	-	333
Total number of employees	307	2,260	-	-	2,567

Headcount by contract type and gender in 2024					
	Female	Male	Other	Not disclosed	Total
Number of permanent employees	248	1,885	-	-	2,133
Number of temporary employees*	27	139	-	-	166
Number of non-guaranteed hours employees*	27	139	-	-	166
Total number of employees	275	2,024	-	-	2,299

Working conditions

VIn 2025, the number of employees remained steady with a slight increase of 12 percent at the end of 2025 compared to 2024. The main contributor to the decrease in the absolute headcount were due to the sale of Business Site Gruza in Serbia.

Fortaco's target setting process involves collaboration with employees and union representatives. Through joint consultations, we define key goals related to workplace safety, training, and professional development, allowing employees to influence priorities and propose solutions. The annual Pulse Survey provide insights

into organizational needs, and their results guide goal setting for the upcoming period. To track performance, each business site implements Survey Corrective Action Plans, ensuring continuous improvement. We transparently report on progress, including metrics such as the number of health and safety trainings conducted, workplace accident reductions, and employee engagement improvements. These reports are shared with employees and union representatives, fostering accountability and informed decision-making. Lessons learned from performance tracking help refine future targets, reinforcing our commitment to a safe and supportive work environment.

Headcount by gender		
Gender	2025	2024
Female	307	275
Male	2,260	2,024
Other	-	-
Not reported	-	-
Total employees	2,567	2,299

Head count by contract type and country in 2025						
	Austria	Estonia	Finland	France	Poland	Slovakia
Number of permanent employees	224	375	424	301	803	107
Number of temporary employees*	20	54	63	54	123	19
Number of non-guaranteed hours employees*	20	54	63	54	123	19
Total number of employees	244	429	487	355	926	126

Head count by contract type and country in 2024							
	Austria	Estonia	Finland	France	Poland	Serbia	Slovakia
Number of permanent employees	224	380	379	270	668	84	128
Number of temporary employees*	7	25	28	15	65	8	18
Number of non-guaranteed hours employees*	7	25	28	15	65	8	18
Total number of employees	231	405	407	285	733	92	146

Accounting principles

Number of employees

Head count data is based on records from Fortaco's People & HR systems as of December 31st. Redundant employees are recognised until the expiry of their notice period, regardless of whether they have been released from all or some of their duties during their notice period. The group employment on average can be found in the financial statements can be found in note 2.6. Personnel expenses. Personnel expenses. Fortaco's operations in Serbia were sold in 2025 and therefore left out from the headcount in 2025.

* All non-guaranteed hours employees are also temporary employees.

Turnover rate

Calculated as the number of employees who have left the company relative to the average number of employees in the financial year. The number for 2024 has been restated due to error formula error.

Employee satisfaction survey results

Fortaco conducts a comprehensive employee satisfaction survey once a year. With a few exceptions, all employees are invited to participate in the survey. The following employees are omitted from the survey results: employees who joined the company shortly before the employee satisfaction survey, employees who resigned shortly after the employee satisfaction survey, interns, consultants, advisors, and external temporary workers who do not have an employment contract with Fortaco.



Incidents and complaints	2025	2024
Discrimination incidents	0	1
Severe human rights incidents	0	0
Filed complaints	21	19
Monetary penalty paid for damages (EUR)	0	0

Accounting principles

Discrimination incidents

The total number of substantiated discrimination incidents, including harassment, during the reporting period

Filed complaints

The total number of complaints filed through Fortaco's internal channels to raise concerns. Includes complaints of all categories whether substantiated or not.

Monetary penalty paid for damages

The total amount of fines, penalties, and compensation for damages as a result of reported incidents and complaints including severe human rights incidents.

Anti-discrimination

Fortaco does not yet have a separate process for monitoring complaints filed externally with national contact points under the OECD Guidelines for Multinational Enterprises. However, we continuously develop our processes and intend to include such complaints in the future. More about our grievance mechanisms under G1 – Business conduct. Incidents concerning the occupational safety and other work-related rights of suppliers' employees, are discussed in more detail under S2 – Workers in the value chain.

Health and safety

To ensure the health and safety of our employees and contractors, we constantly monitor our safety performance and implement relevant and effective actions where and when needed. In 2025, we continued our work to preserve our robust health and safety records while expanding our business activities. This entails continuing preventive and mitigating

efforts such as safety days, internal audits, inspections, personal risk dialogues, emergency drills, and safety trainings.

In 2025, as part of the Fortaco Mental Health Program we trained seven health ambassadors to support colleagues in need of mental support as part of our health and safety measures. The program continues and includes Mental Health Protocols available in the local languages of all our business sites.

We organize webinars for all interested employees on topics such as mental health, stress management and emotional intelligence. These sessions form an important part of our broader mental health initiatives, aimed at strengthening psychological resilience, promoting emotional well-being, and equipping our people with practical tools to navigate everyday challenges. By investing in these programs, we support a healthier, more engaged, and more balanced workplace for everyone.

Health and safety	2025	2024
Covered by ISO 45001 -management system	36%	35%
Fatalities	0	0
Total recordable injuries (TRIs)	42	49
Total recordable injury rate (TRIR)	11	12
Total recordable work-related ill health cases	0	2
Lost days	745	723

Accounting principles

Covered by ISO 45001 -management system

The share of own and external workers covered by an ISO 45001-certified management system. Fortaco's health and safety management system covers 100% of business sites including also external workers.

Fatalities

Number of people working for Fortaco who lost their lives as a result of a work-related incident such as injury or ill health. Includes also external workers such as contractors, and covers work related travelling such as commuting.

Total recordable injuries (TRIs)

The total number of recordable work-related injuries.

Total recordable injury rate (TRIR)

Calculation representing the number of work-related injuries per one million hours worked. The hours worked is based on the total annual working hours of Fortaco's employees.

Total recordable work-related ill health cases

The number of cases of recordable work-related ill health. The number may include cases of former employees.

Lost days

The total number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health. Data is collected in hours and converted into days by dividing by 8 hours.

Workers in the value chain (ESRS S2)

Our approach and governance

Fortaco's operations impacts people working across our supply chains indirectly through setting requirements and expectations, by collaborating and building trusting relationships with, and improving transparency with direct suppliers. Fortaco's own operations are located only in Europe, where the risk of serious human rights violations in the operations is considered low.

Through our code of conduct and supplier policy (Supplier handbook) we expect the companies we work with to run their business and supply chains in compliance with national laws and with respect for international labour and human rights standards defined by the UN Guiding Principles on Business & Human Rights, the OECD's Guidelines for Multinational Enterprises, as well as the core conventions of international labour organizations, such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. So not only do we at Fortaco make sure that we respect labour and human rights in everything we do, but also that we reduce the risk of people in our value chain being adversely impacted.

In our products we use materials such as steel, plastics, glass, and paints. Some of our key materials are extracted or produced in countries where the likelihood of adverse impacts on human and labour rights

is high, and we must therefore do everything we can to avoid harmful effects on workers and communities. Fortaco's possibilities to affect impacts in the value chain beyond direct suppliers are limited. We aim to source our materials only from trusted suppliers who we have passed our screenings and committed to our Code of Conduct, but we need to understand how we can support, respect and protect the rights of workers and communities involved in the minerals and metals supply chains beyond direct suppliers.

Fortaco is connected to workers in the value chain through its supplier relationships. The impacts on value chain workers originate indirectly from Fortaco's business model and strategy. The impacts have not led to adaptations in the business model or strategy. Fortaco continuously identifies and assesses potential and actual impacts and defines preventive and mitigating actions accordingly. Dependences related to workers in the value chain have not been identified.

Impact, risk and opportunities

The material impact, risks and opportunities related to workers in the value chain have been identified in our double materiality assessment which is described in the general section ESRS 2 of the Sustainability Statement. In the process we have analysed stakeholder groups in our value chain and how Fortaco's operations directly or indirectly impacts the groups. For the analysis we have utilized external expertise

and openly available information about e.g. raw material extraction, metal manufacturing, and transportation, and also internal expertise about Fortaco's value chain processes, actors, and supplier criteria.

In the materiality assessment we identified material impacts and risks related to workers in the value chain. The impacts and risks are related

to mainly blue collar and female workers in raw material extraction and production where working conditions, labour rights, human rights, and health and safety are topics of concern.

The possibilities to impact treatment of workers in the value chain are limited but we will investigate and act where we can, for example by

set higher expectations on our direct suppliers and request more transparency regarding sustainability of materials that we source. Fortaco has not yet publicly outlined a formal policy to uphold human rights, including labour rights in the value chain, and to manage the material impacts, and risks related to value chain workers. Material impact and risks related to workers in the value

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Working conditions	Unfair terms and conditions of employment related to extraction and production of materials such as steel, glass, aluminium and rubber.	Negative impact	Upstream value chain	Short- and medium-term
Working conditions; Health and safety	Occupational health and safety impacts of workers in the extraction and production phase of materials such as steel, glass, aluminium and rubber.	Negative impact	Upstream value chain	Short- and medium-term
Other work-related rights	Serious human rights abuses related to extraction and production of materials such as steel, glass, aluminium and rubber.	Negative impact	Upstream value chain	Short- and medium-term
Working conditions	Risk of hidden mistreatment of supply chain workers, particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium. Mistreatments include unfair employment terms, inadequate wages, excessive working hours, and limited freedom of association. Failure to address the issues may lead to significant reputational damage and ethical concerns for businesses reliant on these supply chains.	Strategic risk	Upstream value chain	Short- and medium-term
Working conditions; Health and safety	Potential issues related to occupational health and safety of supply chain workers, particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium. Failure to address the issues may lead to reputational damage for businesses reliant on these supply chains.	Strategic risk	Upstream value chain	Medium-and long-term
Other work-related rights	Serious human rights abuses of employees in particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium cause reputational risk to businesses reliant on these supply chains. The human right abuses often take form as disciplinary practices and violence, forced labour, child labour, limitation of women's rights, discrimination and diversity issues.	Strategic risk	Upstream value chain	Medium-term



chain were for the first time identified in the double material assessment conducted in 2024. Initial efforts to define an overarching approach and policy, set targets and plan actions were initiated that same year, progress in 2025 was limited due to competing priorities. Further development of this work is planned as conditions allow

Currently Fortaco's Code of Conduct and Supplier Handbook (supplier policy) include related themes such ethical business conduct, labour rights and human rights, and safe working conditions. However, management of identified material risks related to value chain workers will be reviewed and mitigation actions developed further in the future. For more information on our Code of Conduct and Supplier Handbook, see section G1 on Business Conduct.

We have recognised that the risks we have assessed to be material, are worsened by small suppliers' struggles with market pressures, which hinder their ability to meet sustainability requirements, and by limited oversight of larger suppliers. Fortaco's Code of conduct is therefore attached to the General terms and conditions of supplier contracts. In the standard agreement practices we expect our suppliers to familiarize themselves with our Code of Conduct and act according to expectation set in them. We strive to continuously develop the collaboration related to sustainability and in 2025 we for example prepared a separate Supplier Code of conduct that we plan to introduce to our suppliers in 2026.

Engaging with value chain workers

The material impacts and risks are related to external workers in raw material extraction and production. To reach the very beginning of the supply chain Fortaco needs to work with each direct supplier and understand how they work towards their supply chain. Fortaco is in regular contact with suppliers through e.g. periodical dialogue, workshops and collaborations, supplier self-assessments and audits. However, Fortaco has not yet adopted a formal process to engage with workers other than first-tier suppliers.

Active engagement with supply chain workers can help us to obtain insights into labour conditions and the implementation of specific suppliers' management systems. We can fully utilize this opportunity as we develop our supplier relationships, and our work to manage impact, risk, and opportunities in the value chain.

More about our relationships with suppliers and the development of them including communication, self-assessments and audits can be found in section G1 on Business Conduct.

Remediation and channels to raise concerns

We strive to address all concerns and grievances through remediation actions that are proportionate to the impact identified. Our responsibility covers both Fortaco's own people and workers in our value chain whenever

we have caused or contributed to a negative human rights or health and safety impact.

In 2025, Fortaco received no reports of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving value chain workers its upstream and downstream value chain.

Also Fortaco's stakeholders (including value chain workers) are encouraged to report ethical concerns or suspected legal non-compliance. External stakeholders can use Fortaco's whistleblowing channel when regular reporting routes are not suitable or available. Currently, anyone with the channel link can submit a report with the same level of protection as Fortaco employees, and in 2026 the channel will become easily accessible via the new Fortaco website. Further information on our Code of Conduct, whistleblowing channel, and protections against retaliation is available in section G1 on business conduct.

Serious human rights violations and significant health and safety incidents are managed by an incident team, which evaluates the situation and determines required mitigation and remedy actions. Actions to provide or contribute to remedies for material negative impact on value chain workers are tailored to the nature

of the case. Fortaco assesses the effectiveness of remedy provided by following up on corrective action plans and arranging visits when needed.

In 2025, as an action to address material impact and risks, we have prepared a supplier code of conduct that sets clear expectations to our suppliers, emphasising also the establishment of accessible grievance mechanisms for their workers and other stakeholders. The supplier code of conduct is based on Fortaco's code of conduct which has previously set the minimum requirements, and we plan to take the code into use during 2026. In cases where we would identify shortcomings, we would collaborate with our suppliers to develop improvement plans.

Metrics and targets

In our double material assessment three material impacts and risks were identified relating to workers in the value chain, more precisely in the extraction and production of raw materials. We recognize the responsibility and importance to address those risks, however, we have not yet set targets for in relation to the material topics. In the future, we will review current processes to investigate development possibilities, and based on gaps, plan targets and actions for mitigating the material risks related to value chain workers.

Affected communities (ESRS S3)

Our approach and governance

Fortaco's material impacts and risks related to communities are located in the supply chain of the materials we use in our products. The iron ore mining sector may provide new employment opportunities in resource-rich countries such as Brazil, Australia and China, but here local communities and indigenous people, such as residents living and working around mines, have historically been affected negatively by such activities. A shortage of decent jobs in a producing region may lead to people advocating for mining projects, despite potential other negative environmental and social impacts.

Fortaco's possibilities to affect impacts in the value chain are limited.

We aim to source our materials only from trusted suppliers and we need to understand how we can support, respect and protect the rights of communities involved or affected in the supply chains. Fortaco's Code of Conduct guides us as we pursue business in a responsible manner, including economic-, social-, and environmental issues, in several countries.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to affected communities have been identified in our double materiality assessment which is described in the general section ESRS 2. All potential affected communities upstream and downstream in the value chain have been reviewed by utilizing internal and external sustainability and industry expertise, and by reviewing literature and databases containing information

on supply chains, industries, Human Rights Risk maps etc.

We have identified risks and impacts on communities living and/or working near raw material extraction and production sites upstream in our value chain, especially in countries such as China, Australia and Brazil. The risks include potential health issues caused by pollution, disruption of livelihoods and cultural heritage for indigenous peoples, and labour rights violations such as forced and child labour. Communities may also face displacement, environmental degradation, and social tensions tied to mining and industrial activities. The negative impacts on communities are considered widespread in the industry for mining and raw material extraction.

Our approach to managing our impacts and risks aims to avoid and

mitigate negative impacts for affected communities while choosing business partners carefully. Negative impacts can be mitigated for example by reducing environmental harm and pollution, engaging with affected communities to protect their rights and cultural heritage, strengthening employees' rights, and ensuring safe working conditions. Fortaco enables this by enhancing supply chain monitoring and supporting suppliers in meeting ESG requirements.

Our commitment to uphold human rights of everyone and engage with communities is outlined in our Code of conduct, which gives us guidance on how we treat others, conduct business, and protect our corporate assets. Through our code of conduct and supplier policy (Supplier Handbook) we expect the companies we work with, to run their business and supply chains in compliance with national laws and with respect for international labour and human rights standards. So not only do we at Fortaco make sure that we respect labour and human rights in everything we do but we also strive to reduce the risk of people in our value chain being adversely impacted.

Material impacts related to affected communities in Fortaco's supply chain are managed by the Group Sustainability Director in collaboration with Group Leadership Members responsible for People and HR, as well as Supply Chain and IT. The supply chain organisation is accountable for the engagement and interaction with

suppliers while the P&HR, with its one professional appointed to drive CSR and ESG topics related to our people share expertise on engagement with marginalized people and local communities. In 2025, no severe human rights issues and incidents connected to affected communities have been reported to Fortaco.

For more information on our Supplier Handbook and Code of conduct, how they address human rights impacts, see section G1 on business conduct. See also S1 – Own workforce and S2 – Workers in the value chain for more details about our commitments related to human rights in the value chain. Indigenous people are not addressed specifically in the policies. In 2025, Fortaco did not have management processes and practices for engagement with the affected communities in the extraction and production of materials, only for engagement with direct suppliers. Material impact and risks related to affected communities were for the first time identified in the double material assessment conducted in 2024 and the needed work to outline a general approach and policy, set targets and plan actions has not been priority during this reporting period.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Communities' rights	Infringement of rights related to communities in the extraction and production of raw materials such as iron ore or steel, aluminium, copper, glass and rubber.	Negative impact	Upstream value chain	Short- and medium-term
Communities' rights	Sourcing battery materials from certain countries supports the limitation of freedom of expression for local communities.	Strategic risk	Upstream value chain	Medium-term
Communities' rights	Reputational risk caused by infringement of rights related to communities in the extraction and production of raw materials such as iron ore or steel, aluminium, copper, glass and rubber. Suppliers may infringe on rights such as residential and indigenous rights, community and stakeholder engagement, cultural heritage, resettlement and displacement, and community health and safety.	Strategic risk	Upstream value chain	Medium-term



Remediation and channels to raise concerns

We strive to improve on our abilities to address and remedy negative impacts on communities affected by our operations. We work towards our supply chain through our first-tier suppliers, which we screen, assess and audit regularly in accordance with our supplier policy and related processes. By collaborating with suppliers on sustainability in the value chain we aim to improve awareness and to mitigate our risks and negative impacts. Affected communities can always raise concerns by directly contacting Fortaco's local or group operations, for example, through the business units' contact persons. As part of the remake of Fortaco's external webpages, we are also making it confidentially report any ethical concerns or non-compliance with legislation through Fortaco's whistleblowing channel. The remake was started in 2025 and will be finalized

in 2026. For more information on our whistleblower channel and how we protect whistleblowers against retaliation, see section G1 on business conduct.

Metrics and targets

The ultimate vision is to operate in a way that has minimal negative impact and maximal positive impact on communities in our value chain. Although Fortaco had not yet in 2025 set specific targets and actions linked directly to material impacts and risks related to affected communities, many of our actions mentioned in the environmental related sections (E1-E2, E4-E5) and section S2, have impact further upstream in the supply chain and take us closer to our vision for affected communities. For example, management of negative impacts and promotion positive impacts including systematically reducing environmental impacts and engaging with suppliers on sustainability in the value chain, has broader impact.

GOVERNANCE

Business conduct (ESRS G1)

Our approach and governance

Our business conduct is guided by applicable legislation, our values, Code of Conduct and various policies approved by Fortaco's Group Leadership Team. We are committed to operating in accordance with the UN Guiding Principles on Business and Human Rights and require the same of our business partners. Through our Code of conduct and policies, we strive to uphold a healthy corporate culture with a high level of integrity, providing guidance to all employees on the

expected behaviour at Fortaco and in interactions with stakeholders. The code addresses topics such as running a fair business, anti-bribery and anti-corruption, working with political decision makers and civil servants, entertainment, and reporting suspected misconduct. It is overseen by our Group Legal Director and reported to the Board of Directors

At the beginning of 2025, Fortaco continued implementing the legal compliance policies related to anti-bribery and anti-corruption, whistleblowing, competition compliance, data protection and trade compliance, that were approved in 2024. Also, the Code of Conduct and other policies

were updated to comply with changes in legislation and the company's operating strategies. Our stand against corruption and bribery is laid out in our Code of Conduct while the Anti-Bribery and Anti-Corruption Policy sets out the rules for preventing and detecting bribery and corruption risks in our operations. The Anti-Bribery and Anti-Corruption policy provides detailed guidelines, according to which business can be conducted in a transparent and honest manner when offering and accepting gifts, hospitality and other forms of benefits. Our policies do currently not include animal welfare as it is not seen as material in our operations and in cases where animals would

be involved, we follow local European legislation and recommendation.

Fortaco carries out internal audit assessments on a regular basis. The audits are for example, focusing on governance, quality, sourcing, IT controls, and sales at business site level, and indirectly including sustainability topics. Sustainability will in the future be included as a separate topic, however, in 2025 there was no scheduled plan for the implementation. Internal audit is an independent and objective assurance and consulting activity to evaluate if Fortaco's processes and operations function as expected. Internal audit function evaluates the effectiveness and efficiency of Fortaco's risk management, internal control, and governance processes. Internal audit activities are conducted based on identified needs, covering different risk types and business processes. Independence is enabled with a direct reporting line to the Board of Directors. Additionally, internal audit reports to executive management for daily administrative purposes. Objectivity is enabled by an impartial attitude and avoidance of conflicts of interest.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to business conduct have been identified in our double materiality assessment which is described in the section for Double Materiality Assessment under ESRS 2.

Corporate culture

Upon joining the company, and thereafter at least every second year, all employees are expected to complete our e-learning course in the Code of Conduct. The Code of Conduct and the e-learning module were updated in 2025. They cover our key ethical principles and describe best practice related to business sustainability.

Additionally, in 2025, September was designated as Training Month across the entire Fortaco Group. During this period, all employees were invited to complete four key e-learning modules:

- Code of Conduct
- Whistleblowing
- Anti-Harassment
- Anti-Corruption

The goal of this initiative was to strengthen our shared understanding of ethical behaviour and to foster a safe, respectful, and transparent workplace for everyone.

Various trainings are available in multiple languages in Fortaco's e-learning portal. They are for example related to insider information, the Corporate Sustainability Reporting Directive, time management, and conflict resolution. We also train our people locally in classroom trainings or online for example in fire safety, emotional intelligence and mental health. Upon joining the company new employees are trained in our business conduct and ways to operate.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Corporate culture	In the midst of acquisitions and integrations, creating a unified corporate culture regarding responsibility is a challenge.	Strategic risk	Own operations	Medium- and long-term
Corporate culture	The pressures from legislation and stakeholders are growing and new skills are required to maintain required sustainability expertise.	Strategic risk	Own operations	Medium- and long-term
Corporate culture	A materialized ESG risk may cause significant reputational damage to Fortaco. ESG risk assessments should be fully integrated in the value chain risk management processes.	Strategic risk	Upstream value chain	Medium- and long-term
Management of relationships with suppliers	Small- and medium-sized suppliers typically lack knowledge and resources about sustainability.	Strategic risk	Upstream value chain	Medium-term
Corruption and bribery	Fortaco's supply chains are long, and raw materials may originate from countries where corruption is part of the country's culture.	Strategic risk	Upstream value chain	Short- and medium-term
Management of relationships with suppliers	Improving Supplier ESG requirements and compliance control and development on Fortaco Group level.	Strategic opportunity	Upstream value chain	Medium-term

Throughout the employment we want to support individual development and wellbeing by offering not only good working conditions but also training in their individual roles. The completion of e-learning courses and classroom training is regularly monitored by People and HR and reported to the Group Leadership Team.

Our commitment to business integrity is supported by Fortaco's whistleblowing channel. It is currently available in ten different languages on Fortaco's intranet. In 2026, the channel will be made easily accessible also for external stakeholders as part of the remake of Fortaco's external webpages. Our commitment to whistleblower protection is outlined in our Code of Conduct and the Whistleblowing Policy. Fortaco's whistleblowing channel enables submitting reports anonymously and securely, and we are committed to protecting whistleblowers in accordance with applicable laws. In addition, we have established a standard operating procedure to ensure that reports are rigorously and objectively investigated.

Management of relationships with suppliers

Corporate responsibility is an integral part of Fortaco's supply chain management. We aim to develop relationships based on honesty, fairness, transparency and mutual trust throughout our supply chain. As part of our supplier development program, Fortaco has procedures in place to screen, approve, and audit business partners.

During the supplier selection and assessment phase, Fortaco may perform various audits to evaluate supplier capability. Suppliers that initially do not fulfil requirements may be allowed to develop action plans to correct any deficiencies and then request a re-audit to verify implementation of these plans. When necessary, we also audit critical processes of sub-suppliers to verify that proper controls are in place throughout the entire supply chain. The audit form includes for example questions about quality, health and safety, and environment. We regularly review and develop our audit procedures and forms, and we currently update them to extend the included scope of sustainability, so that topics such as human rights and climate change, can become part of the audit. Supplier screenings are carried out by Fortaco in collaboration with suppliers while audits are conducted by Fortaco and a third-party auditor.

Our Supplier general terms and conditions sets forth the foundation for all relationships and interactions with our suppliers, and they refer to also Fortaco's Code of Conduct and Supplier Handbook. We expect our suppliers to comply with all applicable laws and regulations and to adhere to good business conduct. In our supply chain, we also encourage suppliers to implement similar requirements for their suppliers and to take responsible business behaviour upstream in the entire supply chain.

In our agreements with suppliers, we require a commitment by the suppliers to matters set out in Fortaco's Code of Conduct and our legal compliance policies. In addition, our agreements with suppliers include environmental and social requirements. We understand the potential sustainability risks of our supply chain, and this guides our procurement and sourcing activities. To evaluate performance and identify any gaps or adverse impacts, we employ a combination of risk screenings, extended risk screenings, which may occur both before and after contract signing.

Contracts with suppliers are accompanied with general terms and conditions including information about payment terms. The general terms and conditions are applied unless otherwise agreed upon or prescribed in mandatory legislation in relevant jurisdiction. In some cases, the payment terms can be adjusted to differ from the general terms and conditions. To prevent late payments Fortaco has adequate financial systems and internal controls that all suppliers and invoices must pass through.

We are looking to further develop our relationship with suppliers and business partners by improving our due diligence processes, updating the risk model used in screenings, harmonizing processes and implement sustainability to a higher degree in screenings, self-assessments and audits of suppliers. We are committed to continuous improvement and see

great possibilities and responsibility in incorporating sustainability in our work with supply chains.

Anti-corruption and anti-bribery

Our stand against corruption and bribery is laid out in our Code of Conduct. Our Anti-Bribery and Anti-Corruption Policy on the other hand sets out the rules for preventing and detecting bribery and corruption risks in our operations. According to the Anti-Bribery and Anti-Corruption policy, suspected breaches are reported to Group Legal or via Fortaco's whistleblowing channel, which initiates the investigation process.

The Anti-Bribery and Anti-Corruption Policy provides detailed guidelines,

according to which business can be conducted in a transparent and honest manner when offering and accepting gifts, hospitality and other forms of benefits. Caution is particularly required when dealing with corporate executives and managers responsible for decision-making in sales, purchases and sourcing as well as when dealing with public officials.

All Fortaco personnel, including 100% of functions at risk, must participate in mandatory anti-bribery and anti-corruption training which is organized in cooperation between Group Legal and People & HR functions.

We have identified the need to screen our suppliers on a wide variety of topics. Currently we mainly screen

Incidents of corruption or bribery	2025	2024
Number of convictions	0	0
Fines for violation of anti-corruption and anti-bribery laws, EUR	0	0
Code of conduct training		
Employees required to complete the code of conduct training, %	100%	100%
Employees who have completed the code of conduct training, %	87%	100%

Accounting principles

Convictions

Total number of incidents leading to bribery or corruption convictions of Fortaco during the financial year.

Fines for violation of anti-corruption and anti-bribery laws

Total fines in euros paid related to convictions during the financial year.

Code of Conduct training

The share of employees that have completed training in Fortaco's code of conduct within the past two years. The share is relative to the amount of employees invited to take the course.



sanctions and government watch lists while we investigate how to add screening related to ethics, compliance, anti-bribery and anti-corruption. Before entering high-risk partnerships such as joint ventures or acquiring businesses we perform more comprehensive partner due diligence processes covering a wide selection of topics including sustainability. Through the screening process, we could review how potential business partners prevent, detect, and address allegations or incidents of corruption and bribery.

Fortaco employees and stakeholders are encouraged to report any ethical concerns and suspected non-compliance with laws. Fortaco employees are recommended to contact their direct superior, or local representative of the People & HR if they have any concerns. It is also possible to contact a manager of higher rank or Legal Director.

In addition, Fortaco has a whistleblowing channel as an early warning system to reduce risks and to handle reports of violations and suspected misconduct. The whistleblowing channel offers a supplementary reporting channel in cases where it is not possible or appropriate to report concerns or suspected misconduct through regular reporting channels. The whistleblowing reporting tool is

acquired from a third-party service provider, and it allows submitting reports anonymously, securely and in compliance with laws regarding data protection and privacy. The whistleblowing channel serves also external stakeholders. Fortaco is committed to protecting whistleblowers in accordance with applicable laws. Fortaco's Whistleblowing Team has access to reports and ensures appropriate handling, assessment and escalation of reports in accordance with the Whistleblowing Policy.

As business conduct starts from within, in 2025, we trained Fortaco's employees in legal matters related to compliance policies, including anti-bribery and anti-corruption, whistleblowing, competition compliance, data protection and trade compliance.

Metrics and targets

At Fortaco we have set targets and KPIs to measure business conduct and ethical operations. These relate to our corporate culture and reaches out to the supply chain. We follow up and ensure all our employees participate in the Code of Conduct training upon joining the company and thereafter at least once every second year.

We also aim at in the long-term, by 2030, having 80 percent of our direct suppliers' commitment to Fortaco's

code of conduct. In 2025, Fortaco started assessing the baseline. For resource optimisation reasons the project was not finalised but continues in 2026. In 2025, we had 3 suppliers (less than 0,5 percent of spend) in high-risk corruption countries and we plan to investigate suitable targets to mitigate our risks in parallel with assessing the baseline for suppliers' commitment to our Code of Conduct is identified.

Reports submitted to Fortaco's whistleblowing channel may be of various kind, including allegations related to bribery, fraud, and other inappropriate or illegal conduct. Each report is investigated thoroughly and objectively. In 2025, Fortaco continued developing the whistleblowing channel and started to monitor the substantiation rate (percentage of reports found to be valid after investigation) to assess the functioning of the whistleblowing channel and to ensure that the whistleblowing channel is being used appropriately. In 2025, none of the reported cases were critical to our business or caused adjustments to our financial results. None of the cases lead to convictions for Fortaco.

Management of sustainability and ethical business is monitored in Fortaco's supply chain by supplier screenings, assessments, and audits.

The number of supplier screenings and due diligence activities conducted is determined by procurement priorities from year to year.

In 2025, Fortaco has not been fined or convicted for violating any anti-bribery or anti-corruption laws.

In 2025, it took Fortaco on average of 50-52 days to pay an invoice from when the invoice is received by Fortaco or the scope of supply has been fully delivered to Fortaco. Payments are process according to the Fortaco Group Payment Policy where payment dates are defined. Unless otherwise is agreed upon or prescribed in mandatory legislation in relevant jurisdiction, the standard payment in Fortaco's general terms and conditions for purchases is on average 48 days for all main supplier categories. In case of smaller suppliers, the payment conditions can be reconsidered individually and differ from the general terms.

The development of Fortaco's contractual payment terms is followed on regular basis. However, in 2025, there was no regular follow-up on how actualized payments aligned with the payment terms. Based on selected scope, we estimate that 30 percent of payments are aligned with the contractual payment terms. Fortaco is not party to any legal proceedings due to late payments.

SUSTAINABILITY STATEMENT APPENDICES

Datapoints derived from other EU legislation (ESRS 2)

The following tables list all the datapoints in cross-cutting and topical standards that derive from other EU legislation.

Datapoints derived from other EU legislation (ESRS 2)								
Disclosure Requirement	Datapoint		SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		Material	41
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		Material	41
ESRS 2 GOV-4	30	Statement on due diligence	x				Material	41
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Not material	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not material	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Not material	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not material	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Material	57
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		Material	55, 57
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Material	57, 59
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Material	58
ESRS E1-5	37	Energy consumption and mix	x				Material	58
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				Material	58
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Material	59
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		Material	58
ESRS E1-7	56	GHG removals and carbon credits				x	Not material	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Phased in	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			Phased in	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Phased in	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Phased in	

Datapoints derived from other EU legislation (ESRS 2)								
Disclosure Requirement		Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				Material	61
ESRS E3-1	9	Water and marine resources	x				Not material	
ESRS E3-1	13	Dedicated policy	x				Not material	
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material	
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x				Not material	
ESRS 2- SBM 3 - E4	16 (a) i		x				Material	62
ESRS 2- SBM 3 - E4	16 (b)		x				Material	62
ESRS 2- SBM 3 - E4	16 (c)		x				Material	62
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	x				Material	66
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Material	66
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	x				Material	67-68
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	x				Material	67-68
ESRS S1-1	20	Human rights policy commitments	x				Material	67-68
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8				x	Material	67-68
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Material	67-68
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Material	69
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				Material	70-71
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x			x	Material	74
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Material	74

Datapoints derived from other EU legislation (ESRS 2)								
Disclosure Requirement		Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Page
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		Not material	
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				Not material	
ESRS S1-17	103 (a)	Incidents of discrimination	x				Material	74
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Material	74
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				Material	75
ESRS S2-1	17	Human rights policy commitments	x				Material	75
ESRS S2-1	18	Policies related to value chain workers	x				Material	76
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		Material	76
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		Material	76
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Material	76
ESRS S3-1	16	Human rights policy commitments	x				Material	77
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		Material	77-78
ESRS S3-4	36	Human rights issues and incidents	x				Material	78
ESRS S4-1	16	Policies related to consumers and end-users	x				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not material	
ESRS S4-4	35	Human rights issues and incidents	x				Not material	
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x				Material	80
ESRS G1-1	§10 (d)	Protection of whistleblowers	x				Material	80-81
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		Material	80
ESRS G1-4	§24 (b)	Standards of anti-corruption and anti-bribery	x				Material	80-81



ESRS disclosure requirements complied with

The following tables list all the ESRS disclosure requirements in ESRS 2 and the topical standards which are material to Fortaco. Topical standards E3 and S4 are below our materiality thresholds and have therefore been omitted.

ESRS Requirement		Page
ESRS 2	General Disclosures	
BP-1	General basis for preparation of the sustainability statement	40
BP-2	Disclosures in relation to specific circumstances	40
GOV-1	The role of the administrative, management and supervisory bodies	40-41
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	40-41
GOV-3	Integration of sustainability-related performance in incentive schemes	41
GOV-4	Statement on due diligence	41
GOV-5	Risk management and internal controls over sustainability reporting	41-42
SBM-1	Strategy, business model and value chain	42
SBM-2	Interests and views of stakeholders	42-43
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	44
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	45
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	45

Environmental information		Page
ESRS E1	Climate change	
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	41
E1-1	Transition plan for climate change mitigation	57
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	54
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	54-55
E1-2	Policies related to climate change mitigation and adaptation	56
E1-3	Actions and resources in relation to climate change policies	57
E1-4	Targets related to climate change mitigation and adaptation	57, 59
E1-5	Energy consumption and mix	58
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	59
ESRS E2	Pollution	
ESRS 2, IRO 1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	60
E2-1	Policies related to pollution	60-61
E2-2	Actions and resources related to pollution	61
E2-3	Targets related to pollution	61-62
E2-4	Pollution of air, water and soil	61-62
E2-5	Substances of concern and substances of very high concern	62
ESRS E4	Biodiversity and ecosystems	
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	62
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	62
ESRS 2, IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	62
E4-2	Policies related to biodiversity and ecosystems	62-63
E4-3	Actions and resources related to biodiversity and ecosystems	62-63
E4-4	Targets related to biodiversity and ecosystems	63
ESRS E5	Resource use and circular economy	
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	64
E5-1	Policies related to resource use and circular economy	64-65
E5-2	Actions and resources related to resource use and circular economy	65
E5-3	Targets related to resource use and circular economy	65-66
E5-4	Resource inflows	66
E5-5	Resource outflows	66

Social information		Page
ESRS S1	Own workforce	
ESRS 2, SBM-2	Interests and views of stakeholders	67-68
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	68
S1-1	Policies related to own workforce	67-71
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	70
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	71-72
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	69-70
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	71
S1-6	Characteristics of the undertaking's employees	72-73
S1-13	Training and skills development metrics	69-70
S1-14	Health and safety metrics	74
S1-17	Incidents, complaints and severe human rights impacts	74
ESRS S2	Workers in the value chain	
ESRS 2, SBM-2	Interests and views of stakeholders	75-76
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	75
S2-1	Policies related to value chain workers	75-76
S2-2	Processes for engaging with value chain workers about impacts	76
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	76
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	75-76
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	76
ESRS S3	Affected communities	
ESRS 2, SBM-2	Interests and views of stakeholders	77
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	77
S3-1	Policies related to affected communities	77
S3-2	Processes for engaging with affected communities about impacts	77-78
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	78
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	77-78
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	78



Governance		Page
ESRS G1	Business conduct	
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	79
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	79
G1-1	Business conduct policies and corporate culture	79-81
G1-2	Management of relationships with suppliers	80
G1-3	Prevention and detection of corruption and bribery	80-81
G1-4	Incidents of corruption or bribery	80
G1-6	Payment practices	81

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)



Consolidated Income Statement

1,000 EUR	Note	1.1.-31.12.2025	1.1.-31.12.2024
NET SALES	2.1.	348,230	356,471
Other operating expense	2.3.	2,192	2,994
Work performed for own purposes and capitalized		164	469
Materials and services	2.2.	-196,271	-205,670
Employee benefits expenses	2.6.	-102,402	-103,907
Other operating expenses	2.4.	-36,147	-42,804
Depreciation, amortization and impairments	4.5./4.6./4.7.	-23,265	-31,740
OPERATING PROFIT (LOSS)		-7,500	-24,187
Finance income	5.4.	7,409	3,214
Finance costs	5.4.	-27,140	-27,455
PROFIT (LOSS) BEFORE INCOME TAX		-27,231	-48,428
Income taxes	2.8.	-192	-111
PROFIT (LOSS) FOR THE PERIOD		-27,423	-48,538
Other comprehensive income			
Items that will never be reclassified to profit and loss			
Actuarial gains/losses on defined benefit plans		120	-55
Total Items that will never be reclassified to profit and loss, net of tax		120	-55
Items that are or may be reclassified to profit and loss			
Translation differences		386	215
Cash flow hedge		-52	0
Total items that may be subsequently reclassified to profit or loss, net of tax		335	215
Other comprehensive income, net of tax		455	160
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-26,968	-48,378

Consolidated Income Statement

1,000 EUR	Note	1.1.-31.12.2025	1.1.-31.12.2024
Profit (loss) for the period attributable to			
Owners of the parent company		-27,423	-48,536
Non-controlling interests		0	-3
Profit (loss) for the period		-27,423	-48,538
Total comprehensive income for the period attributable to			
Owners of the parent company	2.5.	-26,968	-48,377
Non-controlling interests		0	-2
Total comprehensive income for the period		-26,968	-48,378
Earnings per share for profit attributable to the ordinary equity holders of the parent company, EUR			
Earnings per share, basic and diluted, EUR		-27.4	-48.5

Consolidated Balance Sheet

1,000 EUR	Note	31.12.2025	31.12.2024
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	4.7.	42,060	47,043
Goodwill	4.8.	20,970	20,976
Property, plant and equipment	4.5.	76,257	87,028
Right-of-use assets	4.6.	54,530	47,152
Trade, other receivables and financial assets	5.3.	11,971	5,682
Receivables from defined benefit plan	2.7.	670	681
Deferred tax assets	2.9.	3,789	4,804
TOTAL NON-CURRENT ASSETS		210,248	213,366
CURRENT ASSETS			
Inventories	3.1.	44,438	37,683
Trade and other receivables	3.2.	21,543	20,480
Income tax assets	2.8.	354	1,695
Cash and cash equivalents	5.7.	29,617	32,034
TOTAL CURRENT ASSETS		95,953	91,892
ASSETS HELD FOR SALE		0	1,000
TOTAL ASSETS		306,200	306,258

Consolidated Balance Sheet

1,000 EUR	Note	31.12.2025	31.12.2024
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			
Share capital	5.6.	80	80
Invested unrestricted equity capital	5.6.	125,178	105,178
Reserves	5.6.	-52	0
Translation differences	5.6.	3,127	2,741
Retained earnings	5.6.	-102,771	-75,467
TOTAL EQUITY		25,562	32,531
NON-CURRENT LIABILITIES			
Deferred tax liabilities	2.9.	17,092	17,895
Borrowings	5.5.	132,869	127,394
Borrowings from related parties	3.3.	7,090	6,441
Other liabilities	3.3.	6,380	5,372
Lease liabilities	4.6.	35,321	37,175
Provisions	3.4.	1,123	1,494
Liabilities from defined benefit plan	2.7.	2,990	3,003
TOTAL NON-CURRENT LIABILITIES		202,865	198,773
CURRENT LIABILITIES			
Borrowings	3.3.	2,004	6,881
Trade and other payables	3.3.	65,086	59,496
Lease liabilities	4.6.	9,685	7,581
Provisions	3.4.	914	860
Income tax liabilities	2.8.	84	137
TOTAL CURRENT LIABILITIES		77,773	74,954
TOTAL LIABILITIES		280,638	273,727
TOTAL EQUITY AND LIABILITIES		306,200	306,258

Consolidated Cash Flow Statement

1,000 EUR	Note	1.1.-31.12.2025	1.1.-31.12.2024
Cash flow from operating activities			
PROFIT (LOSS) FOR THE PERIOD		-27,423	-48,538
Depreciation, amortization and impairments	4.5./4.6./4.7.	23,265	31,740
Gains and losses on sale of property, plant and equipment and other non-current assets		337	439
Financial income and expenses	5.4.	19,739	24,333
Income tax	2.8.	192	111
Other adjustments		-112	904
Change in working capital			
Increase / decrease in inventories	3.1.	-8,651	5,957
Increase / decrease in trade and other receivables		-3,409	8,143
Increase / decrease in interest free trade payables		9,679	-16,433
Change in provisions		-225	4
Interest paid	5.4.	-11,816	-16,907
Interest received	5.4.	480	27
Other financial items	5.4.	-4,202	-3,832
Income tax paid	2.8.	1,198	-958
Total cash flow from operating activities		-949	-15,010

Consolidated Cash Flow Statement

1,000 EUR	Note	1.1.-31.12.2025	1.1.-31.12.2024
Cash flow from investing activities			
Investments in property, plant and equipment and intangible assets		-6,316	-15,604
Disposal of property, plant and equipment and intangible assets		2,212	2,322
Acquisition of subsidiaries reduced with the cash and cash equivalents at the acquisition moment	4.1.	0	74
Disposal of subsidiaries increased with the cash and cash equivalents at the acquisition moment	4.3.	-1,421	-321
Used collateral deposit		0	50
Cash flow from investing activities		-5,524	-13,480
Cash flow from financing activities			
Proceeds from issue of share capital	5.6.	20,000	10,000
Proceeds from loans	5.6.	15,098	39,456
Repayments from current loans	5.5.	-18,063	-7,863
Repayments of non-current borrowings	5.5.	-1,390	-1,193
Repayments of leasing liabilities	5.5.	-11,449	-7,877
Granted loans	5.5.	0	-4,500
Total cash flow from financing activities		4,196	28,023
Change in cash and cash equivalents		-2,278	-467
Cash and cash equivalents at the beginning of the period		32,034	32,420
Effects of exchange rate changes on cash and cash equivalents		-138	81
Cash and cash equivalent at the end of the period		29,617	32,034

Consolidated Statement of changes in equity

Equity attributable to owners of the parent company 31.12.2025										
1,000 EUR	Note 5.6.	Share capital	Invested unrestricted equity reserve	Hedging reserve	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity	
EQUITY 1.1.2025		80	105,178	0	2,741	-75,467	32,531	0	32,531	
Comprehensive income										
Profit/loss for the period						-27,423	-27,423	0	-27,423	
Cash flow hedges				-52			-52		-52	
Translation differences					386		386	0	386	
Actuarial gains/losses from defined benefit plans						120	120		120	
TOTAL COMPREHENSIVE INCOME				-52	386	-27,303	-26,968	0	-26,968	
Transactions with shareholders										
Investments			20,000				20,000		20,000	
Changes in subsidiary ownership shares								0	0	
Other changes										
Changes in equity total		0	20,000	-52	386	-27,303	-6,968	0	-6,968	
TOTAL EQUITY 31.12.2025		80	125,178	-52	3,127	-102,771	25,562	0	25,562	
Equity attributable to owners of the parent company 31.12.2024										
1,000 EUR	Note 5.6.	Share capital	Invested unrestricted equity reserve	Hedging reserve	Translation differences	Profit (loss) for period	Total	Non-controlling interests	Total equity	
EQUITY 1.1.2025		80	95,178	0	2,527	-26,757	71,028	103	71,131	
Comprehensive income										
Profit/loss for the period						-48,536	-48,536	-3	-48,538	
Translation differences					214		214	1	215	
Actuarial gains/losses from defined benefit plans						-55	-55		-55	
TOTAL COMPREHENSIVE INCOME				0	214	-48,591	-48,377	-2	-48,378	
Transactions with shareholders										
Investments			10,000				10,000		10,000	
Changes in subsidiary ownership shares						-120	-120	-102	-222	
Changes in equity total			10,000		214	-48,711	-38,497	-103	-38,600	
TOTAL EQUITY 31.12.2024		80	105,178	0	2,741	-75,467	32,531	0	32,531	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies for the consolidated financial statements

1.1. General information

Fortaco Group Holdco Plc and its subsidiaries (together, the "Group", "Fortaco") is a leading brand independent strategic partner to the heavy off-highway equipment and marine industries, offering technology, vehicle cabins, steel fabrications and vehicle assembly.

Fortaco has operations in several European business sites and technology hubs serving customers worldwide. The group was created on 30 September 2022, when Fortaco Group Holdco Plc acquired the share capital of Fortaco Group Oy. Fortaco Group Holdco Oy is domiciled in Finland. The registered address of the company's head office is Äyritie 24, Vantaa.

Information on the group structure can be found in note 6.1. Information on related parties can be found in note 6.2.

Fortaco's consolidated financial statements for the financial year ended 31 December 2025 have been authorized for issue on 20 March 2026 by a decision of the Board of Directors. In accordance with the Finnish Limited Liability Companies Act, the shareholders approve or reject the financial statements at the Annual General Meeting. The General Meeting may also decide on amendments to the financial statements

1.2. Accounting policy

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, in accordance with the IAS and IFRS standards and SIC and IFRIC interpretations in force on 31 December 2025. The notes to the consolidated financial statements also comply with the requirements of Finnish accounting and corporate law, which supplement IFRS. The consolidated financial statements have been prepared primarily on a historical cost basis, unless otherwise stated. Financial assets at fair value through other comprehensive income and contingent consideration liabilities are measured at fair value. The presentation currency of the consolidated financial statements is the euro and all values have been rounded to the nearest thousand euro unless otherwise stated. The consolidated financial statements have been prepared for the reporting period of 12 months from January 1 to December 31, 2025 and the basis that the Group will continue to operate as going concern.

1.3. Appropriations

Preparing the consolidated financial statements in accordance with IFRS Standards requires management to use estimates, assumptions, and judgement. These affect reported income and expenses, as well as the carrying amounts of assets and liabilities and the information presented. Estimates involve uncertainty, and actual results may differ from these estimates. Any differences may result in material adjustments to the carrying amounts of assets and liabilities in future financial periods.

Estimates and assumptions

Decisions requiring estimates and judgement are based on available information, historical experience, and management's view of future conditions. Estimates are updated regularly as circumstances change and new information becomes available.

Estimates and assumptions that involve a significant risk of material adjustment to the carrying amounts of assets and liabilities are disclosed in the following notes to the financial statements:

- Amortization periods for tangible and intangible assets (Notes 4.3 and 4.5)
- Recognition of revenue from the sale of products (Note 2.1)
- Provisions (Note 3.4)
- Amount of recoverable amount of goodwill (Note 4.7)
- Recognition of deferred tax assets (Note 2.9)
- Leases - determination of the lease term (note 4.5)
- Leases - Determination of interest rate on margin (Note 4.5)

1.4. Basis of consolidation

Subsidiaries are entities over which the Group has control. Control arises when the Group is able to direct the financial and operating decision-making of the subsidiary in order to obtain returns. Control is generally based on voting rights held directly or indirectly, but it may also arise through other contractual or factual arrangements.

Subsidiaries are consolidated into the consolidated financial statements from the date on which control transfers to the Group, and they are deconsolidated on the date when control ceases. Changes in the parent company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.



The profit or loss for the financial year, as well as all items of other comprehensive income, are attributable to the owners of the parent and to non-controlling interests, regardless of whether this results in the non-controlling interests having a negative balance. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure that the accounting policies applied are consistent with those of the Group. All intra-group assets, liabilities, equity, income, expenses and cash flows arising from transactions within the Group are eliminated in full when preparing the consolidated financial statements.

1.5. Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in euros, which is the functional currency of the Parent Company and the presentation currency of the Group. The Group determines the functional currency for each company within the Group, and each company presents its financial statements in its respective functional currency.

Transactions and balances in foreign currency

Transactions denominated in foreign currencies are recorded in the accounts of Group companies in their functional currency using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing on the reporting date. Exchange differences arising from the settlement of such items or from their translation are recognized in profit or loss.

The cost of non-monetary items denominated in foreign currencies and measured at cost is translated using the exchange rate at the date of acquisition.

Group companies

For Group companies whose functional currency differs from the Group's presentation currency, their income statements and balance sheets are translated into euros. Items in the statement of comprehensive income are translated at the average exchange rate for the financial year, and assets and liabilities are translated at the exchange rate prevailing at the end of the reporting period.

Exchange differences arising from these translations are recognized in other comprehensive income.

Exchange differences arising from the translation of net investments in foreign entities in the preparation of the consolidated financial statements are also recognized in other comprehensive income.

1.6. Adaptation of new and reviewed IFRS standards

New standards, amendments and interpretations adopted from 1 January 2025 have not had a material impact on Fortaco's financial statements.

New or amended IFRS standards and interpretations effective from 2026 onwards

The Group will apply new or amended IFRS standards and interpretations from their effective date, or, if the effective date is other than the first day of the reporting period, from the beginning of the following reporting period, provided they are endorsed by the EU.

In April 2024, the IASB issued the new IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. The objective of the new standard is to improve comparability of performance between companies with similar activities and to provide users with more relevant and transparent information. The standard changes the structure and required disclosures of the financial statements but does not affect recognition or measurement principles. IFRS 18 becomes effective on 1 January 2027. For Fortaco, the implementation of IFRS 18 will primarily affect the presentation of the income statement and the classification of items based on their economic characteristics; however, it is not expected to have a material impact on the Group's result, cash flows or equity.

Other new standards, amendments or interpretations published and effective on or after 1 January 2026 are not expected to have a material impact on Fortaco's financial statements.

2. Financial development

2.1. Revenue

Segment information

The Group has one reportable segment. The financial information of the reportable segment is consistent with the Group's result and financial position. The Group's chief operating decision-maker is Fortaco's Management Team, which makes significant operating decisions and monitors the financial performance of the segment.

Based on Fortaco's business model, the nature of its operations and its management structure, the Group's activities constitute a single operating entity, and therefore no separate operating segments are presented.

Net sales divided by geographical area		
1,000 eur	1.1.2025-31.12.2025	1.1.2024-31.12.2024
Finland	92,291	87,412
Poland	82,485	84,183
Estonia	60,546	58,676
France	57,981	53,675
Austria	32,469	35,270
Slovakia	20,427	23,813
Hungary	0	8,542
Serbia	2,031	4,900
Total	348,230	356,471

Accounting policy

Revenue recognition

The Group applies the five-step revenue recognition model set out in IFRS 15 Revenue from Contracts with Customers to recognize revenue. Revenue is recognized in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer. Revenue is recognized when control of the goods or services is transferred to the customer, either over time or at a point in time.

In 2025, the Group had two customers, each of which accounted for more than 10 per cent of the Group's revenue. The total revenue recognized from these customers amounted to EUR 106.1 million.

Sale of goods

Goods sold consist mainly of welded components and ready-to-install cabins for work machines. Customer contracts typically include a single performance obligation, which consists of the manufacture and delivery of the product ordered by the customer. Revenue is recognized at a point in time when control is transferred to the customer, which, in the Group's assessment, occurs upon delivery of the product.

Warranty periods associated with sold goods are customary in the industry and do not constitute a separate performance obligation. Provisions related to warranty obligations are disclosed in Note 3.4 Provisions.

Sales of goods represent the majority of the Group's revenue.

Rendering of services

Service revenue mainly consists of research and development services and assembly services. In the Group's assessment, services represent distinct performance obligations that can be separated from the sale of goods.

Performance obligations related to design services are generally satisfied over time, as the services do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. In assembly services, the performance obligation is typically satisfied upon delivery of the completed end product. Services are invoiced based on contractual price lists, and revenue is recognized in the amount to which the Group is entitled from the customer at that point in time.

Variable considerations

Customer contracts may include elements of variable consideration, such as discounts and contractual penalties related to delays. The impact of variable consideration is assessed on a contract-by-contract basis, and revenue is recognized only to the extent that the Group is entitled to the consideration under the contract.

Management considers the uncertainty related to variable consideration to be generally low. Estimates related to variable consideration are updated at the end of each reporting period.

Contractual amounts recognized in the balance sheet

Contract assets include revenue related to project deliveries that has not yet been invoiced to customers. The Group did not have contract assets or contract liabilities in accordance with IFRS 15 Revenue from Contracts with Customers in the financial years 2024 or 2025.

2.2. Materials and services

Materials and services include purchases of raw materials, supplies and goods for the financial year, changes in inventories, and external services. The Group's purchases mainly consist of steel, mechanical and electronic components, sub-assemblies and consumables used in production. External services include temporary labour, maintenance and repair services, as well as other subcontracted services related to production.

1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Purchases of materials, supplies and goods	-146,390	-154,632
Change in stock	-26,772	-31,561
External services	-23,109	-19,477
Total	-196,271	-205,670

2.3. Other operating income

Other operating income includes, among other things, gains on the disposal of property, plant and equipment, government grants, and rental income from the Group's leasing activities.

Accounting policy

Leases – The Group as a lessor

Fortaco has limited leasing activities related to real estate. The Group classifies all of its lessor arrangements as operating leases, as the contracts do not transfer substantially all the risks and rewards incidental to ownership of the leased assets.

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to the grant. Grants related to expenses are recognized in the balance sheet as deferred income and recognized in profit or loss over the periods in which the related expenses are incurred. Grants related to the acquisition of property, plant and equipment are recognized as deferred income under non-current liabilities and are recognized in profit or loss on a straight-line basis over the estimated useful lives of the related assets.

Government grants received by the Group during the financial year are presented separately in the accompanying table.

EU Government grants on non-current and current liabilities		
1,000 EUR	2025	2024
Current portion	249	181
Non-current portion	1,999	1,947

Government grants		
1,000 EUR	2025	2024
1.1.2025	2,128	2,484
Received during the year	423	23
Exchange rate differences	0	12
Released to the statement of profit and loss	-304	-214
Acquisition/Sale of subsidiaries	0	-178
31.12.2025	2,247	2,127

Other operating income		
1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Gain on sale of tangible and intangible	40	507
Rental income	83	336
Development grants	571	465
Other operating income	1,499	1,685
Total	2,192	2,994

Specification on government grants			
1,000 EUR	31.12.2025	31.12.2024	Description
EU subsidy	494	539	EU subsidy for factory extension in Fortaco s.r.o. (Holic / Slovakia)
EU subsidy	385	763	EU subsidy for project RapidSteel, Fortaco Sp. Z.o.o (Wroclaw / Poland)
EU subsidy	204	0	EU-avustus SmartSteel projektiin, Fortaco Sp. Z.o.o./Puola
EU subsidy	1101	745	EU subsidy for expansion project in Fortaco Estonia OÜ (Narva / Estonia)
Government grant	62	81	Government grant for green energy and production machinery and equipment, Walter Mauser GmbH (Breitenau am Steinfeld/Austria)
Total	2247	2128	

2.4. Other operating expenses

Other variable production costs consist of production tools and protective equipment. Other operating expenses include, among other things, marketing, training and insurance costs.

Other operating expenses		
1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
IT expenses	-5,110	-5,345
Facilities and maintenance	-13,095	-13,016
External services	-5,364	-10,740
Other expenses related to business restructuring	0	-64
Travelling and representation	-1,860	-1,910
Rents	-1,589	-1,358
Other variable costs of production	-6,262	-5,783
Other expenses	-2,567	-4,587
Total	-35,847	-42,804

Auditor's fees		
1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Audit	-472	-492
Other professional services	-139	-178
Total	-612	-670

2.5. Earnings per share

Basic and diluted

During the financial year 2025, the total number of shares of Fortaco Group Holdco Oyj was 1,000. Basic earnings per share have been calculated by dividing the profit for the financial year attributable to the owners of the parent by the number of shares outstanding. The Parent Company does not hold any treasury shares.

During the reporting period, Fortaco did not have any instruments with a dilutive effect on earnings per share.

Earnings per share		
1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Profit/-loss attributable to shareholders of the company	-27,423	-48,536
The number of shares issued	1,000	1,000
Earnings per share, basic, EUR	-27.42	-48.54

2.6. Personnel expenses

Accounting policy

Short-term employee benefits are recognized as an expense in the period during which the related services are rendered. A liability is recognized when the Group has a legal or constructive obligation arising from the service performed and when the amount of the obligation can be reliably estimated.

Information on management remuneration is disclosed in Note 6.2 Related party transactions.

Personnel expenses		
1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Wages and salaries	-81,949	-83,317
Pension costs - defined contribution plans	-3,946	-3,999
Pension costs - defined benefit plans	-330	-503
Other employee benefit expenses	-16,178	-16,087
Total	-102,402	-103,907

Group employment on average		
	1.1.-31.12.2025	1.1.-31.12.2024
White collars	527	604
Blue collars	1,744	2,024
Total	2,271	2,627

Allocation of plan assets and liabilities geographically			
1,000 EUR	Austria	France	Total
Present value of plan liability:			
2025	1,307	1,683	2,990
Fair value of plan assets:			
2025		670	670

Change in the fair value of defined benefit plans			
1,000 EUR	31.12.2025	31.12.2024	
Plan assets Jan 1	681	629	
Business combinations	0	0	
Gain (loss) on assets	0	52	
Return on plan assets	-11	0	
Plan assets Dec 31	670	681	

Items recognized in income statement			
1,000 EUR	31.12.2025	31.12.2024	
Service cost	-125	-74	
Net interest cost	-110	-117	
Direct benefit payments	117	859	
Total	-118	668	

Changes in the present value of the defined benefit			
1,000 EUR	31.12.2025	31.12.2024	
Present value of the defined benefit plan obligations Jan 1	3,003	3,674	
Business combinations	0	0	
Interest cost	110	117	
Current service cost	125	74	
Direct benefit payments	-117	-859	
Actuarial gains/losses	-131	-3	
Present value of the defined benefit plan obligations	2,990	3,003	

2.7. Defined benefit plans

Accounting policy

The Group operates both defined contribution and defined benefit pension plans in its operating regions in accordance with local statutory requirements and established practices.

Contributions made to defined contribution plans are recognized as an expense in profit or loss in the financial year to which the payment obligation relates. The Group has no legal or constructive obligation to make further contributions if the assets of the plans are insufficient to pay benefits relating to current or prior periods of service.

The Group has defined benefit pension plans in Austria and France. The obligation for each plan is determined annually based on calculations prepared by independent actuaries using the projected unit credit method.

The discount rate is determined by reference to market yields on high-quality corporate bonds. The maturity of the bonds used in determining the discount rate corresponds substantially to the maturity of the related pension obligations. The Mercer Yield Curve has been applied in the Austrian calculations, and the iBoxx EUR Corporates AA 10+ reference rate has been used in the French calculations.

Defined benefit plan obligations in the balance sheet			
1,000 EUR	31.12.2025	31.12.2024	
Defined pension benefit plan liabilities	2,990	3,003	
Defined pension benefit plan assets	670	681	
Total	3,660	3,684	

Remeasurement impact recognised in the other comprehensive income			
1,000 EUR	31.12.2025	31.12.2024	
Actuarial gain (loss) on plan assets	11	0	
Gain (loss) on pension liabilities – changes in financial assumptions	-108	1	
Gain (loss) on pension obligations – experience adjustments	-24	-4	
Total	-120	-3	



The pension liability recognized for defined benefit plans represents the present value of the defined benefit obligation less the fair value of plan assets at the reporting date. The weighted average duration of the Group's defined benefit obligations is 11 years. Plan assets consist of funds deposited in external bank accounts.

Pension expenses are recognized in profit or loss by allocating costs over the employees' periods of service. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in profit or loss.

The sensitivity analysis illustrates the effect on the defined benefit obligation of a change in one significant actuarial assumption, with all other assumptions held constant. In practice, interdependencies between assumptions may cause changes in one assumption to affect other assumptions. The sensitivity analysis is prepared using the same method as that applied in measuring the pension obligation recognized in the balance sheet.

Principal actuarial assumptions		
Assumptions	Austria	France
Discount rate (%)	4.35%	3.79%
Increase in salaries (%)	2.50%	1.00%

Sensitivity analysis of the impact of key actuarial assumptions on the defined benefit liability		
1,000 EUR	31.12.2025	31.12.2024
Change in discount rate:		
0.5 % increase	-123	-133
0.5 % decrease	132	144
Change in salary growth rate:		
0.5 % increase	134	144
0.5 % decrease	-126	-135

2.8. Income tax

Accounting policy

The Group's income taxes comprise current tax based on taxable profit for the financial year, tax adjustments relating to prior periods, and changes in deferred taxes. Tax effects related to transactions and events recognized in profit or loss are recorded in the income statement. Tax effects related to items recognized in other comprehensive income or directly in equity are recognized accordingly either in other comprehensive income or directly in equity.

Taxes of each Group company are recognized in accordance with local tax legislation. Tax rates enacted or substantively enacted at the reporting date are used in the calculations.

Income taxes in the Income Statement		
1000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Tax on income from operations	-121	-279
Tax from previous periods	57	-208
Change in deferred tax asset	-934	674
Change in deferred tax liability	806	-298
Income tax	-192	-111

Income tax reconciliation		
1000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Profit before taxes	-27,231	-48,428
Income taxes at Finnish statutory tax rate (20 %)	5,446	9,686
Difference between Finnish and foreign tax rates	-351	-922
Non-deductible expenses	-2,540	-2,930
Tax free income	2,031	3,474
Deferred tax liability recognized on undistributed retained earnings	-1,089	-353
Confirmed losses for which no deferred tax assets have been recognized	-2,054	-5,998
Utilization of previously unrecognized losses from prior years	-1,692	-2,835
Taxes from previous periods	57	-232
Income taxes in the income statement	-192	-111





2.9. Deferred tax

Accounting policy

Deferred tax is calculated using tax rates enacted at the reporting date and, in the case of changes in tax rates, using the new tax rates that are known at the reporting date. Deferred tax assets recognized in the balance sheet are assessed by the Group at the end of each financial year.

Deferred tax liabilities are recognized in full for all taxable temporary differences and recorded in the balance sheet.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are recognized only to the extent that they are expected to be recoverable in future periods.

The Group offsets current tax assets and liabilities and deferred tax assets and liabilities when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the Group intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group's most significant temporary differences arise from unused tax losses recognized for tax purposes in the Finnish and Polish entities. Deferred tax liabilities arise in the Group, among other things, from undistributed earnings of Estonian subsidiaries and from the purchase price allocation related to the acquisition of the Fortaco Group.

At 31 December 2025, the Group had unrecognized deferred tax assets amounting to EUR 9.5 million (EUR 6.4 million in 2024), as there is uncertainty regarding their utilization. These deferred tax assets consist of tax losses recognized for tax purposes, of which EUR 3.5 million will expire within the next five years and the remainder at a later date or not at all.

1,000 EUR	1.1.2025	Recognized in the profit and loss account	Business combinations	Other changes	Recognized in other comprehensive income	Translation differences	31.12.2025
Deferred tax assets							
Tax losses	2,614	-1,124	0	216		0	1,706
Inventories	2	-2					0
Lease contracts ¹⁾	184	100					284
Provisions	463	-45	-6	-37		6	381
Derivative instruments					13		13
Other	1,542	36	-95	-80		3	1,406
Total	4,805	-1,036	-101	99	13	9	3,789
Deferred tax liabilities							
Tangible and intangible assets	12,344	-1,216		0		2	11,130
Other	1,642	-212		19		1	1,449
Undivided profits	3,910	603					4,513
Total	17,895	-825	0	19	0	3	17,092
Net	-13,090	-210	-101	80	13	6	-13,303

1) Deferred tax assets related to leases (IFRS 16) presented on a net basis in the balance sheet amounting to EUR 80 thousand (EUR 4 thousand) comprise deferred tax assets of EUR 1.1 million (EUR 740 thousand) and deferred tax liabilities of EUR 1.0 million (EUR 736 thousand).

1,000 EUR	1.1.2024	Recognized in the profit and loss account	Business combinations	Other changes	Recognized in other comprehensive income	Translation differences	31.12.2024
Deferred tax assets							
Tax losses	3,003	119	-380	-130		2	2,614
Inventories	2,879	-1					2
Lease contracts ¹⁾	104	80					184
Provisions	458	-35	0	33		7	463
Derivative instruments							
Other	1,550	-9	-2			3	1,542
Total	5,118	154	-382	-97	0	12	4,805
Deferred tax liabilities							
Tangible and intangible assets	13,588	-1,318	0	72		2	12,344
Other	1,832	-169	0	-22		1	1,642
Undivided profits	3,077	833					3,910
Total	18,496	-654	0	50		3	17,895
Net	-13,378	808	-382	-147	0	9	-13,090

3. Working Capital

3.1. inventories

Accounting policy

Inventories are measured at acquisition cost, or at net realisable value if it is lower than the acquisition cost. The acquisition cost of materials and supplies includes the purchase price and related transportation costs. The acquisition cost is determined using the weighted average cost method.

The cost of finished goods and work in progress comprises directly attributable raw material costs, wages based on direct labour, related social security costs, and an allocation of production overheads attributable to work in progress. Borrowing costs are not included in the cost of inventories. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

An obsolescence provision is recognised for inventory items that exceed the quantities consumed during the preceding 12 months and that have not been purchased during the last six months. The same principle is applied consistently across all Group companies.

During the financial year, Fortaco recognised inventory purchases of EUR 146 million (EUR 155 million) as an expense. This expense is presented in the income statement under Materials and services. During the financial year, an inventory obsolescence write-down of EUR 1.2 million (EUR 1.7 million) was recognised.

Inventories		
1,000 EUR	31.12.2025	31.12.2024
Materials and supplies	28,614	21,733
Work in progress	12,470	13,145
Finished goods	3,141	2,696
Advance payments	213	108
Total	44,438	37,683

3.2. Trade and other receivables

Accounting policy

The Group's financial assets comprise trade receivables, other financial receivables, and cash and cash equivalents. These financial assets are classified as financial assets measured at amortised cost, as they are held for the purpose of collecting contractual cash flows and the cash flows represent solely payments of principal and interest. The measurement principles applied to trade receivables and other receivables are described in Note 5.3 Financial assets and liabilities.

Fortaco recognises consideration to which it has a contractual right as trade receivables when goods or services have been transferred to the customer before payment is received. The Group's customer contracts include payment terms that are customary in the industry, and the contracts do not contain a significant financing component.

Fortaco has pledged short-term deposits as collateral based on security requirements. Further information is presented in Note 6.3. Trade receivables are non-interest-bearing and their payment terms are mainly 30–90 days.

Note 5.1 Credit risk of trade receivables includes a description of how the Group manages and assesses the creditworthiness of receivables that are neither past due nor impaired. Note 5.1 also presents the expected credit losses related to trade receivables and an ageing analysis of receivables.

Current trade and other receivables		
1,000 EUR	31.12.2025	31.12.2024
Accounts receivables, factored	2,241	3,231
Trade receivables, other	12,993	8,567
Bad debt allowance	-459	-671
VAT Receivables	3,684	5,251
Security deposits	508	497
Other receivables	803	2,274
Other current receivables	19,770	19,149
Accruals of personnel expenses	160	122
Other prepayments and accrued income on sales	0	274
Other prepayments and accrued income on expenses	1,614	935
Current prepayments and accrued income	1,774	1,332
Total	21,543	20,480

3.3. Trade and other payables

Accounting policy

Trade payables and other financial liabilities included in this line item are classified as financial liabilities measured at amortised cost. They are initially recognised at fair value. The measurement principles applied to trade payables and other payables are described in Note 5.3 Financial assets and liabilities.

Trade payables and other payables are classified as current liabilities when they fall due for settlement within 12 months after the end of the reporting period. An ageing analysis of trade payables and other payables is presented in Note 5.5.

1,000 EUR	31.12.2025	31.12.2024
Liabilities, interest-free		
Non-current liabilities		
Trade payables for investments	4,100	3,491
EU-subsidy	1,999	1,881
Tax liabilities, income taxes	282	0
Non-current other liabilities total	6,098	5,372
Provisions	1,123	1,494
Liabilities from defined benefit plan	2,990	3,003
Total liabilities, non-current	10,212	9,869
Current liabilities, interest-free		
Trade payables	43,724	39,666
EU-subsidy	249	247
VAT-payables	833	966
Accrued employee expenses	16,862	15,495
Accrued interest	2,727	2,735
Other liabilities	276	385
Other current liabilities	64,672	59,496
Provisions	914	860
Income tax liabilities	84	137
Current accrued liabilities	998	997
Total liabilities, current	65,670	60,492

1,000 EUR	31.12.2025	31.12.2024
Non-current interest-bearing		
Senior bond	130,123	122,743
Loans from financial institutions	2,746	4,651
Non-current borrowings	132,869	127,394
Loans from related parties	7,090	6,441
Leasing liability	35,321	37,175
Other non-current liabilities	42,411	43,616
Total interest-bearing liabilities, noncurrent	175,280	171,010
Current interest-bearing borrowings		
Loans from financial institutions	2,004	6,881
Current borrowings	2,004	6,881
Leasing liability	9,685	7,581
Other current liabilities	9,685	7,581
Total interest-bearing liabilities, current	11,689	14,462

3.4. Provisions

Accounting policy

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Where the Group has a virtually certain right to reimbursement in respect of an obligation, for example under an insurance contract, the expected reimbursement is recognised as a separate asset. The expense relating to a provision recognised in profit or loss is presented net of any reimbursement expected to be received.

Provisions are classified as current when the related payments are expected to be made within 12 months after the end of the reporting period. Otherwise, provisions are classified as non-current. The amount of a provision represents the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period.

1,000 EUR	Warranty and quality provisions	Other provisions	Restoration provisions	Total
1.1.2025	1,246	559	549	2,354
Disposals through business divestitures	-90	-32	0	-122
Translation differences	-9	-139	7	-141
Additions	610	206	0	817
Used during the year	-817	-62	17	-862
Unused provisions reversed	-7	-1	0	-8
31.12.2025	935	530	572	2,037
Non-current	59	492	572	1,123
Current	872	41	0	914

1,000 EUR	Warranty and quality provisions	Other provisions	Restoration provisions	Total
1.1.2024	1,402	492	520	2,414
Disposals through business divestitures	-255	0	0	-255
Translation differences	1	0	8	9
Additions	1,062	352	0	1,413
Used during the year	-710	-267	21	-955
Unused provisions reversed	-254	-18	0	-272
31.12.2024	1,246	559	549	2,353
Non-current	448	498	549	1,495
Current	797	63	0	860

Warranty and quality provisions

Provisions related to warranties are generally recognised when a customer claim has been received and confirmed as justified. The initial amount of the provision is based on historical experience of warranty costs incurred and on negotiations conducted. Warranty and quality provisions are reassessed on a monthly basis. The majority of warranty and quality provisions relate to the Group's operations in Finland and France.

Restoration provisions

A restoration provision is recognised when the Group has a contractual obligation to restore land or premises to their original condition. The amount of the provision is reassessed at the end of each reporting period. The restoration provision is related to the rental agreement of the factory building in Poland.

Other Provisions

Other provisions mainly relate to environmental obligations, restructuring provisions, and employee-related provisions.

Environmental provisions are recognised when a present obligation has arisen as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is revised when circumstances change.

Restructuring provisions mainly consist of statutory unemployment insurance obligations payable to the Finnish Employment Fund (Työllisyysrahasto). A restructuring provision is recognised only when the recognition criteria for restructuring provisions are met. A constructive obligation arises when there is a detailed formal plan identifying the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the costs associated with the restructuring, and the timing of the restructuring, and when the main features of the restructuring have been communicated to the affected employees.

Employee-related provisions are based on statutory obligations in Poland and Sweden.

Key judgements

The assessment of provisions requires management's judgement regarding the financial effects of past events. Expected costs are based on historical costs incurred and experience from similar events. Provisions are reviewed regularly and updated as necessary to reflect management's best estimate at the end of the reporting period. Actual costs may differ from the estimates made.

4. Business acquisitions and investments

4.1. Acquisitions

Accounting policy

Business combinations are accounted for using the acquisition method. The consideration transferred in the acquisition of a subsidiary is measured at the fair value of the assets transferred at the acquisition date. In a business combination, the identifiable assets acquired and the identifiable liabilities and contingent liabilities assumed are generally measured at their acquisition-date fair values. Any non-controlling interest in the acquiree is recognised at an amount corresponding to its proportionate share of the acquiree's identifiable net assets.

The consideration transferred comprises the assets transferred, liabilities incurred, and the fair value of equity instruments issued by the Group. The consideration transferred also includes the fair value of any contingent consideration. If contingent consideration is classified as a financial liability, it is remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

In a business combination achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, and any resulting gain or loss is recognised in profit or loss.

Acquisition-related costs are expensed as incurred and presented in Other operating expenses. Costs related to the issuance of equity instruments are deducted from equity.

Goodwill represents the excess of the consideration transferred over the acquisition-date fair value of the identifiable net assets acquired.

Key judgements

Valuation of intangible assets

In a business combination, the net assets acquired are measured at fair value. Group management applies judgement when determining the fair value of identifiable intangible assets acquired at the acquisition date, as well as their useful lives. These estimates are significant in situations where the Group carries out business combinations.

Business acquisitions in 2025

The Group did not complete any business acquisitions during the financial year 2025.

Business acquisitions in 2024

In September 2024, Fortaco acquired the non-controlling interest in Fortaco JL Sp. z o.o. As a result of the transaction, the Group became the sole owner of the company, holding a 100% ownership interest.

4.2. Investments in associated companies

Accounting policy

Associates are entities over which the Group has significant influence, generally evidenced by an ownership interest of 20–50% of the voting rights, but does not have control. Entities over which the Group has joint control with another party, and where relevant activities require the unanimous consent of the parties sharing control, are accounted for as joint ventures in accordance with their nature.

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method. The investment is initially recognised at cost and subsequently adjusted to recognise the Group's share of the associate's or joint venture's profits or losses after the acquisition date.

At the end of each reporting period, the Group assesses whether there is objective evidence that an investment in an associate is impaired. The assessment of impairment is based on the same principles applied in the impairment testing of other investments.

Associates

The Group did not hold any investments in associates during the financial years 2025 or 2024.



Fortaco d.o.o., loss on sale calculation 2025	
1,000 EUR	
Intangible assets	33
Tangible assets	2,917
Long-term receivables	68
Short-term receivables	2,516
Cash and cash equivalents	1,816
Long-term liabilities	-2,658
Short-term liabilities	-4,010
Net assets	682
Purchase price, cash received	600
Total consideration	600
Translation differences	3
Result	-85
Sales price, received in cash	600
Cash and cash equivalents sold	-1,816
Cash flow impact	-1,216

4.3. Business disposals

Accounting policy

Disposed subsidiaries are consolidated in the Group financial statements until control ceases. At the date when control is lost, all assets and liabilities related to the disposed subsidiary are derecognised from the statement of financial position. In addition, cumulative foreign exchange differences related to the disposed subsidiary are reclassified from other comprehensive income to profit or loss at the date of disposal.

Business disposals in 2025

On 11 June 2025, Fortaco completed the sale of its Serbian subsidiary, Fortaco d.o.o. The company was classified as assets and liabilities held for sale on 31 May 2025. The disposal formed part of the Group's strategic review focusing on the structure of the business and its geographical footprint.

As part of the fair value measurement performed within the Group, an impairment loss of EUR 0.7 million was recognised on the company's non-current assets. The enterprise value of the transaction, on a debt-free and cash-free basis, amounted to EUR 3.5 million. In connection with the transaction, intragroup liabilities of the disposed company were settled with the Group. The final loss on disposal recognised from the transaction amounted to EUR 85 thousand.



Business disposals 2024

On 28 June 2024, Fortaco sold its subsidiary Fortaco Zrt, located in Jászberény, Hungary, for a purchase price of EUR 1. The company was classified as an asset held for sale on 31 March 2024. As part of the fair value measurement performed within the Group, a total impairment loss of EUR 6.8 million was recognised on the company's non-current assets. In addition, an impairment loss of EUR 2.8 million was recognised on inventories.

As a condition of the transaction, financing was granted to the company immediately following the disposal. The financing consists of two components. One component is a bullet loan granted with a maturity of seven years and an annual interest rate of 5%. The second component consists of machinery and equipment supplied by Fortaco to the company with a total value of EUR 2.0 million, for which a payment term of ten years has been granted. The accompanying table presents a summary of the assets and liabilities derecognised from Fortaco's statement of financial position in connection with the disposal, as well as the loss on disposal.

On 4 July 2024, Fortaco announced that it had signed an agreement for the sale of the marine and energy business operations located in Kalajoki and Sepänkylä, operated by Fortaco Oy, a subsidiary of Fortaco Group Holdco Oyj, to Componenta, an internationally operating technology company and a Finnish manufacturer of metal components. The total purchase price amounts to approximately EUR 2.8 million. The business transaction was completed on 1 October 2024, while the related real estate transaction is expected to be completed during the second half of 2025. The transaction forms part of Fortaco's strategic review of its marine and energy business and heavy products project-based operations.

The revenue of the Kalajoki and Sepänkylä business unit amounted to approximately EUR 9.6 million and EBITDA to approximately EUR -1.6 million in 2023. For the period January–June 2024, the unit's revenue amounted to approximately EUR 7.0 million and EBITDA to approximately EUR 25 thousand. The unit employs approximately 60 people. All employees transferred to the employment of Componenta with their existing terms and conditions.

As part of the fair value measurement performed within the Group, the company's assets were measured at the disposal price, and a total impairment loss of EUR 1.8 million was recognised on the company's non-current assets.

Fortaco Zrt., loss on sale calculation 2024

1,000 EUR

Inventories	-1,416
Trade and other receivables	-3,244
Cash	-318
Other liabilities	167
Non-current provisions	221
Current provisions	33
Trade and other payables	3,474
Net assets	-1,083
Sales price, receivable in cash	0
Total consideration	0
Translation differences	-3,106
Sales loss	-4,189
Sales price, received in cash	0
Cash and cash equivalents sold	318
Cash flow impact	-318

Fortaco Oy, profit on sale calculation 2024

1,000 EUR

Inventory	1,800
Employee related provisions	-385
Net assets	1,415
Purchase price, received in cash	1,415
Total consideration	1,415
Profit	0
Purchase price, received in cash	1,415
Cash and cash equivalents	0
Cash flow impact	1,415

4.4. Assets held for sale

Accounting policy

Non-current assets are classified as held for sale when their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use, and the sale is considered highly probable. Prior to reclassification, assets are measured in accordance with the applicable accounting policies. Following reclassification, assets are measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses and any subsequent reversals of impairment recognised on assets classified as held for sale are recognised in the income statement. Non-current assets classified as held for sale are not depreciated.

At the reporting date of 31 December 2025, the Group did not have any assets or liabilities classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

In the comparative period 2024, assets classified as held for sale related to a property owned by Fortaco Oy, the sale of which was completed during the financial year 2025.

Assets held for sale and related liabilities 31.12.2024	
1,000 EUR	Carrying amount 31.12.2024
ASSETS	
Non-current assets	
Intangible assets	75
Tangible assets	925
Total non-current assets	1,000
Assets held for sale	1,000
LIABILITIES	
Liabilities held for sale	0

4.5. Property, plant and equipment

Accounting policy

Land and water areas are measured at cost. Other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost also includes expenditures incurred in replacing parts of items of property, plant and equipment.

When parts of items of property, plant and equipment are replaced at regular intervals, such parts are recognised as separate assets with their own useful lives and depreciation periods. If a major inspection is performed and the recognition criteria are met, the costs of the inspection are capitalised as a replacement component of the carrying amount of the asset. All other repair and maintenance costs are recognised as an expense in the period in which they are incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

- Buildings: 20–25 years
- Machinery and equipment: 5–15 years

An item of property, plant and equipment, or any significant part recognised as a separate asset, is derecognised from the statement of financial position upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss in the period in which the asset is derecognised.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if necessary.

1,000 EUR	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Cost 1.1.2025	2,966	75,421	98,745	6,994	10,158	194,284
Translation differences	3	108	318	4	73	506
Additions	0	1,202	1,168	532	7,765	10,668
Disposals	0	0	-376	-43	-989	-1,409
Reclassifications	16	694	3,542	170	-13,919	-9,497
Reclassification to non-current HFS assets	-61	-4,414	-4,196	0	0	-8,672
Cost 31.12.2025	2,924	73,010	99,201	7,658	3,087	185,881
Accumulated amortization and impairment 1.1.2025	-159	-27,164	-74,624	-5,308	0	-107,256
Translation differences	-1	-44	-253	0	0	-298
Accumulated depreciation on disposals	0	-312	1,394	31	0	1,112
Reclassification to non-current HFS liabilities	0	2,591	3,888	0	0	6,479
Amortization	0	-3,080	-5,418	-440	0	-8,938
Impairment	-7	-688	-28	0	0	-723
Accumulated amortization and impairment 31.12.2025	-168	-28,698	-75,040	-5,718	0	-109,623
Carrying amount 1.1.2025	2,807	48,257	24,121	1,686	10,158	87,028
Carrying amount 31.12.2025	2,757	44,313	24,161	1,940	3,087	76,257

1,000 EUR	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and work in progress	Total
Cost 1.1.2024	2,796	45,953	43,914	1,975	13,424	108,063
Translation differences	-3	-5	92	0	20	104
Business disposals	-191	-6,253	-19,546	0	-578	-26,568
Additions	458	447	-114	374	16,721	17,886
Disposals	-117	-706	-2,070	-137	-59	-3,089
Reclassifications	148	38,139	76,469	4,783	-19,370	100,168
Reclassification to non-current HFS assets	-125	-2,154	0	0	0	-2,278
Cost 31.12.2024	2,966	75,421	98,745	6,994	10,158	194,284
Accumulated amortization and impairment 1.1.2025	-8	-3,070	-6,450	-176	0	-9,704
Translation differences	0	-2	-53	0	0	-55
Accumulated amortization on business disposals	2	3,419	15,485	0	0	18,906
Accumulated depreciation on disposals	-90	-24,521	-78,062	-4,626	0	-107,299
Reclassification to non-current HFS liabilities	0	820	0	0	0	820
Amortization	0	-3,810	-5,593	-506	0	-9,909
Impairment	-63	0	48	0	0	-14
Accumulated amortization and impairment 31.12.2024	-159	-27,164	-74,624	-5,308	0	-107,256
Carrying amount 1.1.2024	2,789	42,883	37,464	1,799	13,424	98,358
Carrying amount 31.12.2024	2,807	48,257	24,121	1,686	10,158	87,028



4.6. Leases

The Fortaco Group's lease agreements mainly consist of leases of offices, factories, production machinery and vehicles. Lease agreements are either fixed-term or valid until further notice.

Accounting policy

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. Short-term leases and leases for which the underlying asset is of low value are not recognised in the statement of financial position (see below).

Right-of-use assets are measured at acquisition cost, which comprises the amount of the initial measurement of the lease liability, lease payments made at or before the commencement date adjusted for any lease incentives received, initial direct costs, and an estimate of the costs to be incurred in dismantling and removing the underlying asset or restoring the site on which it is located, as required by the terms and conditions of the lease.

Lease liabilities

Lease liabilities are measured at the commencement date at the present value of the lease payments that are not paid at that date. The initial measurement of the lease liability includes:

- fixed lease payments,
- variable lease payments that depend on an index or a rate,
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate the lease.

For fixed payments, the minimum lease payments specified in the lease agreement are used. Non-lease components are separated from lease payments when they can be reliably determined. Lease liabilities are remeasured when there are changes in the lease term or in future lease payments. Lease payments are discounted primarily using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the Group's incremental borrowing rate is used. The incremental borrowing rate reflects the rate of interest that the Group would have to pay to borrow a similar amount, over a similar term, with similar security, in a similar economic environment. In determining the incremental borrowing rate, the nature of the leased asset and the country in which it is located are taken into account, among other factors.

Leases			
EUR 1,000	Buildings and structures	Machinery and equipment	Total
Cost 1.1.2025	40,943	26,171	67,114
Translation differences	357	214	571
Additions	2,530	4,513	7,043
Disposals	-177	-50	-228
Reclassifications	0	8,458	8,458
Reclassification to non-current HFS assets	-9	-99	-107
Cost 31.12.2025	43,644	39,207	82,851
Accumulated amortization and impairment 1.1.2025	-13,507	-6,456	-19,963
Translation differences	-105	-54	-158
Accumulated depreciation of deductions and transfers	0	-629	-629
Reclassification to non-current HFS assets	9	62	71
Amortization	-3,983	-3,659	-7,642
Accumulated amortization and impairment 31.12.2025	-17,585	-10,736	-28,321
Carrying amount 1.1.2025	27,437	19,715	47,152
Carrying amount 31.12.2025	26,059	28,471	54,530

EUR 1,000	Buildings and structures	Machinery and equipment	Total
Cost 1.1.2024	13,566	2,854	16,420
Translation differences	115	92	207
Additions	20,656	10,429	31,084
Business disposals		-511	-511
Disposals	-683	-446	-1,129
Reclassifications	7,290	13,753	21,043
Cost 31.12.2024	40,943	26,171	67,114
Accumulated amortization and impairment 1.1.2024	-3,063	-989	-4,053
Translation differences	-44	-10	-54
Business disposals		265	265
Accumulated depreciation of deductions and transfers	-7,290	-3,791	-11,080
Amortization	-3,109	-1,931	-5,040
Accumulated amortization and impairment 31.12.2024	-13,507	-6,456	-19,963
Carrying amount 1.1.2024	10,502	1,865	12,367
Carrying amount 31.12.2024	27,437	19,715	47,152

In assessing the lease term of leases that are valid until further notice, management considers comparable fixed-term lease agreements and their typical duration.

The Group recognises lease payments related to short-term leases with a lease term of 12 months or less, and leases for which the underlying asset is of low value, as an expense in the income statement. Leases are considered to be of low value when the acquisition cost of the underlying asset, when new, is less than EUR 5,000. Lease expenses related to these contracts are presented in a separate table in this note.

The Group as a lessor

Rental income received by Fortaco is recognised in Other operating income. Other operating income and expenses are described in Notes 2.3 and 2.4.

Lease liabilities		
1,000 EUR	2025	2024
Lease liability 1.1.	44,757	12,827
Business acquisitions	0	
Business disposals	-15	-114
Reclassifications	-39	4,165
Additions	11,509	35,645
Impairments	0	-63
Lease payments	-11,412	-7,877
Translation differences	207	174
Lease liability 31.12	45,005	44,757

Impact on leases on profit and loss statement		
1,000 EUR	2025	2024
Expenses related to short-term leases and leases of low value assets	-1,589	-1,358
Depreciations from the right-of-use assets	-7,642	-5,040
Interest expenses from the lease contracts	-5,006	-3,244
Total	-14,237	-9,641

4.7. Intangible assets

The useful lives of intangible assets involve estimation uncertainty related to their ability to generate future economic benefits. For this reason, useful lives are reviewed annually.

Accounting policy

Intangible assets

Separately acquired intangible assets are recognised in the statement of financial position at cost. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. The useful life of an intangible asset is assessed as either finite or indefinite, depending on the nature of the asset.

Intangible assets with finite useful lives are amortised over their estimated useful lives. An assessment of impairment is performed whenever there is an indication that the carrying amount of an asset may be impaired. The useful lives and amortisation methods of intangible assets with finite useful lives are reviewed at least at the end of each financial year and adjusted prospectively, if necessary, when circumstances require a change to the previously estimated useful life.

Intangible assets with indefinite useful lives are not amortised. They are tested for impairment annually, either individually or as part of a cash-generating unit. The assessment of whether an intangible asset continues to have an indefinite useful life is performed annually. If the criteria for an indefinite useful life are no longer met, the useful life is changed to finite on a prospective basis.

Any gain or loss arising from the derecognition of an intangible asset is recognised in profit or loss at the date the asset is disposed of or when no future economic benefits are expected from its use. The gain or loss is determined as the difference between the net disposal proceeds and the carrying amount of the asset.

Research and development costs

Expenditure incurred on research activities is recognised as an expense when incurred. Development costs are capitalised as intangible assets when it is probable that the costs will generate future economic benefits and the other recognition criteria are met. Capitalised development costs are amortised over their estimated useful lives. If the criteria for capitalisation are not met, development costs are recognised in profit or loss as incurred.

1,000 EUR	Development costs	Customer relationships	Brand	Technology	Other intangible assets and advance payments	Goodwill	Total
Cost 1.1.2025	952	31,438	14,624	5,884	7,449	44,871	105,218
Translation differences	6	0	0	0	17	-7	16
Additions	0	0	0	0	995	0	995
Disposals	0	0	0	0	-23	0	-23
Reclassifications	726	0	0	0	-743	0	-17
Reclassification to asset held for sale	0	0	0	0	-153	0	-153
Cost 31.12.2025	1,684	31,438	14,624	5,884	7,542	44,865	106,036
Cumulative amortization and impairment 1.1.2025	-393	-4,463	-3,895	-784	-3,768	-23,895	-37,199
Translation differences	-3	0	0	0	-6	0	-9
Cumulative depreciation on disposals	0	0	0	0	43	0	43
Reclassification to non-current HFS assets	0	0	0	0	120	0	120
Amortization	-368	-2,156	-2,034	-588	-815	0	-5,962
Cumulative amortization and impairment 31.12.2025	-765	-6,618	-5,929	-1,373	-4,427	-23,895	-43,007
Carrying amount 1.1.2025	559	26,976	10,729	5,099	3,681	20,976	68,019
Carrying amount 31.12.2025	920	24,820	8,695	4,511	3,115	20,970	63,030

1,000 EUR	Development costs	Customer relationships	Brand	Technology	Other intangible assets and advance payments	Goodwill	Total
Cost 1.1.2024	864	31,439	14,624	5,884	3,620	20,976	77,408
Translation differences	5				4		9
Additions					1,523		1,523
Business disposals					-602		-602
Disposals					-22		-22
Reclassifications	82				3,000	23,895	26,977
Reclassification to asset held for sale					-75		-75
Cost 31.12.2024	952	31,439	14,624	5,884	7,448	44,871	105,218
Cumulative amortization and impairment 1.1.2024	-171	-2,307	-1,861	-196	-808		-5,343
Translation differences	-2						-2
Cumulative depreciation on business disposals					524		524
Cumulative depreciation on disposals	-82				-2,978	-23,895	-26,955
Amortization	-138	-2,156	-2,034	-588	-506		-5,422
Cumulative amortization and impairment 31.12.2024	-393	-4,463	-3,895	-784	-3,768	-23,895	-37,198
Carrying amount 1.1.2024	693	29,132	12,763	5,688	2,812	20,976	72,065
Carrying amount 31.12.2024	559	26,976	10,729	5,100	3,680	20,976	68,020

Intangible assets are amortised as follows:

- Development costs: 5 years
- Intangible rights / Customer relationships: 12–15 years
- Intangible rights / Brand: 3–10 years
- Intangible rights / Order backlog: less than 1 year
- Intangible rights, IT / IT systems: 3–5 years
- Other intangible assets / Licences: 3–5 years

4.8. Impairment testing of Goodwill

Impairment of Non-Financial Assets

The recoverable amount of non-financial assets is assessed annually at the end of the reporting period, or whenever there is an indication that an asset may be impaired. The recoverable amount is determined as the higher of an asset's or a cash-generating unit's fair value less costs of disposal and its value in use. If the recoverable amount is lower than the carrying amount of the asset, an impairment loss is recognised.

In determining value in use, the estimated future cash flows are discounted using a pre-tax discount rate. The discount rate reflects current market assessments of the time value of money and the risks specific to the asset. When determining fair value less costs of disposal, recent market transactions are taken into account. If no observable market transactions are available, the valuation is based on an appropriate valuation technique, which may utilise commonly used valuation multiples, quoted market prices or other indicators of fair value.

The Fortaco Group assesses the recoverable amount of its cash-generating units using detailed budgets and forecasts prepared separately for each unit to which assets are allocated. The Group has identified four cash-generating units: steel structures business, cab business, assembly business and technology unit. Budgets and forecasts typically cover a five-year period, with cash flows beyond the forecast period extrapolated using an estimated long-term growth rate.

Impairment losses recognised in respect of assets other than goodwill are reversed if there is an indication that the impairment loss has decreased or no longer exists. A reversal is limited to the recoverable amount or the carrying amount that would have been determined had no impairment loss been recognised previously. Reversals of impairment losses are recognised in profit or loss, except for assets measured under the revaluation model, for which the reversal is recognised in the revaluation reserve. Impairment losses recognised for goodwill are not reversed in subsequent periods. The following assets have specific features for impairment testing:

Goodwill allocation		
1,000 EUR	31.12.2025	31.12.2024
Steel fabrication CGU	298	304
Vehicle cabin CGU	20 672	20 672
Total	20 970	20 976

Goodwill

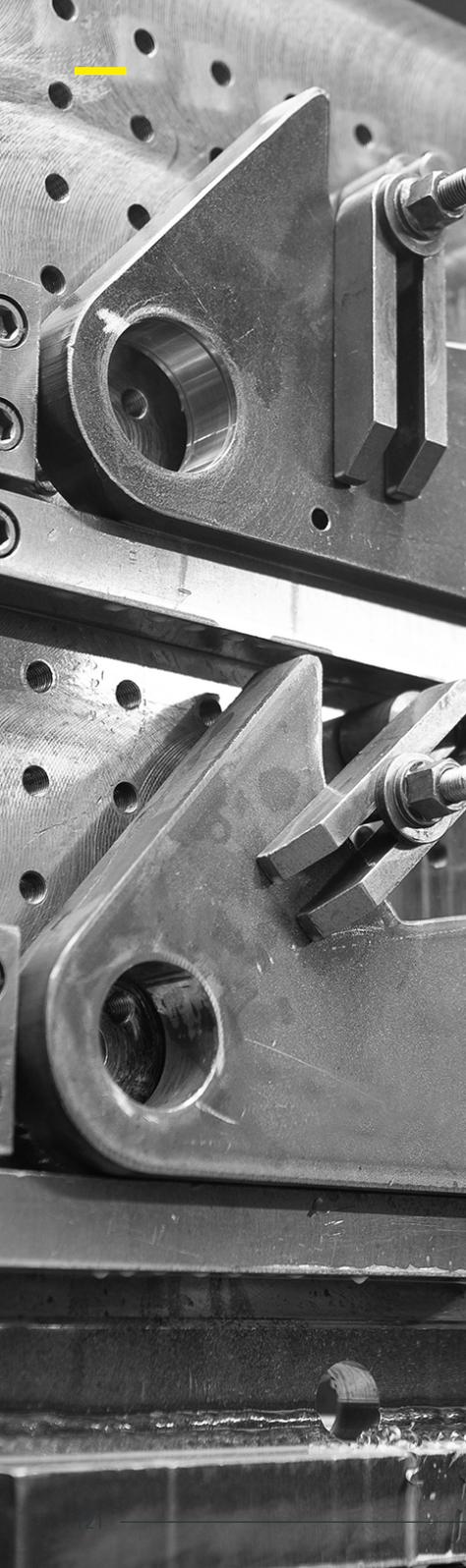
Goodwill arises when the consideration transferred exceeds the fair value of the net assets of the acquired company or business at the acquisition date. The impairment of goodwill is assessed by determining the recoverable amount of each cash-generating unit to which goodwill has been allocated.

The Fortaco Group has identified four cash-generating units: cab manufacturing, steel structures manufacturing, assembly services and technology services. Of these, goodwill has been allocated to the steel business and cab manufacturing.

In determining value in use, the development of future cash flows is assessed, taking into account market and customer behaviour, growth assumptions, business cycles in the mechanical engineering industry, and the discount rates used in impairment testing. Sales and production forecasts are based on the Group's current business structure and the available capacity of the cash-generating units. Management's assumptions are based on historical performance and management-approved five-year forecasts. Changes in these assumptions may have a significant impact on the estimated future cash flows.

Cash flow forecasts during the budgeting and planning period are based on expected revenue, operating costs and EBITDA margins. Cash flows beyond the planning period are determined using a long-term growth rate of 2.0% (terminal value). In the impairment testing for 2025, a discount rate of 13.1% was applied.

At 31 December 2025, the Group recognised total goodwill of EUR 21.0 million (EUR 21.0 million), allocated to the steel structures business and the cab business. In 2023, goodwill amounting to EUR 17.2 million arose from business acquisitions. Goodwill arising from business combinations completed in 2022 has been allocated in full to one cash-generating unit, the Fortaco Group.



Key Assumptions Used in Value-in-Use Calculations

The most significant assumptions used by the Fortaco Group in the value-in-use calculations are as follows:

- Average annual sales growth during the forecast period of +8.7%
- Average EBITDA margin during the forecast period of 9.9% for the cab business and 10.6% for the steel business (2024: 7.8% and 8.3%, respectively).
- Discount rate of 13.1%, representing the weighted average cost of capital (WACC)
- Terminal growth rate of 2.0%, applied to extrapolate cash flows beyond the forecast period

EBITDA Margin

The EBITDA margin is based on the most recent statistical data and estimates regarding customer pricing, material costs, direct and indirect labour costs, and the expected development of overhead costs in the production units and the Group's parent company.

Discount Rate

The discount rate reflects current market expectations regarding the risks associated with the cash-generating units, taking into account the time value of money and asset-specific risks not reflected in the cash flow forecasts. The discount rate is derived from the Group's weighted average cost of capital (WACC), which takes into account both debt and equity.

The cost of equity is derived from the expected return required by the Group's investors. The cost of debt is based on the interest-bearing liabilities that the Group is obliged to service. Segment-specific risk is incorporated through the use of unit-specific beta factors. Beta factors are reviewed annually and are based on available market data. A discount rate of 13.1% was applied in the 2025 impairment test.

Terminal Growth Rate

The terminal revenue growth rate applied by the Fortaco Group in Europe and Finland is 2.0%. This growth assumption does not exceed the long-term average growth rate of the industrial sector.

Growth rate estimates

Growth forecasts are based on management's business plan. Estimates and forecasts of net sales are based on existing business with existing customers, as well as on new and growing business with both existing and new customers. Estimates relating to new growth are based on agreed cooperation arrangements and the implementation of new products.

The impairment testing indicated that the Group has no need to recognise impairment losses. The calculated recoverable amounts of the cash-generating units exceeded their carrying amounts. Based on management's best estimate, no reasonably possible change in any key assumption would result in the need to recognise an impairment loss.

Sensitivity to changes in assumptions

The effects of changes in key assumptions on the recoverable amount are presented below. The sensitivity analysis is based on assumptions of weakening cash flow growth during and beyond the forecast period, an increase in the general interest rate level, and a decline in profitability. The sensitivity of the cash-generating units to impairment was tested by changing both growth assumptions and EBITDA forecasts.

A 10% decrease in EBITDA, a 2 percentage point increase in the discount rate, or zero growth beyond the forecast period would not result in an impairment. For the Steel Fabrication cash-generating unit, an impairment would occur only if the discount rate increased by more than 5 percentage points, EBITDA-based profitability declined by more than 19%, or the post-forecast cash flow growth assumption turned 7% negative. Based on the impairment test, the value in use of the steel structures cash-generating unit exceeds its carrying amount by approximately EUR 43.6 million.

For the Vehicle Cabins cash-generating unit, an impairment would occur only if the discount rate increased by more than 11 percentage points, EBITDA-based profitability declined by more than 34%, or the post-forecast cash flow growth assumption turned 24% negative. Based on the impairment test, the value in use of the cab business cash-generating unit exceeds its carrying amount by approximately EUR 81.1 million.

5. Financial instruments and capital structures

5.1. Financial risk analysis, management and objectives

Main principles of financing and financial risk management

Main principles of financing and financial risk management The Group's financing and financial risks are managed in accordance with the Treasury Policy approved by Fortaco's Board of Directors and Group's Supervisory Board. The Treasury Policy provides guidance on financial risks and helps to establish a suitable risk management framework for the Group. The Fortaco Group Leadership Team oversees the management of financial risks, is responsible for compliance with the Treasury Policy and for the organization and control of Group financing.

The objective of the treasury function is to ensure that the Group companies have sufficient funds to conduct their business without constraints at all times, to provide the necessary financial services to the business units, to minimize financing costs, to manage financial risks (foreign exchange, interest rate, liquidity, refinancing, credit, counterparty and operational risks) and to provide regular information to management on the financial situation and risks of the Group and its business units. At the Group level, the Group Leadership Team is responsible for funding and managing liquidity and financial risks, creating a framework for the efficient organization of financial management and overseeing the financing of the business units. The Group Leadership Team reports on these issues on a monthly basis.

Interest rate risk

Changes in market interest rates affect the Group's net interest rates and the fair values of interest-bearing liabilities and receivables. Fortaco's interest rate risk management aims to minimize the impact of changes in interest rates on the income statement, balance sheet and cash flow. The Group's most significant interest rate risk arises from long-term borrowings at variable rates, which expose its cash flow to interest rate risk. The Group has not hedged its exposure to interest rate risk. Interest rate risk is managed by keeping the average interest rate exposure (interest rate duration) of financial items within the reasonable

levels set by the Group Management by changing the ratio of fixed to variable rate loans in the loan and investment portfolio.

On 31 December, the Group's total interest-bearing liabilities amounted to EUR 187.0 million (31 December 2024: 185.5), of which EUR 130.1 million (122.7) were floating rate senior bonds, EUR 45.0 million (44.8) were lease liabilities and the remaining EUR 11.8 million (18.0) were fixed and floating rate bank loans, short-term loans, and other interest-bearing liabilities. On the 31 December, the average interest-bearing period of interest-bearing liabilities was three (three in 2024) months, excluding lease liabilities.

The Group's financial assets of EUR 56.4 million (31.12.2024: 47.9) consisted mainly of short-term deposits and cash and cash equivalents. In addition, the financial assets include EUR 3.6 million of loan receivables from the Group's former subsidiary Steel Construction Partners (formerly Fortaco Zrt) and EUR 0.6 million of other receivables related to machinery investments made on behalf of Steel Construction Partners Zrt. The loan is maturing on 1 July 2031. The receivables related to the machinery investments are maturing in 10 years from the issuance of invoices for the receivables.

The table below shows the sensitivity of variable rate loans to a one per cent change in interest rates and its impact on the Group's result, other variables held constant. Based on the sensitivity analysis, a one percentage point change in the interest rate level of the debt portfolio would result in a change in net interest expenses of EUR 1.8 million (31.12.2024: EUR 1.8) in the following year. The impact is calculated on an annual basis assuming no change in the balance sheet structure of the group. The Group's main financial currency is the euro.

Interest rate sensitivity 1000 EUR	Increase (-) / decrease (+) in the interest rate point	Effect on profit before tax
31.12.2025	1.0 %	1,777
	-1.0 %	-1,777
31.12.2024	1.0 %	1,758
	-1.0 %	-1,758



Currency risks

Fortaco is headquartered in Finland and has operations in seven countries. Due to its international business activities, the Group is exposed to risks arising from exchange rate fluctuations. A significant part of the Group's turnover and production costs are denominated in euros. As a result, a significant proportion of working capital items are also denominated in euros, including in foreign subsidiaries whose functional currency is not the euro. Intra-group loans are denominated in subsidiary company's home currency.

Fortaco is exposed to currency risks, incurred from both on and off-balance sheet items. During the financial year 2025 Fortaco is mainly exposed to change in the exchange rate the Polish zloty (PLN/EUR). The exposure to Serbian dinar (RSD) ended during 2025 after the divestment of the local business site. The impact on the Group's earnings (transaction risk) incurred from exchange rate movements is mainly due to trade receivables, trade payables, and salaries. Fortaco Group is monitoring the Group's foreign exchange position and forecasted cash flow continuously and acting according to Group Treasury Policy's guidelines. Fortaco is hedging currency risk arising from forecasted cash flows. More information on the hedging can be found in Note 5.2. Derivatives and hedge accounting. The following table illustrates the sensitivity to a 5 per cent change in PLN (Polish zloty) holding all other variables constant. The table does not include any forecasted cash flow or hedges related to forecasted cash flows.

The Group's net investments in subsidiaries outside the Euro area incur deferred translation differences impacting the Group's equity (translation risk). The translation risk is mitigated by managing the balance sheet structure to balance the impact of exchange rate changes on debt and equity. The Group Leadership Team regularly monitors the translation position and assesses the materiality of the risk position. The impact of foreign exchange translation risk on the Group's net debt ratio is moderate and no hedging of foreign exchange translation risk has been deemed necessary.

Foreign currency sensitivity	Change in the currency rate	Effect on profit before tax	Effect on profit before tax*	Other comprehensive income	Other comprehensive income*
1000 EUR		31.12.2025	31.12.2024	31.12.2025	31.12.2024
PLN	Strengthens by 5%	-87	-105	1,337	1,150
PLN	Weakens by 5%	79	95	-1,209	-1,041
RSD	Strengthens by 5%		10		107
RSD	Weakens by 5%		-11		-97

*] The calculation method has been modified from the comparison period. The figures for the comparison period have been adjusted accordingly.

Other market risks

In addition to the financial risks managed by the Treasury function, Fortaco is exposed to price and component availability risks arising from the sourcing of raw materials and components. These risks are managed through careful selection of suppliers, long-term cooperation with key suppliers and contractual terms. In addition, Fortaco's risk management policy aims to manage price risk by linking sales prices to price indices of main raw materials, which are used to transfer increased material costs to sales prices.

Liquidity and refinancing risks

The objective of liquidity management is to maintain optimal liquidity on a continuous basis to finance the Group's business activities, to minimize interest expenses and other financing costs and to avoid states of illiquidity (liquidity risk). External financing, liquidity positions and financial investments are managed centrally by the Group's Treasury function in accordance with the Group treasury policy. The Group ensures adequate liquidity at all times through efficient cash management. In addition, Fortaco ensures liquidity by factoring programs for its trade receivables and by raising additional loans. The Group's financing agreements are subject to certain financial covenants and other restrictions. These include, for example, restrictions on the use of other financial instruments outside the scope of the senior bonds issued by the Group, and certain financial covenants relating to local financing agreements of the Group's subsidiaries. The covenants are presented in more detail in Note 5.5. Interest bearing liabilities.

Availability of short-term funding		
1000 EUR	31.12.2025	31.12.2024
Available credit facilities	7,500	3,500
Security deposits	508	497
Cash and cash equivalents	29,617	32,034
Total	37,625	36,030

Liquidity risk is managed by maintaining long-term liquidity reserves in excess of the short-term liquidity requirements. On 31 December, the Group's liquidity reserve totaled EUR 37.6 million (31.12.2024: EUR 36.0). During the financial year 2025, Fortaco Group refinanced the super senior facility. Group's super senior credit facility of MEUR 7.5 million was fully available on 31 December 2025 EUR. The revolving credit facility matures in June 2027.

The Group's short-term liquidity needs include the repayments of short- and long-term interest-bearing loans over the next 12 months and the strategic liquidity need, which are defined by senior management and also consider the other financing needs of the business operations over the next 12 months. As of 31 December 2025, the repayment needs for current and non-current borrowings over the next 12 months amounted to EUR 12.2 (14.5) million, of which EUR 10.2 (7.6) million are from lease liabilities.

Fortaco's liquidity position includes EUR 3.2 (3.4) million of cash and cash equivalents subject to financial covenants related to the Group's external loans. The Group's short-term financial assets related to the Group's liquidity risk management are presented in the table on the previous page.

Loan refinancing risk, defined as the risk that significant part of the Group's loans or credit limits would mature in a period when it is economically or contractually disadvantageous to refinance the loans, is minimized by balancing the maturity schedules of the loans or credit limits and by keeping the contractual terms of the loans sufficiently flexible. The management believes that the Group's liquidity position is good and that there is no significant concentration of risk related to the availability of funding or refinancing.

Credit and counterparty risks

Credit risk arises from trade receivables, funds held under customer contracts, deposits and cash and bank receivables. Fortaco's credit risk is realized when a counterparty is unable to meet its obligations to the Group.

Credit risks related to operational activities are managed and controlled by the business units in accordance with the Group's risk policy, agreed guidelines and established controls. Although the Group has two (2024: three) customers which share of the Group total net sales is over 10%, the Group estimates that it has no significant concentration of credit risk, as it has a diverse, financially stable, and broad customer base spread across the globe. Customer credit-worthiness is assessed based on a scoring matrix and customer-specific credit limits are determined based on this assessment. Outstanding trade receivables are regularly monitored. In order to reduce the credit risk associated with customer contracts, the Group sells a significant part of its trade receivables via factoring programs on a non-recourse basis to a financing partner. The risks

Credit loss allowance reconciliation		
1 000 EUR	31.12.2025	31.12.2024
Credit loss allowance 1.1.	671	340
Increase in loss allowance recognized in the statement of comprehensive income during the financial year	-35	434
Receivables written off during the financial year as uncollectible	0	-15
Unused amount reversed	-173	-88
Credit loss allowance 31.12.	463	671

Estimated expected credit losses	Expected credit loss rate, %	Gross	31.12.2025		31.12.2024		
			Expected credit loss	Net	Gross	Expected credit loss	Net
1 000 EUR							
Current	0.1 %	10,706	-13	10,693	9,873	-12	9,861
Past due							
Less than 30 days	0.2 %	3,170	-7	3,163	916	-2	914
30-60 days	1.4 %	263	-4	259	68	0	68
61-90 days	1.1 %	23	0	23	220	-3	217
91-180 days	0.1 %	638	-1	637	70	-2	68
181-360 days	100%	7	-7	0	148	-148	0
over 360 days	100%	431	-431	0	503	-503	0
Total		15,238	-463	14,774	11,798	-671	11,127





and rights of the trade receivables which have been sold have been transferred fully and the receivables are therefore derecognized from the Group's balance sheet. Trade receivables sold accounted for 78 per cent (78 per cent) of total trade receivables at the end of the 2025 financial year.

Fortaco applies the simplified model under IFRS 9 for the treatment of expected credit losses. The Group's trade receivables do not include a significant financial component. The amount of the provision for credit losses is assessed at each reporting date and the calculation is based on the historical credit performance of the customer's trade receivables. The Group considers the concentration of credit risk in trade receivables to be low as its customers are located in several jurisdictions and industries. These customers are financially stable companies and operate mostly in unrelated markets. Credit decisions are made on a case-by-case basis based on reports on payment behavior and equity ratios prepared by credit rating agencies to assess the solvency of the customer.

The following factors are considered in the determination of the credit loss allowances:

- customer size (small, medium, large)
- ageing of receivables (current, 1-30 days, 31-60 days, 61-90 days, over 90 days)
- forward looking parameters (assumptions on future payment behavior of customers and macroeconomic variables)

The Group did not recognize any realized credit losses during the reporting period. During the financial year realized credit losses were EUR 15 thousand.

The Group's financial assets include EUR 3.6 million of loan receivables from the Group's former subsidiary Steel Construction Partners (formerly Fortaco Zrt) and EUR 0.6 (0.1) million of other receivables related to machinery investments made on behalf of Steel Construction Partners Zrt. The loan is maturing on 1 July 2031. The receivables related to the machinery investments are maturing in 10 years from the issuance of invoices for the receivables. These receivables are presented at net present value in accordance with IFRS standards.

Contractual assets relate to unbilled work in progress and have similar risk characteristics to trade receivables arising from similar type of contracts. Therefore, Fortaco's management has assumed that the expected loss rate on current trade receivables is reasonably close to the loss rate on contractual assets.

Trade receivables and contractual assets are derecognized as actualized credit losses when there is no reasonable expectation of recovery. Indications that

payment cannot reasonably be expected include for example the inability of the debtor to enter into a payment plan with the Group. Impairment losses on trade receivables and contractual assets are presented as net impairment losses included in operating profit. If a subsequent payment is received for items recognized as final credit losses, it is credited to the same profit and loss account.

The credit loss risks used in the analysis are in line with the view of the management. The risks are set according to management's best judgement and are based on an assessment of the status of each customer. The expected credit losses relating to the Group's trade receivables are set out in the table on the previous page.

The main potential credit risk related to cash and cash equivalents relates to significant cash and security deposits with financial institutions. Financial investments are only made with counterparties of high credit quality. Although cash and cash equivalents are also subject to impairment requirements under IFRS 9, the impairment loss is identified to be immaterial. Receivables related to off-balance sheet customer financing and operating lease receivables are collateralized and therefore the related credit risk is assessed to be low.

Capital structure

The objective of the Group's capital management is to ensure the Group's ability to operate in all circumstances and to maintain an optimal capital structure in terms of the cost of capital. The shareholders decide on the objectives of the capital structure and the Group Leadership Team monitors the capital structure on a regular basis. For the purposes of the Group's capital management, capital includes share capital, free invested equity reserve and all other equity reserves attributable to the owners of the parent company.

The primary objective of Group capital management is to maximize the value of the company. In order to achieve this objective, the Group's capital management aims, inter alia, to ensure that it meets the financial covenants on the interest bearing liabilities, which in turn determine the capital structure requirements. Note 5.5. provides information on the covenants relating to interest-bearing liabilities for the financial year. The Group manages its capital structure and adjusts it according to the economic situation, considering the covenants. To maintain or adjust its capital structure, the Group may change the distribution of dividends to shareholders, return capital to shareholders or issue new shares.

The capital structure measured with net gearing ratio, i.e., the ratio of net interest-bearing debt to equity. Net interest-bearing debt is calculated by deducting interest-bearing assets, including cash and cash equivalents, from interest-bearing liabilities.



5.2. Derivatives and hedge accounting

Accounting principles

Fortaco recognises derivatives on the statement of financial position at fair value at inception and at each reporting date. Fortaco acquires derivative contracts solely for hedging purposes and applies hedge accounting.

At the inception of the hedging relationship, Fortaco prepares hedge accounting documentation in accordance with IFRS 9. Hedge accounting is applied in accordance with Fortaco's financial risk management strategy. The hedge accounting documentation outlines the relationship between the hedging instrument and the hedged item, the hedge ratio, and the impact of credit risks. Fortaco tests the effectiveness of the hedge on a regular basis. Derivatives are classified on the statement of financial position as non-current and current assets and liabilities based on their maturity.

Cash flow and fair value hedge accounting

Fortaco applies hedge accounting for foreign exchange forward contracts. According to the cash flow hedge accounting, the effective portion of the unrealized fair value of the derivative instrument is recognised in the hedging reserve in other comprehensive income. When the hedged item is recognised on the balance sheet, fair value hedge accounting is applied and the fair value change of the derivative instrument is recognised in the statement of profit and loss correspondingly as the fair value change of the hedged item.

When applying the cash flow hedge accounting, the effective portion of the foreign

exchange forward contract is reclassified from the hedging reserve of equity as financial income or expense in the statement of profit and loss, in accordance with the cash flows of the hedged item. Both, at inception and at each reporting date, Fortaco tests the effectiveness of hedge accounting based on the cash flows between the hedging instrument and the hedged item. Fortaco analyzes the sources of ineffectiveness in hedge accounting in accordance with IFRS 9.

Any gain or loss on the ineffective portion of the foreign exchange forward contracts is recognised in the statement of profit and loss under other operating income and expenses. If the hedged transaction is no longer expected to occur, the amounts recognised in equity are reclassified to the statement of profit and loss through other comprehensive income.

Fair value of derivatives

The fair value of level 2 foreign exchange forward contracts are determined based on the present value of future cash flows, calculated using observable market information. The fair values of forward contracts on 31 December 2025 are presented on table below.

Fortaco continuously analyses and has not identified any sources of ineffectiveness. Fortaco has determined that the hedging relationships are 100 % effective.

Maturity distribution of derivatives (at nominal value)

The table on the previous page presents the maturity distribution of Fortaco's foreign exchange forward contracts for the next five years. Fortaco's derivative contracts will mature in 2026.

31.12.2025 EUR thousand	Nominal value at inception	2026	2027	2028	2029	2030 ->
Foreign exchange forward contracts EUR/PLN	13,172	13,172	0	0	0	0
31.12.2024 EUR thousand	Nominal value at inception	2025	2026	2027	2028	2029 ->
Foreign exchange forward contracts EUR/PLN	0	0	0	0	0	0

31.12.2025 EUR thousand	Hedge type	Nominal value at inception	Fair value, positive (+)	Fair value, negative (-)	Net fair value	Net fair value, incl. tax impact
Foreign exchange forward contracts EUR/PLN	Cash flow	12,793	0	-64	-64	-52
Foreign exchange forward contracts EUR/PLN	Fair value	379	0	-1	-1	-1
Total		13,172	0	-66	-66	-53
31.12.2024 EUR thousand	Hedge type	Nominal value at inception	Fair value, positive (+)	Fair value, negative (-)	Net fair value	Net fair value, incl. tax impact
Foreign exchange forward contracts EUR/PLN	Cash flow	0	0	0	0	0
Foreign exchange forward contracts EUR/PLN	Fair value	0	0	0	0	0
Total		0	0	0	0	0

2025 EUR thousand	Hedge type	Fair value recognised in OCI, incl. tax impact 1.1.	Reclassified from OCI to profit and loss - hedge accounting	Ineffective portion in the profit and loss	Other changes in fair value recognised in OCI	Fair value recognised in OCI, incl. Tax impact 31.12.
Foreign exchange forward contracts EUR/PLN	Cash flow	0	14	0	-66	-52
Foreign exchange forward contracts EUR/PLN	Fair value	0	0	0	0	0
Total		0	14	0	-66	-52
2024 EUR thousand	Hedge type	Fair value recognised in OCI, incl. tax impact 1.1.	Reclassified from OCI to profit and loss - hedge accounting	Ineffective portion in the profit and loss	Other changes in fair value recognised in OCI	Fair value recognised in OCI, incl. Tax impact 31.12.
Foreign exchange forward contracts EUR/PLN	Cash flow	0	0	0	0	0
Foreign exchange forward contracts EUR/PLN	Fair value	0	0	0	0	0
Total		0	0	0	0	0



5.3. Fair value assessment

Fair value hierarchy

The Fortaco Group uses valuation methods which are appropriate in the circumstances and for which sufficient information is available to determine fair value, using the maximum amount of relevant observable inputs and minimum amount of non-observable inputs.

All financial assets and liabilities measured at fair value or for which fair value is disclosed in the notes are classified into fair value hierarchy levels below based on the lowest level input that is significant to the overall measurement.

Level 1:

Quoted (unadjusted) prices for identical assets or liabilities in an active market. The price information is directly available from a publicly quoted exchange, an intermediary broker, or a supervisory authority.

Level 2:

Fair value measurement methods where inputs are observable for an asset or liability, either directly or indirectly. Input is readily available from a publicly quoted exchange, an intermediary broker or a supervisory authority. Level 2 instruments are recognized at carrying amount on 31 December.

Level 3:

Fair value measurement methods where the lowest level inputs relevant to the valuation are not observable. When the fair value of a financial instrument cannot be measured using a quoted price in an active market for an identical asset, fair value is determined using valuation methods (for example, using a discounted cash flow approach). The inputs that need to be assessed include liquidity risk, credit risk and volatility. Changes in the estimated assumptions may affect the fair value of the financial instrument.

For assets and liabilities that are reported on a recurring basis in the financial statements, the Group determines when shifts in fair value hierarchy levels have occurred by reassessing the classification (based on the lowest level input that is significant to the overall measurement) at the end of each reporting period.

5.4. Financial assets and liabilities

The Group's financial assets include EUR 3.6 million of loan receivables from the Group's former subsidiary Steel Construction Partners (formerly Fortaco Zrt) divested during the financial year 2024 and EUR 0.6 million of other receivables related to machinery investments made on behalf of Steel Construction Partners Zrt. The loan will mature on 1 July 2031. The receivables related to the machinery investments will mature in 10 years from the issuance of invoices for the receivables.

On 10 October 2025, Fortaco concluded an agreement, whereby it received without a consideration a long-term loan receivable of EUR 5.9 million (principal) from the sole shareholder of Fortaco Group, OEP 81 B.V. On 31 December 2025, the receivable carried PIK interest totalling EUR 0.6 million, and therefore the total receivable on 31 December 2025 was EUR 6.5 million.

On 31 December 2025, the total fair value of the senior bond was EUR 118.2 million (30 June 2025: EUR 104.6 million), including the subsequent bond issue of EUR 25.0 million placed in March 2024 and PIK interest capitalized during 2025. The fair value of the subsequent issue on 31 December 2025 was EUR 22.0 million. The senior bond fair value is estimated based on the market price on the valuation date. The bond is traded on Nasdaq Helsinki and on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. Further information on the bond is available on Fortaco's investor website, on Nasdaq Helsinki and on the Open Markets marketplace of the Frankfurt Stock Exchange.

During the first half of 2025, amendments to the terms and conditions of the senior bond financing agreement were made through a written procedure. The written procedure regarded certain amendments to the terms and conditions of the company's bonds, including an extension of the tenor by two years, amending the interest rate during 2025 and 2026, introducing the option to make voluntary partial redemptions of up to EUR 20 million at a price of 101 per cent, together with certain other amendments. As part of the process One Equity Partners invested additional EUR 20 million in equity into the Group. The written procedure was completed successfully in April-May 2025.

Loans from related parties included a 7.1 MEUR subordinated shareholder loan from the owner of Fortaco Group, including capitalized interest. The loan is subordinate to the company's bond financing.

In May 2025, Fortaco Group refinanced the super senior facility. Group's super senior credit facility of MEUR 7.5 million was fully available on 31 December 2025 EUR. The revolving credit facility matures in June 2027.

1,000 EUR	Level	31.12.2025 Carrying amount	31.12.2024 Carrying amount
Financial assets measured at amortized cost			
Loan receivables	2	3,645	4,049
Loans to related parties	2	6,464	0
Trade receivables	-	14,774	11,127
Security deposits	-	508	497
Cash and cash equivalents	-	29,617	32,034
Other receivables	2	551	147
Financial assets measured at amortized cost total		55,559	47,853
Fair value through other comprehensive income			
Derivatives	2	7	0
Other investments	2	2	3
Fair value through other comprehensive income total		8	3
Financial liabilities measured at amortized cost			
Senior bond	1	130,123	122,743
Floating rate borrowings	2	1,700	7,200
Fixed rate borrowings	2	1,593	2,339
Loans from related parties	2	7,090	6,441
Lease liabilities	-	45,005	44,756
Trade payables	-	43,711	38,917
Other interest bearing liabilities	2	1,457	1,993
Financial liabilities measured at amortized cost total		230,679	224,389
Fair value through profit and loss			
Contingent considerations	3	4,100	3,491
Derivatives	2	66	0
Fair value through profit and loss total		4,166	3,491



During the financial year 2023, the Group entered into new financing agreements related to expansion investments in Estonia and Poland. These included a new factory lease agreement in Estonia, which has a purchase option, and 15-year factory lease agreement in Gliwice, Poland. In addition to the factory lease agreement, the Group entered into a EUR 14.1 million financing facility agreement related to Gliwice machinery purchases. The Gliwice facility was handed over to the Group in the second half of 2024. The Gliwice facility lease agreement is treated in accordance with the IFRS 16 standard. Annual lease payments amount to EUR 2.7 million, and the lease liability on 31 December 2025 was EUR 16.8 million (31 December 2024: EUR 15.6 million).

On 31 December 2025 the Group had EUR 4.1 million of contingent considerations. Contingent considerations are treated in accordance with the IFRS 9 standard and classified as financial liabilities. They are recognised in fair value through profit and loss. The change in fair value is recognised through profit and loss. The value of contingent consideration in dependant on the company's business development between 2023 and 2025.

Fortaco hedges the foreign exchange risk arising from forecasted cash flows in accordance with the Group's financial policy. Derivatives include unrealized gains and losses from foreign exchange hedging contracts that are used to hedge the EUR-PLN exchange rate. Additional information on hedge accounting is presented in Note 5.2. Derivatives and hedge accounting.

Accounting principles - Financial assets

Fortaco's financial assets include trade receivables, security deposits and cash and cash equivalents. Trade receivables, security deposits and cash and cash equivalents are measured at amortized cost. Financial assets are derecognized when the rights to the cash flows from the financial assets have expired or have been transferred and Fortaco has transferred substantially all the risks and rights of ownership. The gain or loss arising from derecognition is recognized directly in the statement of comprehensive income and presented in other operating expenses.

Initial recognition and measurement

On initial recognition, financial assets are measured at fair value less transaction costs directly attributable to the acquisition of the financial asset. Subsequently, financial assets are measured at fair value through profit or loss, fair value through other comprehensive income or amortized cost. Acquisitions and disposals of financial assets are recognized on the trade date, which is the date that Fortaco commits to purchase or sell the item.

Subsequent measurement

1) Financial assets measured at amortized costs

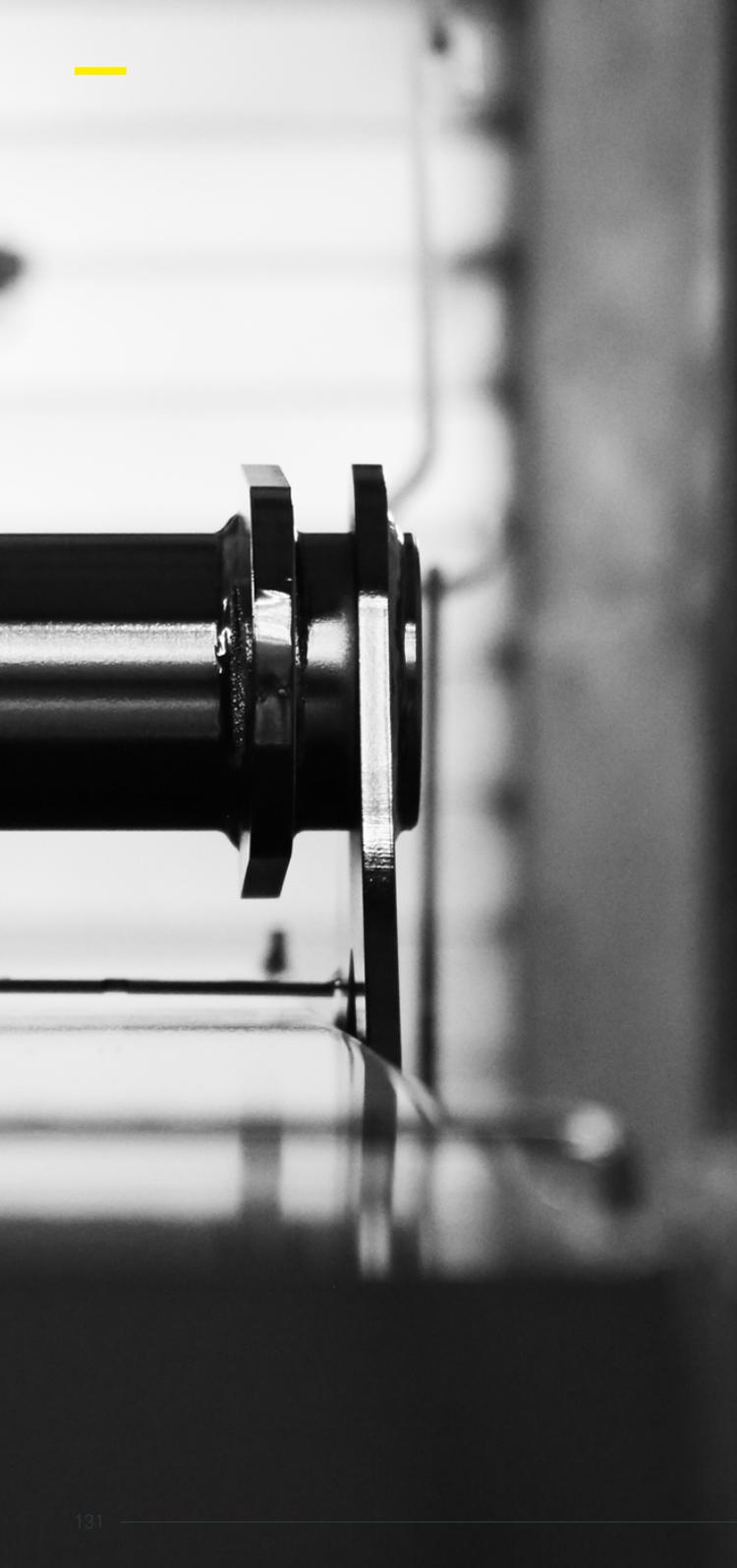
Financial assets measured at amortized cost are non-derivative financial assets that are held to collect contractual cash flows and whose cash flows are solely payments of principal and interest. Interest income on these financial assets is included in financial income using the effective interest method. Due to the short-term nature of trade receivables, their carrying amount is considered to be equal to their fair value.

2) Financial assets at fair value through other comprehensive income

Investments in equity instruments are always measured at fair value. For equity financial assets, the Group may irrevocably elect, at initial recognition, to recognize subsequent changes in the fair value of an equity investment that are not held for trading in other comprehensive income. Once this decision is made, amounts reported in other comprehensive income are not subsequently reclassified to profit or loss. The dividends received on these investments are recognized in profit or loss.

Accounting principles - Financial liabilities

The Group's main financial liabilities consist of senior bonds, bank loans, trade and other payables and lease liabilities. In March 2024, Fortaco issued a further EUR 25.0 million publicly quoted senior bond as a tap issue of the senior bond issued in 2022 (ISIN: N00012547274). The total nominal value of the bonds issued by the Group at the end of 2024 was EUR 134.3 million. In addition to the bond issue, the Group has bank loans from local financiers of its subsidiaries.



Initial recognition

On initial recognition, financial liabilities are measured at fair value less direct transaction costs. Subsequently, financial liabilities are classified at fair value through profit or loss or at amortized cost.

Loans are initially recognized at fair value less transaction costs incurred. Loans are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the loan using the effective interest method.

Contingent considerations arising from business combinations are treated in accordance with IFRS 9 and are classified as financial liabilities. Contingent considerations are measured at fair value through profit or loss. Changes in fair value are recognized in profit or loss. Financial liabilities are recognized on the trade date, which is the date on which Fortaco commits to the contractual rights and obligations. Guarantees and collaterals given are disclosed in note 6.3.

Subsequent measurement

1) Financial liabilities at fair value through profit or loss

A contingent purchase price liability recognized in a business combination is measured at fair value through profit or loss after initial recognition.

2) Financial liabilities measured at amortized cost

Trade payables and interest-bearing liabilities are classified at amortized cost using the effective interest method. The difference between the amount received (net of transaction costs) and the amount payable is recognized in the income statement using the effective interest method over the period of the loan.

Derecognition from the balance sheet

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when the contractual right to the cash flows from the financial asset expires and the risks and rewards of ownership of the financial asset are transferred outside the Fortaco Group. A financial liability is derecognized when the contractual liability is liquidated, cancelled, or matures.

Financial income and expenses		
1 000 EUR	2025	2024
Interest income on loans and receivables measured at amortized cost	7,220	2,098
Total interest income	7,220	2,098
Interest expenses from financial liabilities measured at amortized cost	-15,219	-16,895
Interest expense from lease liabilities	-5,006	-3,244
Total interest expense	-20,225	-20,139
Foreign exchange losses		
Derivative instruments measured at fair value through profit or loss (FVTPL)	47	0
from balance sheet items	-11	-573
translation differences from divestments	0	2
Loss on derivative instruments measured at fair value through profit or loss (FVTPL).	-147	0
Costs related to the restructuring of loans	-662	0
Change in fair values of financial receivables	-1,710	-1,013
Factoring expenses	-3,460	-3,822
Other financial expenses	-782	-793
Total other financial income and expenses	-6,725	-6,199
Total financial income and expenses	-19,731	-24,241

5.5. Financial income and expenses

Foreign exchange gains and losses have arisen mainly from transactions in the foreign currency accounts of the Group's subsidiaries and from intra-group foreign currency loans granted to subsidiaries.

The refinancing costs mainly consist of expenses related to the written procedure carried out in 2025 for the Group's senior bond. The change in the fair value of financial receivables relates to EUR 3.6 million of loan receivables from the Group's former subsidiary Steel Construction Partners (formerly Fortaco Zrt) divested during the financial year 2024 and EUR 0.6 million of other receivables related to machinery investments made on behalf of Steel Construction Partners Zrt. The receivables are presented at their net present value in accordance with IFRS standards.

Other financial expenses include fair value changes related to defined benefit plans and contingent considerations as well as administrative and guarantee fees on financial instruments, including the senior bond issued by the Group.

Interest income and expenses

Interest income and expense are amortized over time based on the principal amount receivable and the effective interest rate applicable, being the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount of the financial asset.

5.6. Interest bearing liabilities

On 31 December 2025, the total fair value of the senior bond was EUR 118.2 million (31 December 2024: EUR 123.0 million), including the subsequent bond issue of EUR 25.0 million placed in March 2024. On 31 December 2025, the fair value of the subsequent issue of March 2024 was EUR 22.0 million. The fair value of the senior bond is estimated based on the market price on the valuation date. The bond is traded on Nasdaq Helsinki and on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange. Further information on the bond is available on Fortaco's investor website, on Nasdaq Helsinki and on the Open Markets marketplace of the Frankfurt Stock Exchange.

During the first half of the financial year 2025, amendments to the terms and conditions of the senior bond financing agreement were made through a written procedure. The written procedure regarded certain amendments to the terms and conditions of the company's bonds, including an extension of the tenor by two years, amending the interest rate during 2025 and 2026, introducing the option to make voluntary partial redemptions of up to EUR 20 million at a price of 101 per cent, together with certain other amendments. As part of the process, One Equity Partners invested additional EUR 20 million in equity into the Group in May 2025. The written procedure was successfully completed in April-May 2025.

During the financial year 2025, the Group refinanced the super senior revolving credit facility agreement, which has total available facility of EUR 7.5 million. On 31 December 2025, the limit was not utilised. In the refinancing, the maturity date for the facility was extended to June 2027.

Loans from related parties included a EUR 7.1 million subordinated shareholder loan from the owner of Fortaco Group, including capitalised interest. The loan is subordinate to the company's bond financing.

The Group's financing agreements are subject to certain financial covenants and other restrictions. These include, for example, restrictions on the use of other financial instruments outside the scope of the senior bond issued by the Group, and certain financial covenants relating to local financing agreements of the Group's subsidiaries. These are specified further below. In addition, the senior bond contains restrictions on additional financial indebtedness in the event of acquisitions and any additional issuances of the bond. Furthermore, the terms of the Group's senior bond restrict the distribution of dividends by the Group. In addition, the Group is obliged to publish financial information in accordance with the rules of Nasdaq Helsinki.

Floating rate borrowings include EUR 1.7 million of secured bank loans related to the Group's subsidiaries in Estonia. The total amount of EUR 1.7 million consists of two loans: Linda Properties OÜ EUR 1.6 million and Fortaco Estonia OÜ EUR 0.2 million. Linda Properties OÜ's loans were refinanced during the first half of 2024. The maturity date of the refinanced loan is 31 March 2027. These loans are subject to the following covenants:

Linda Properties OÜ secured bank loan EUR 1.6 million

- Debt service coverage of at least 1.05x, calculated as the ratio of rolling 12-months EBITDA to rolling 12-month debt service. The debt service coverage ratio on 31 December 2025 was 1.40x (31 December 2024: 1.24x)
- Total cash balance of at least 3-months debt service. The ratio of total cash balance and one month debt service on 31 December 2025 was 11.5x (31 December 2024: 7.7x)
- Additionally, the margin of the loan is subject to changes depending on the total Group net debt to EBITDA ratio. If the ratio is >4.5x, the margin is 3.9 per cent; if the ratio is >3.0x but ≤4.5x, the margin is 3.5 per cent; if the ratio is >2.5x but ≤3.0x, the margin is 3.2 per cent; and if the ratio is <2.5x, the margin is 2.9 per cent. On 31 December 2025, the ratio was >4.5x (30 June 2025: >4.5x)

These covenants are tested quarterly on 31 March, 30 June, 30 September and 31 December. The Group met the covenants between 1 January and 31 December 2025. The Group has no indication that it would have difficulty complying with these covenants.

Fortaco Estonia OÜ secured bank loan EUR 0.2 million

- Debt service coverage of at least 1.40x, calculated as the ratio of rolling 12-months EBITDA to rolling 12-months debt service. The debt service coverage ratio on 31 December 2025 was 1.64x (31 December 2024: 1.85x)
- Net debt to EBITDA of less than 3.50x. On 31 December 2025, the ratio was 1.20x (31 December 2024: 0.76x)
- Debt service coverage ratio including intra-Group items of at least 1.20x. On 31 December 2025, the ratio was 1.64x (31 December 2024: 1.85x).

These covenants are tested quarterly on 31 March, 30 June, 30 September and 31 December. The Group received waivers from the creditor on 23 May 2025, 17 June 2025 and 30 September 2025 for the envisaged breaches of both debt service coverage ratios in the first, second and third quarters of 2025, resulting from Fortaco Estonia's EBITDA performance in the last quarter of 2024. According to the waivers, the lender waived these breaches, and the breaches did not constitute an event of default. The sole impact of the breach would have been a temporary increase of the loan margin to 4.5% p.a. (current margin 3.0% p.a.). The Group was in compliance for the net debt covenant. During the final quarter of 2025, the Group was in full compliance with these covenants. The Group has no indication that it would have difficulty complying with these covenants.

Reconciliation of financial liabilities 1000 EUR	Interest-bearing financial liabilities	Lease liabilities	Change in liabilities classified as financial operations in cash flow
Opening amount 1.1.2024	112,364	12,827	125,191
Cash flow from financing			
Borrowings	39,456		39,456
Repayments	-9,056	-7,842	-16,897
Other changes			
Acquisitions		-184	-184
Reclassifications	-3,584	4,165	581
Capitalisation of accrued interest	583		583
Senior bond EIR calculation effect	953		953
New lease agreements		35,645	35,645
Translation differences		145	145
Total 31.12.2024	140,716	44,756	185,471
Opening amount 1.1.2025	140,716	44,756	185,471
Cash flow from financing			
Borrowings	12,498		12,498
Repayments	-19,479	-11,412	-30,891
Other changes			
Acquisitions		-15	-15
Reclassifications		-39	-39
Capitalisation of accrued interest	7,430		7,430
Senior bond EIR calculation effect	799		799
New lease agreements		11,509	11,509
Translation differences		207	207
Total 31.12.2025	141,963	45,006	186,969



Maturity of financial liabilities 31.12.2025								
1000 EUR	On demand	Less than 3 months	3 to 12 months	1 to 3 years	4 to 5 years	Over 5 years	Total contractual cash flows	Book value
Senior bond					134,282		134,282	130,123
Loans from related parties				7,090			7,090	7,090
Other loans		503	1,501	2,606	140		4,750	4,750
Lease liabilities		3,140	10,619	21,101	9,281	23,457	67,598	45,006
Interest liabilities		3,378	10,315	29,772	10,539		54,004	2,727
Trade payables	1,462	42,237	11				43,711	43,711
Derivatives		2,748	10,424				13,172	66
Other liabilities			249	2,065			2,314	2,314
Total	1,462	52,007	33,119	62,635	154,241	23,457	326,920	235,787

Maturity of financial liabilities 31.12.2024								
1000 EUR	On demand	Less than 3 months	3 to 12 months	1 to 3 years	4 to 5 years	Over 5 years	Total contractual cash flows	Book value
Senior bond				127,500			127,500	122,743
Loans from related parties				6,441			6,441	6,441
Other loans		530	6,351	4,349	302		11,531	11,531
Lease liabilities		2,355	11,110	26,658	8,781	21,083	69,987	44,756
Interest liabilities		3,371	9,540	22,183	32	1	35,126	2,735
Trade payables	491	38,174	252				38,917	38,917
Other liabilities			248	1,881			2,129	2,128
Total	491	44,430	27,501	189,012	9,114	21,084	291,631	229,252

During the financial year 2024, the Group entered into a super senior revolving credit facility agreement, which has total available facility of EUR 7.5 million. The limit was not utilised on 31 December 2025. The Group finalised refinancing of the facility in May 2025 as part of the adjustments to its senior financing agreements. In the refinancing, the maturity date for the facility was extended to June 2027, some technical clarifications were done to the covenant definitions and the Group received a waiver for the covenants for the financial year 2025. The covenants are specified below:

Super senior credit facility agreement EUR 7.5 million

Provided that there are any outstanding loans:

- Equity ratio of at least 18 per cent, calculated ratio as the total equity (including any Shareholder Debt) to the total assets of the Group, including several adjustments.
- Leverage ratio lower than 4.25x, the as the ratio of net interest-bearing debt to EBITDA, including several adjustments.
- In addition, the Group is subject to similar restrictions within the super senior credit facility agreement on financial indebtedness as within the senior bond agreement.

These covenants are tested on 30 June and 31 December, provided that there are outstanding drawn facilities. As there were no facilities drawn on the 31 December, the covenants were not tested. As part of the refinancing of the facility, the Group received a waiver from the creditor. According to the waiver, the creditor waives all rights that would arise from potential covenant breaches during the financial year 2025 and the Group can continue to use the facility normally. The waiver is valid until 31 December 2025.

During the financial year 2023, the Group entered into financing agreements related to expansion investments in Estonia and Poland. These included a new factory lease agreement in Estonia, which has a purchase option, and 15-year factory lease agreement in Gliwice, Poland. In addition to the factory lease agreement, the Group entered into a EUR 14.1 million financing facility agreement related to Gliwice machinery purchases. The Gliwice facility was handed over to the Group in the second half of 2024. During 2025, additional production space

was taken into use within the lease agreement. The Gliwice facility lease agreement is treated in accordance with IFRS 16 standards. The lease payments are EUR 2.7 million annually, and the lease liability on 31 December 2025 was EUR 16.8 million (31 December 2024: EUR 15.6 million).

On 31 December 2025, lease liabilities included EUR 9.6 million (30 June 2025: EUR 11.0 million) of financing facilities related to the machinery purchases for the Gliwice factory. The loans are subject to the following covenants:

Fortaco Polska Sp z o.o. machinery funding EUR 9.6 million

- Debt service coverage of at least 1.20x, calculated as the ratio of 12-months EBITDA to 12-months debt service of machinery leases recognized on the balance sheet. The first testing was done on 31 December 2025 and the ratio was -2.40x.
- Ratio of financial liabilities to EBITDA of less than 3.0x. The first testing was done on 31 December 2025 and the ratio was -0.96x.
- Equity ratio of at least 10 per cent after the financial year 2025 and 25 per cent in the following financial years. On 31 December 2025 the ratio was 20.7 per cent.

The Group assesses that it may face potential challenges in meeting its financial covenant requirements during the financial year 2026 due to temporary delays in the ramp-up of production at one of its units. The sole consequence of a potential covenant breach would be a temporary increase of 0.5 percentage points in the loan margin until the covenant breach has been remedied. The Group considers the potential covenant breach to be temporary in nature.

Contingent consideration arising from business combinations is accounted for in accordance with IFRS 9 and classified as a financial liability. Contingent consideration is measured at fair value, with changes in fair value recognised in profit or loss. The value of the contingent consideration is dependent on the development of the Company's business during the years 2023–2025.



5.7. Equity

Share Capital

Fortaco Group Holdco Oyj has one class of shares. Each share entitles its holder to one vote at the General Meeting. The share capital of Fortaco Group Holdco Oyj amounted to EUR 80,000 as at 31 December 2024 (31 December 2023: EUR 80,000), and the number of shares outstanding was 1,000 as at 31 December 2024 (31 December 2023: 1,000). No share issues were carried out during the financial year 2024. The Company does not hold any treasury shares. During the financial year, a non-cash increase of EUR 10,000,000 was recorded in the invested unrestricted equity fund.

Translation differences

Translation differences arising from the translation of the financial statements of foreign subsidiaries are recognised in other comprehensive income and accumulated in a separate equity reserve. The cumulative amount of translation differences is reclassified to profit or loss upon disposal of the net investment.

Dividends

The Board of Directors proposes to the Annual General Meeting that no dividends be distributed and that the loss for the financial year be transferred to retained earnings.

The senior bond issued by the Group imposes restrictions on external dividend distributions. These restrictions do not apply to intra-group dividend distributions. Further information on the restrictions imposed by the bond is provided in Note 5.5.

Number of shares	31.12.2025	31.12.2024
Shares	1,000	1,000
	1,000	1,000

Changes in equity		
1000 EUR	31.12.2025	31.12.2024
Share capital	80	80
Unrestricted equity reserve	125,178	105,178
Reserves	-52	0
Translation differences	3,127	2,741
Retained earnings	-75,347	-26,932
Profit (loss) for the period	-27,423	-48,536
Total equity attributable to owners of the parent	25,562	32,531
Total equity	25,562	32,531

Cash and cash equivalents

1000 EUR	31.12.2025	31.12.2024
Cash and cash equivalents	29,617	32,034
Total	29,617	32,034

5.8. Cash and Short-Term Deposits

The Group did not have any short-term deposits during the financial years 2024–2025.

Cash and bank balances presented in the statement of financial position consist of cash on hand, other liquid bank deposits and other short-term investments that can be liquidated within three months.

In the Group's statement of cash flows, cash and bank balances comprise the items described above.

6. Other notes

6.1. Group Information

The table below presents information on the Group companies.

Group information	Country of incorporation	Group ownership (%)	
		2025	2024
Fortaco Group Holdco Oyj	Finland	Parent company	Parent company
Fortaco Group Oy	Finland	100%	100%
Fortaco Oy	Finland	100%	100%
Fortaco Finland Oy	Finland	100%	100%
Fortaco Estonia OÜ	Estonia	100%	100%
Fortaco SP z.o.o.	Poland	100%	100%
Fortaco JL SP z.o.o.	Poland	100%	100%
Fortaco s.r.o.	Slovakia	100%	100%
Fortaco AB	Sweden	100%	100%
Fortaco GmbH	Germany	100%	100%
Fortaco Finance Oy	Finland	100%	100%
Linda properties Oü	Estonia	100%	100%
Fortaco d.o.o. Gruza	Serbia	0%	100%
Buisard S.A.S	France	100%	100%
Fortaco Austria Holding GmbH	Austria	100%	100%
Walter Mauser GmbH	Austria	100%	100%
Fortaco France Holding	France	100%	100%
Fortaco Polska SP z.o.o.	Poland	100%	100%

*) Fortaco Oy was merged into Fortaco Finland Oy on 31 December 2025

**) Fortaco Ostrobothnia Oy changed its name to Fortaco Finland Oy on 31 December 2025

6.2. Related party transactions

Related parties of the Fortaco Group include subsidiaries and associates. In accordance with IAS 24, related parties also include the Board of Directors, the Chief Executive Officer, other members of the management team, the Supervisory Board, their close family members, as well as entities over which the aforementioned persons exercise control, joint control or significant influence, directly or indirectly.

Information on the Group structure, including subsidiaries and the holding company, is presented in Note 6.1. Transactions carried out with related parties during the financial year are presented in the accompanying table. At the end of 2025, Fortaco Group Holdco Oyj was owned by a fund managed by One Equity Partners (100%), which is therefore presented as the entity exercising control over the Group.

Employment benefits of the Group's Chief Executive Officer, other members of the management team and members of the Supervisory Board are presented in the table below. The management employment benefits presented in the table have been recognised as expenses during the financial year.

1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Key management of the Group		
Purchases from related parties	348	368
Entity with influence over the Group		
Purchases from related parties	76	87

1,000 EUR	1.1.-31.12.2025	1.1.-31.12.2024
Entity with influence over the Group		
Fund for invested non-restricted equity	20,000	10,000
Non-current borrowings	649	1,441

Compensation of the CEO, Group Management and the Supervisory Board		
1,000 EUR	2025	2024
Wages and other short-term employee benefits		
CEO*	388	1,168
Other Members of the Group's Management	1,155	810
Members of the Supervisory Board	93	93
Total compensation paid to key management personnel	1,636	2,071

*) The 2024 figure includes contractual compensation payable after the end of the Chief Executive Officer's service agreement, totalling EUR 701 thousand.

6.3. Collateral and contingent liabilities

Operating lease commitments – Fortaco Group as the lessor

The minimum lease payments receivable under non-cancellable other lease agreements as at 31 December are presented in the table below.

Lease agreements are accounted for in accordance with IFRS 16 and are described in more detail in Note 4.6 Leases.

Commitments, collaterals and mortgages

Security deposits mainly relate to deposits provided for leased properties of the Group in Finland and Poland.

Parent company guarantees have been issued in respect of obligations arising from the ordinary course of business of the subsidiaries.

Other guarantees and collateral have mainly been provided in respect of obligations arising from the Group's expansion investments.

Pledged loan receivables are presented at the nominal amount stated below.

6.4. Significant events after the reporting period

As announced on December 23, 2025, Markus Sjöholm became Chairman of the Supervisory Board as of January 1, 2026. Panu Routila, former Chairman, stepped down from Supervisory Board on the same date. Beginning January 1, 2026, Fortaco's Supervisory Board consisted of Markus Sjöholm (Chairman of the Supervisory Board), Lars Hellberg, Marc Lindhorst and Sebastian Schatton.

On 29 January 2026, it was announced that Senior Executive Vice President & CFO Kimmo Raunio would leave the company. His last date of employment is expected to be 30 April 2026. The recruitment process for the new CFO has been initiated.

In January 2026, the Group received a letter and a EUR 2 million claim invoice from its former factoring partner. The Group terminated the sale of receivables agreement in 2025 due to the partner's numerous and continuous breaches of contract. Fortaco has disputed the invoice received, and the discussions with the partner are ongoing. Since all claims have been contested, the Group has not made any provisions related to the matter.

On 24 February 2026, Fortaco revised its financial guidance for 2026 and withdrew the long-term financial outlook for 2027 that it had published on 2 April 2025.

Operating lease commitments, Fortaco Group as lessor		
1,000 EUR	31.12.2025	31.12.2024
Within one year	0	50
After one year but no more than five years	0	0
Total	0	50

Interest-bearing loans and given collaterals		
	31.12.2025	31.12.2024
Senior bond	134,282	127,500
Interest bearing loans and borrowings	1,700	7,200
Total	135,982	134,700
Business and real estate mortgages	490,174	477,260
Pledged IC loan receivables	148,357	138,357
Pledged shareholder loans	7,090	6,441
Total	645,621	622,058

1,000 EUR	31.12.2025	31.12.2024
Other receivables given as collateral deposit	508	497

Other financial commitments and guarantees		
1,000 EUR	31.12.2025	31.12.2024
Guarantees given to the Group companies	5,913	6,740
Guarantees	52,607	62,448
Collaterals	51,524	52,492
Total	110,044	121,680

Pledged shares	
Fortaco Group Holdco Oyj	100%
Fortaco Group Oy	100%
Fortaco Finland Oy	100%
Fortaco s.r.o.	100%
Fortaco Estonia OÜ	100%
Fortaco Sp. z o.o.	100%
Fortaco JL Sp. z o.o.	100%
Buisard S.A.S	100%
Fortaco France Holding	100%



**PARENT
COMPANY'S
FINANCIAL
STATEMENTS
(FAS)**

Parent Company - Income Statement

EUR	31.12.2025	31.12.2024
Other operating income	2,786,572	3,069,382
Materials	0	0
Staff expenses		
Wages and salaries	-1,547,867	-2,460,186
Social security expenses		
Pension expenses	-305,068	-233,953
Other social security expenses	-41,262	-38,817
Staff expenses, total	-1,894,198	-2,732,956
Other operating expenses	-1,547,264	-1,126,881
OPERATING PROFIT/LOSS	-654,890	-790,455
Financial income and expenses		
Other interest income and other financial income		
from group undertakings	12,928,436	13,266,550
from others	423,001	1,294,024
Interest and other financial expenses		
from others	-14,519,318	-15,571,169
Financial income and expenses, total	-1,167,881	-1,010,595
Profit (loss) before appropriations and taxes	-1,822,771	-1,801,050
Profit/loss for the financial year	-1,822,771	-1,801,050

Parent Company - Balance Sheet

EUR	31.12.2025	31.12.2024
ASSETS		
NON-CURRENT ASSETS		
Intangibles	9,804	0
Investments		
Investments in subsidiaries	51,828,020	51,828,020
Receivables from other group companies	148,356,959	138,356,959
Total investments	200,184,979	190,184,979
TOTAL NON-CURRENT ASSETS	200,194,783	190,184,979
CURRENT ASSETS		
Receivables		
Current		
Receivables from other group companies	41,330,046	24,919,671
Other receivables	13,306	15,393
Prepaid expenses and accrued income	164,655	32,012
Total current receivables	41,508,007	24,967,076
Cash and cash equivalents	17,647,811	19,123,738
TOTAL CURRENT ASSETS	59,155,819	44,090,814
ASSETS TOTAL	259,350,602	234,275,793

Parent Company - Balance Sheet

EUR	31.12.2025	31.12.2024
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000	80,000
Reserve for invested non-restricted equity	125,177,667	105,177,667
Retained earnings	-9,777,829	-7,976,779
Profit/loss for the financial year	-1,822,771	-1,801,050
EQUITY TOTAL	113,657,067	95,479,839
LIABILITIES		
Non-current liabilities		
Senior bond	134,081,605	127,500,000
Loans from related parties	7,089,927	6,441,063
Total non-current liabilities	141,171,532	133,941,063
Current liabilities		
Trade payables	435,213	277,689
Amounts owned to group undertakings	25,849	85,841
Other liabilities	717,472	67,369
Accrued expenses	3,343,468	4,423,992
Total current liabilities	4,522,002	4,854,891
TOTAL LIABILITIES	145,693,534	138,795,954
EQUITY AND LIABILITIES TOTAL	259,350,602	234,275,793

Parent company - Cash flow statement

EUR	1.1.-31.12.2025	1.1.-31.12.2024
Cash flow from operating activities		
Profit/-loss for the reporting year	-1,822,771	-1,801,050
Finance income and expenses	1,167,881	1,010,595
Adjustments	-654,890	-790,455
Change in trade and other receivables	-16,514,941	-20,393,028
Change in trade and other payables	-350,899	551,487
Changes in working capital	-17,520,730	-20,631,997
Interest paid	-6,409,824	-13,394,975
Interest received	13,299,364	13,269,604
Other paid financial expenses	-660,933	146,005
Total cash flow from operating activities	-11,292,123	-20,611,362
Cash flow from investment activities		
Investments in tangible and intangible assets	-9,804	0
Investment in subsidiary shares	0	142,254
Loans granted	-10,000,000	0
Used collateral deposit	0	49,841
Total cash flow from investing activities	-10,009,804	192,095
Cash flow from financing activities		
Share capital and invested unrestricted equity reserve issues	20,000,000	10,000,000
Proceeds of non-current loans	0	29,453,675
Repayments of non-current loans	-174,000	0
Total cash flow from financing activities	19,826,000	39,453,675
Change in cash and cash equivalents	-1,475,927	19,034,408
Cash and Cash equivalents at the beginning of the accounting period	19,123,738	89,330
Cash and cash equivalents at end of period	17,647,811	19,123,738



PARENT COMPANY DISCLOSURE TO THE FINANCIAL STATEMENTS

Auditor's fee	1.1.-31.12.2025	1.1.-31.12.2024
Audit	-211,944	-170,200
Other services	-118,972	-16,799
Total	-330,916	-186,999

Personnel	1.1.-31.12.2025	1.1.-31.12.2024
Average number of employees	16	17

Information of subsidiary		
Name	Registered office	Ownership %
Fortaco Group Oy	Vantaa	100%

Salaries and bonuses for management	1.1.-31.12.2025	1.1.-31.12.2024
CEO*)	387,838	1,063,508
Members of the Supervisory Board	92,800	93,000

*) The 2024 figure includes contractual compensation payable after the end of the Chief Executive Officer's service agreement, totalling EUR 701 thousand.

Other operating expenses	1.1.-31.12.2025	1.1.-31.12.2024
Travelling and representation	-415,875	-298,175
External services	-779,911	-654,754
Other expenses	-351,479	-173,950
Total	-1,547,264	-1,126,880

Financial income and expenses	1.1.-31.12.2025	1.1.-31.12.2024
Interest and other financial income from Group companies	12,928,436	13,266,550
Interest and other financial income from others	423,001	3,055
Interest expenses to others	-13,856,847	-14,426,205
Direct expert fees related to financing arrangements	-661,015	-1,197,958
Other financial income and expenses	-1,455	1,343,963
Total	1,167,881	-1,010,595

Notes to the Income Statement

Accounting policy

The financial statements of Fortaco Group Holdco Oy have been prepared in accordance with the Finnish Accounting Act and other regulations and guidelines governing the preparation of financial statements in force in Finland.

Valuation principles and methods

Trade receivables, loan receivables and other receivables recognised as assets are measured at their nominal value or, if lower, at their probable recoverable amount.

The Company's principal financial liabilities consist of bonds and loans from related parties. Upon initial recognition, financial liabilities are measured at fair value. Subsequently, financial liabilities are measured at amortised cost.

Translation of foreign currency items

Foreign currency transactions are recognised in the balance sheet using the exchange rate prevailing at the balance sheet date and in the income statement using the exchange rate prevailing at the invoice date.

Notes to the Balance Sheet

Receivables from group companies	31.12.2025	31.12.2024
Long-term		
Loan receivables	148,356,959	138,356,959
Total	148,356,959	138,356,959
Short-term		
Trade receivables	9,849,222	6,367,283
Accrued income	31,480,824	18,552,388
Total	41,330,046	24,919,671

Material items of accrued	31.12.2025	31.12.2024
Prepayments	138,665	32,012
Others	25,990	0
Total	164,655	32,012

The Company issued a publicly listed bond with a nominal value of EUR 25.0 million in March 2024 as part of the bond issued in 2022 (ISIN: NO0012547274). At the end of 2024, the total nominal value of the outstanding bonds amounted to EUR 134.1 million. The principal is repayable in full at maturity. The interest rate on the bond consists of a margin of 7.00% plus the three-month EURIBOR reference rate.

Loans from related parties include a shareholder loan of EUR 7.1 million received from the Group's owner. The loan is subordinated to the bond.

The Company has one class of shares. Each share entitles the holder to one vote at the General Meeting. The shares have no nominal value.

Amounts owned to group	31.12.2025	31.12.2024
Short-term		
Trade payables	25,849	85,841
Total	25,849	85,841

Material items of accrued liabilities	31.12.2025	31.12.2024
Wages and social security expenses	283,094	238,252
Interests	2,719,073	2,701,063
Other	341,301	1,484,677
Total	3,343,468	4,423,992

Collaterals and contingent liabilities	31.12.2025	31.12.2024
Debts secured by mortgages		
Senior bond	134,081,605	127,500,000
Pledged loan receivables from group companies	148,356,959	148,356,959
Pledged shareholder loans	7,089,927	6,441,063
Total	155,446,886	154,798,022

Pledged shares	31.12.2025	31.12.2024
Fortaco Group Holdco Oyj	100%	100%
Fortaco Group Oy	100%	100%
Pledged bank accounts	49,841	49,841

Equity	31.12.2025	31.12.2024
Share capital 1.1.	80,000	80,000
Share capital 31.12.	80,000	80,000
Total restricted equity	80,000	80,000
Reserve for invested non-restricted equity 1.1.	105,177,667	95,177,667
Additions	20,000,000	10,000,000
Reserve for invested non-restricted equity 31.12.	125,177,667	105,177,667
Retained earnings 1.1.	-9,777,829	-7,976,779
Retained earnings 31.12.	-9,777,829	-7,976,779
Net result for the period	-1,822,771	-1,801,050
Distributable equity 31.12.	113,577,067	95,399,838
Total Equity 31.12.	113,657,067	95,479,838

Distributable unrestricted equity	31.12.2025	31.12.2024
Reserve for invested non-restricted equity	125,177,667	105,177,667
Retained earnings	-9,777,829	-7,976,779
Net result for the period	-1,822,771	-1,801,050
Total	113,577,066	95,399,839

The number of shares by share class and the principal regulations under the Articles of Association regarding each share class, as well as information about owned shares	
Registered	Pcs
Shares	1,000
Total	1,000



SIGNATURES

Signatures of the Board of Director's Report and Financial Statements

Vantaa 20 March 2026

Mika Mahlberg

The Auditor's Report

A report on the audit performed has been issued today.

Helsinki 20 March 2026

Ernst & Young Oy, Authorized Public Accountant Firm

Anders Svennas, Authorized Public Accountant

AUDITOR'S REPORT

(Translation of the Finnish Original)

To the Annual General Meeting of Fortaco Group Holdco Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fortaco Group Holdco Plc (business identity code 3281147-3) for the year ended 31 December 2025. The financial statements comprise of the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

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

Our opinion is consistent with the additional report submitted to the Board of Directors and Supervisory Board.

Basis for Opinion

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

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws

and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. Non-audit services to the parent company or the subsidiaries are disclosed in the note 2.4 of the consolidated financial statements and in the disclosures to the income statement in the parent company.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

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

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

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition</p> <p><i>We refer to note 2.1 in Consolidated financial statements (Net sales).</i></p> <p>The Group focuses on revenue as a key performance measure which could create the incentive for revenue to be recognized before the customer obtains control of the goods or services. Due to the subsidiaries being relatively independent, their management may also have an opportunity to overstate revenues. Based on above correct timing of revenue recognition was a key audit matter.</p> <p>Correct timing of revenue recognition was also a significant risk of material misstatement referred to in EU Regulation No 537/2014 point (c) of Article 10(2).</p>	<p>Our audit procedures to address the risk of material misstatement relating to revenue recognition, included, among others:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policies over revenue recognition against applicable accounting standards. • Familiarizing ourselves with the Group's different revenue streams and sales processes, partly by applying data-analytical methods. • Testing the cut-off of revenue with analytical procedures supplemented with tests on a transaction level either side of the balance sheet date. • Evaluation of the appropriateness of the Group's disclosures in respect of revenues.
<p>Valuation of goodwill and intangible assets</p> <p><i>We refer to note 4.8 in Consolidated financial statements (Goodwill impairment testing).</i></p> <p>At the balance sheet date, the value of goodwill and intangibles amounted to 63,0 M€ (68,0 M€) representing 20,6 % (22,2 %) of the total assets.</p> <p>Procedures regarding management's annual impairment test were a key audit matter because the valuation includes estimates. The Group management use assumptions in respect of future market and economic conditions such as revenue and margin developments.</p> <p>Valuation of goodwill and intangible assets was also a significant risk of material misstatement referred to in EU Regulation No 537/2014 point (c) of Article 10(2).</p>	<p>Our audit procedures to address the risk of material misstatement relating to valuation of goodwill and intangible assets included among others:</p> <ul style="list-style-type: none"> • Involvement of EY valuation specialists to assist us in evaluating methodologies, impairment calculations and underlying assumptions applied by the management in impairment testing. • Testing of the mathematical accuracy of the impairment calculations. • We focused on how much recoverable amounts exceeded the carrying amounts of cashgenerating units, and whether any reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. • We assessed the adequacy of the Group's disclosures about goodwill and intangible assets.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 15 August 2022, and our appointment represents a total period of uninterrupted engagement of 4 years. Fortaco Group Holdco Plc became a Public Interest Entity on 23 May 2023.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we 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.

Helsinki 20.3.2026

Ernst & Young Oy
Authorized Public Accountant Firm

Anders Svennas
Authorized Public Accountant

ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT

(Translation of the Finnish original)

To the Annual General Meeting of Fortaco Group Holdco Oyj

We have performed a limited assurance engagement on the group sustainability statement of Fortaco Group Holdco Oyj (business identity code 3281147-3) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- 1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Fortaco Group Holdco Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited

assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Authorized Group Sustainability Auditor* section of our report.

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

Other Matter

We draw attention to the fact that the group sustainability statement of Fortaco Group Holdco Oyj, prepared in accordance with Chapter 7 of the Accounting Act, has been prepared and assured for the first time for the financial year January 1–December 31, 2024. Our opinion covers the comparative information that has been presented in the group sustainability statement for January 1–December 31, 2024, but not any other comparative information. Our opinion is not modified in respect of this matter.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The Authorized Group Sustainability Auditor applies International Standard on Quality Management ISQM 1, which requires the Authorized Sustainability Audit 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.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Fortaco Group Holdco Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by the fact that reporting of this type of information involves estimates and assumptions, as well as measurement and assessment uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

When reporting future-related information in accordance with the ESRS standards, the company's management must present assumptions regarding possible future events and disclose the company's potential future actions related to these events, as well as prepare future-related information based on these assumptions. The actual outcome is likely to differ, as predicted events often do not occur as expected.

Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. 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 decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. 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.

Our procedures included for ex. the following:

- We have interviewed the management of the group as well as key personnel responsible for collecting and reporting of the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided from the double materiality assessment is in material respects in accordance with the ESRS standards.
- We assessed whether the group sustainability statement in material respects meets the requirements of the ESRS standards regarding material sustainability topics:

- We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis to the documentation and records prepared by the company and assessed whether they support the information included in the group sustainability statement.
- We have on a sample basis performed analytical assurance procedures and related inquiries, recalculations and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- Regarding EU Taxonomy data, we gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided.

Helsinki 20.3.2026

Ernst & Young Oy
Authorized Sustainability Audit Firm

Anders Svénnas
Authorized Sustainability Auditor

THE WAY FORWARD

FORTACO

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