

# Annual Report 2025



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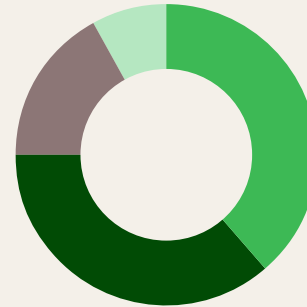
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# This is Musti Group

Musti Group is the leading Nordic pet care specialist operating in Finland, Sweden, Norway, and from 2024 onwards also in the Baltics. Our mission is to make the life of pets and their parents easier, safer and more fun throughout the entire lifespan of the pet. We are a full-service product provider and operator for our customers – both physically and digitally. We believe that a full-service ecosystem offers a unique value proposition that enhances and strengthens strong customer relationships and sets us apart from our competitors. Musti Group's net sales were EUR 508,9 million in the financial year 2025. At the end of the financial year 2025, the company had 3,954 employees, 1,8 million customers and 497 stores.

As a part of Sonae Group, Musti Group continues the sustainable growth path expanding in the Nordics and the Baltic region. The latest step on the international growth path was the acquisition of Zu, which operates 65 pet stores and 24 vet clinics in Portugal

Net sales by country, %



- Finland, 39%
- Sweden, 37%
- Norway, 17%
- New Markets, 8%

NPS

**80.1**

Net sales in financial year 2025

EUR

**508.9**

million

Directly operated stores

**495**

Franchise stores

**2**

Finland

**136**

stores

Sweden

**138**

stores

Norway

**91**

stores

Baltics

**67**

stores

Portugal

**65**

stores



# Musti's year

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# Key figures

## Key figures

EUR millions or as indicated	1-12/2025	10/2023-12/2024
Net sales	508.9	425.7
Adjusted EBITA	20.6	42.6
Adjusted EBITA margin, %	4.0%	10.0%
Operating profit	6.8	37.8
Earnings per share, basic, EUR	-0.11	0.79
Net debt / LTM adjusted EBITDA	3.4	1.90
Number of loyal customers, thousands	1.870	1.866
Number of stores at the end of the period	495	342

The periods are not comparable as FY2024 was exceptionally 15 months.

**1,870**  
thousand

Loyal customers on  
December 31, 2025  
(1,866 thousand)

**51.3%**

Own and Exclusive  
share (51.2%)

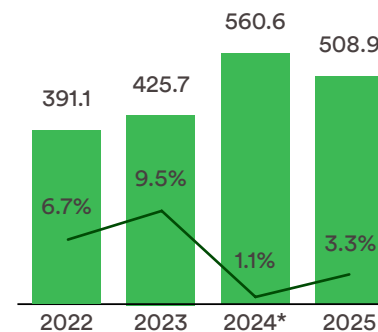
**22.9%**

Online share of  
net sales (24.3%)

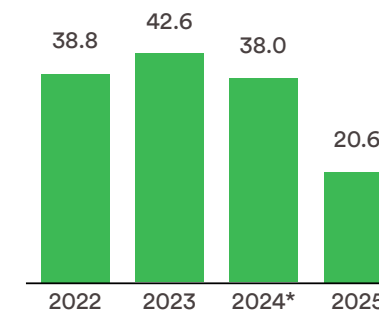
**3,954**

Personnel on  
December 31, 2025  
(31 Dec 2024: 3,372)

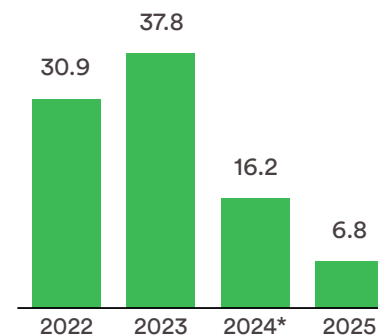
Net sales, EUR million  
and like-for-like sales  
growth, %



Adjusted EBITA, EUR million

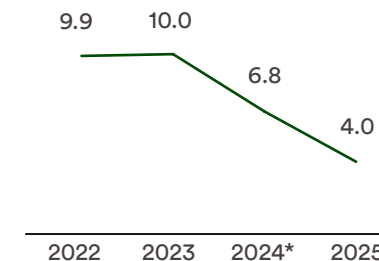


Operating profit, EUR million



\*15 months' financial year

Adjusted EBITA margin, %



# CEO review

**2025 was a rebound year for Musti. Our strategic initiatives coupled with steadily improving consumer confidence delivered sales growth significantly above market at 14.4% extending our market leadership and seeing sales break through €500M for the first time, reinforcing that our offering of top-quality, good value food and accessories, supportive pet care and vet clinic services, and our fast and easy to use online offer is meeting the ever-changing needs of an informed consumer.**

I am super proud of our team and their achievements – continued strong sales and gross margin growth; successful integration of new markets; the launch of new brands; increased food production capacity; expanded TAM with the move into a new market; successful investment to strengthen Musti's IT and logistics backbone. All enhance value creation opportunities as we continue to determinedly develop Musti's market leadership.

We continued to invest in our pet food factory in Lieto Finland. This investment has increased our commitment to sustainably produced products. The factory combines the ability to respond to the increased demand for locally and sustainably produced products along with enhancing our profitability by insourcing the production of our own brands.

The integration of Pet City is in the final stage; the process teaching us valuable lessons. Enhancing the Pet City ecosystem and optimizing their assortment will deliver increased growth and profitability in 2026. These lessons will prove invaluable as we look to expand our presence in the European pet market the acquisition of ZU in Portugal the next step on this journey.

While we are proud of our marketshare gains, strengthening gross margin and market expansion, the team and I are disappointed in our flow through profitability yet believe that the investments being made in productivity enhancements and backbone tools will support profitability growth in 2026 and beyond. Our growth, these investments, strengthening consumer confidence and our expanded TAM post our investments in the Baltics (2024) and Portugal (2025) give us confidence and increased excitement for 2026.

Our primary focus is and always will be to provide the best possible advice and support to our Pet Parent customers. We recognize that without their trust and loyalty we would not be where we are today.

To our almost 4,000 Musti Pack members - on behalf of our shareholders, our Board, our Group management team and myself, thank you for your tireless commitment to support our customers and their pets.

**David Rönnerberg**  
CEO



# Strategy

**Our strategy is to continue developing the Musti concept and value proposition in our established markets and to seek opportunities outside the existing markets. We aim to serve existing customers better and to acquire new customers, with focus on Pet Parents.**

## Winning new customers

Musti Group is well positioned to continue our track record of winning new customers from the large and growing European pool of dogs and cats. Success in new customer acquisition is a key driver of continued market share gain across our existing markets. Acquisition of puppies and kittens is especially important from a lifetime value perspective. This is supported by our concept, our leading brand awareness, and customer focus. The underlying pet parenting trend, favoring Musti Group's concept, continues strong.

## Grow share of wallet

Growing the share of wallet within our customers is a clear opportunity for Musti Group. To deepen the engagement of our customers, Musti is developing an ecosystem approach for pet parents with an 'All you need is Musti' mentality across the pet lifecycle. Supported by data we are able to customize our value proposition to individual needs of Nordic pets and their parents.

Rolling 12 months average spend per loyal customer increased to EUR 220.4 in financial year 2025 (EUR 209.1 in 2024).

## Expand store network and number of service points

Musti Group has the largest pet specialty store footprint in the Nordic countries. Expansion investments come with long term benefits, as the number of directly operated stores has increased from 231 end of financial year 2020 to 497 after financial year 2025. Along with expanding the store network, Musti Group has invested into adding services to our network.

The acquisition of ZU in late 2025 and the acquisition of Pet City in 2024 are the start of our expansion outside our home market in the Nordics. Our omnichannel business model has a proved track record and we are confident that it can be implemented outside our current home markets.

## Focusing on driving gross margins through increased O&E share and leveraging scale

A core element of Musti Group's strategy is developing the offering of own and exclusive products sold only in Musti Group's channels. This comes with three main benefits of the uniqueness of our offering, loyalty especially in food and other consumable categories, and higher gross margin profile. Musti Group has strong historical track record in driving gross margin improvement. Own



and exclusive brands are a cornerstone of our high gross margins as these brands typically carry 10–15%-points higher margins compared to global brands. In financial year 2025, gross margin increased to 44.0% (43.6%). Share of sales of own and exclusive brands was 51.3% (51.2%) during the year.

### **Leveraging broadly invested platform to drive operating leverage and scale benefits**

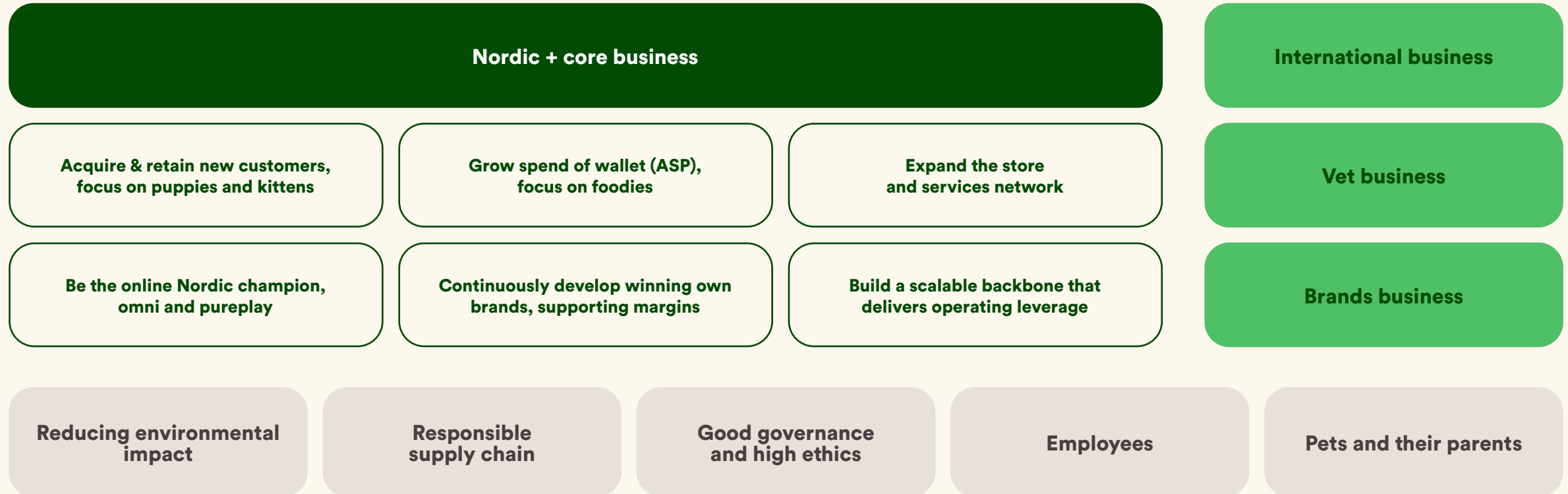
Significant investments to Musti Group's IT, digital platforms, warehouse and production facility are expected to drive increased operating leverage and scale benefits to further increase Musti Group's profitability as topline growth is expected to continue while fixed costs may be spread across larger net sales

### **Profitability and Growth strategy is enabled by sustainability**

The wellbeing of our pet customers and their parents is the core of our daily work as well as the wellbeing of our highly qualified staff in the stores, clinics and offices. The quality and the responsible supply chain of our products, continuous work to reduce the environmental impact of our operations combined with good governance and high ethics, will deliver value to all stakeholders.



# Musti strategy embedded by sustainability



# Countries of operation

## Finland

Finland is Musti Group's most mature market. Our network has nationwide coverage, and most Finnish pet parents are within convenient reach of one of the 136 Musti stores, which are typically located at high-traffic locations such as large hypermarkets and popular retail areas. Management continuously seeks opportunities to further optimize convenience to better meet the need of pet parents.

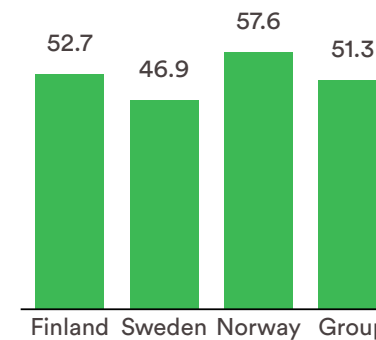
In Finland, our focus is on both serving existing customers better to increase share of wallet and to continue winning new customers, both of which support like-for-like growth. Musti Group's brands in Finland include Musti ja Mirri (store and omnichannel) and Peten Koiratarvike (online focus complemented by select stores).

## Sweden

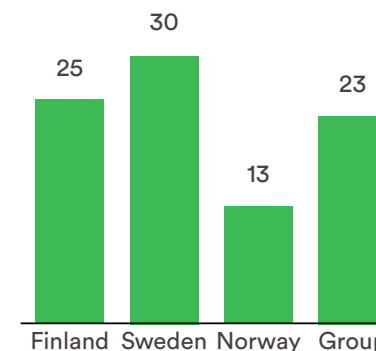
Musti Group has been present in Sweden since 2010 and is today the Swedish market leader with 138 stores complemented by omnichannel through the brands Arken Zoo (store, omnichannel and veterinary clinics) and VetZoo (online focus). Our goal in Sweden is continuous, strong like-for-like growth across all channels through customer acquisition and gaining share of wallet, continued network expansion and strong margin improvement.

In Sweden, our focus is on continued customer acquisition and network expansion as we see further room to increase our reach in the larger Swedish market when compared to our more mature Finnish benchmark.

**Own & Exclusive share of net sales, %**



**Online share of net sales, %**



## Norway

Musti Group entered Norway in late 2016 and has reached market leadership with presence in 91 local communities complemented by our omnichannel offering. Our brands in Norway are Musti (store, services and omnichannel) and VetZoo (online).

Norway remains a more fragmented market where Musti Group holds a market leading position, yet lower market share compared to Finland and Sweden. Therefore our focus is to continue on the path of market share gains through continued customer acquisition supported by further store roll-out into more communities, and on increasing country profitability as the network matures.

## Estonia

Musti Group expanded into Estonia in late 2024 with the acquisition of Pet City, a pet supply chain operating in the Baltic countries. In Estonia, the Pet City network includes 24 retail stores and eight veterinary clinics.

## Latvia

Musti Group expanded into Latvia in late 2024 with the acquisition of Pet City, a pet supply chain operating in the Baltic countries. In Latvia, the Pet City network includes 16 retail stores and four veterinary clinics.

## Lithuania

Musti Group expanded into Lithuania in late 2024 with the acquisition of Pet City, a pet supply chain operating in the Baltic countries. In Lithuania, the Pet City network includes 11 retail stores and four veterinary clinics.

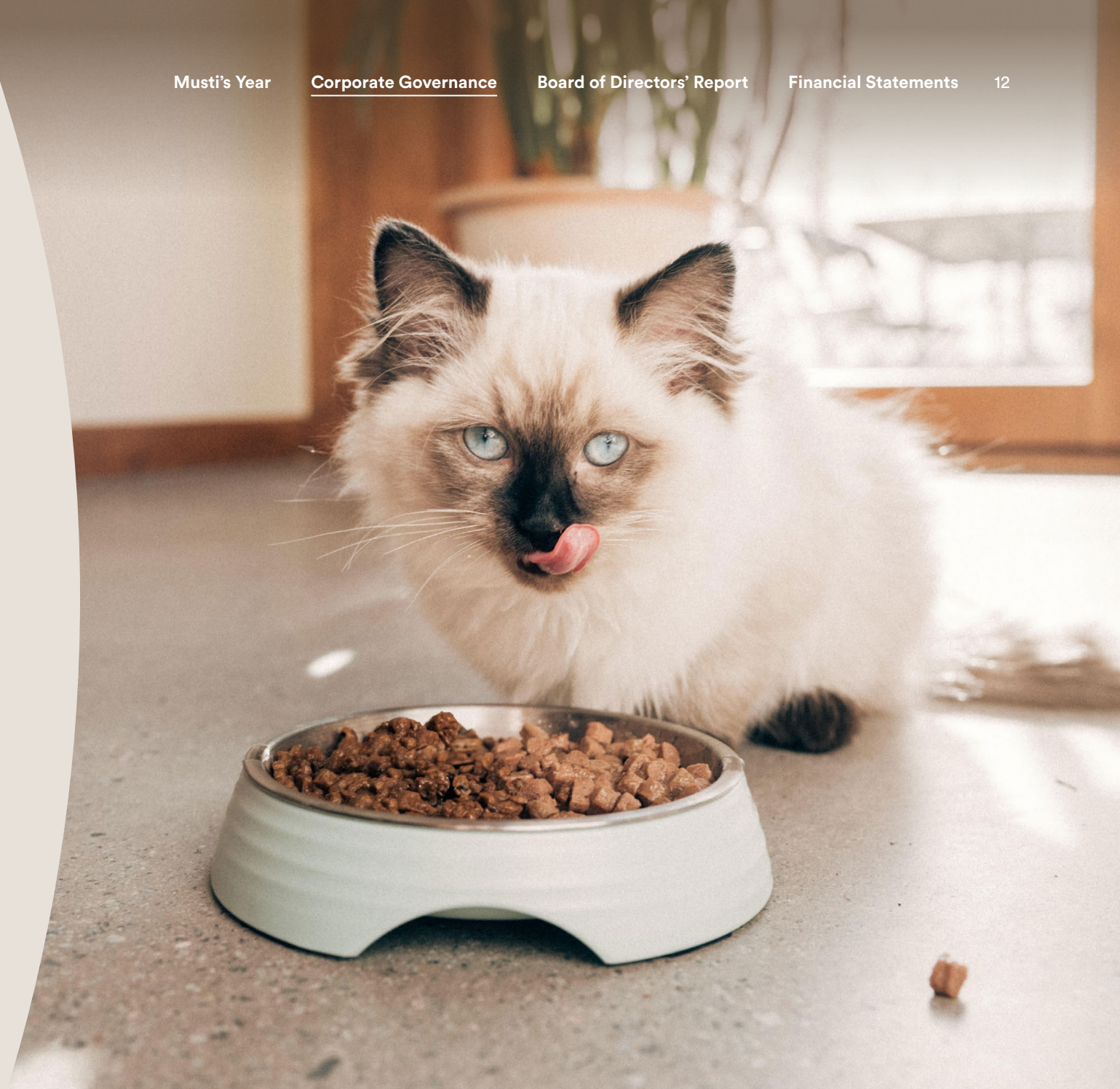
## Portugal

Musti Group expanded into Portugal in late 2025 with the acquisition of ZU, a pet supply chain operating in Portugal. The ZU network includes 65 retail stores of which 24 provide veterinary services.



# Corporate Governance

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# Board of directors

as of 31 December 2025

## Maria Cláudia Teixeira de Azevedo



**Chairman of the Board**  
b. 1970, female  
Portuguese citizen

Bachelor's degree  
Management

Chairman of the Board  
of Directors since  
2024. Chairman of the  
Remuneration Committee  
since 2024.

Independent of the  
company but not of its  
major shareholders.

## Jeffrey David



**Vice-Chairman of the Board**  
b. 1964, male  
Australian citizen

Member of the Board  
of Directors since 2016.  
Chairman of the Board  
of Directors from 2017  
to 2024. Member of the  
Remuneration Committee  
since 2024.

Independent of the  
company but not of its  
major shareholders.

## Johan Dettel



**Member of the Board**  
b. 1978, male  
Swedish citizen

Master's degree in Industrial  
Engineering & Management

Member of the Board  
of Directors since 2022.  
Member of the Audit  
Committee since 2024.

Independent of the  
company but not of its  
major shareholders.

## João Pedro Magalhães da Silva Torres Dolores



**Member of the Board**  
b. 1980, male  
Portuguese citizen

Degree in Economics,  
Postgraduate Diploma in  
Business Management and  
MBA

Member of the Board  
of Directors since 2024.  
Member of the Audit  
Committee since 2024.

Independent of the  
company but not of its  
major shareholders.

## Joanna Hummel



**Member of the Board**  
b. 1975, female  
Swedish citizen

Master's degree in Finance  
and Economics from  
Stockholm University.

Member of the Board of  
Directors since April 29,  
2025.

Independent of the  
company and its significant  
shareholders.

## Tiina-Liisa Liukkonen



**Member of the Board**  
b. 1978, female  
Finnish citizen

Master's degree in Economics  
from the University of  
Jyväskylä and an MBA  
Executive degree from the  
Aalto Executive Education  
program.

Member of the Board of  
Directors since April 29, 2025.  
She serves as the Chair of the  
Audit Committee.

Independent of the company  
and its significant shareholders.

## Eduardo Piedade



**Member of the Board**  
b. 1978, male  
Portuguese citizen

Degree in Management from  
the School of Economics at  
the University of Porto and  
an MBA with distinction from  
the London Business School.

Member of the Board of  
Directors since September  
18, 2025. Member of the  
Remuneration Committee.

Independent of the company  
but not independent of its  
major shareholder.

# Management Team

as of 31 December 2025

**David Rönnerberg**



**Chief Executive Officer**  
b. 1977, male  
Master's degree in Finance

**Robert Berglund**



**Chief Financial Officer**  
b. 1977, male  
Master's degree in Economics

**Sami Tanner**



**Head of Strategy**  
b. 1981, male  
Master's degree in Economics, CEMS  
Master's degree in International Management

**Daniel Petterson**



**Head of Nordics and the Baltics**  
b. 1977, male  
Bachelor's degree in Industrial Economics

**Annamaija Hujala**



**Head of Pureplay**  
b. 1969, female  
Master's degree in Philosophy

**Ellinor Persdotter Nilsson**



**Chief Commercial Officer**  
b. 1979, female  
Master's degree in Economics

**Pamela Nelimarkka**



**Chief Operating Officer**  
b. 1982, female  
Master's degree in Business Administration

**Nanna Martin-Löf**



**Head of Human Resources**  
b. 1977, female  
Bachelor's degree in Personnel, Work and Organisation as well as a degree in selected Law studies

**Malin Nygren**



**Chief Customer Officer**  
b. 1974, female  
Master's degree in Business Economics,  
Master's degree in Computer Science

# Corporate Governance Statement

## I. Introduction

Musti Group plc ('Musti Group' or 'Company') is committed to good corporate governance through compliance with laws and regulations in all its operations and to implementing recommendations for good corporate governance. The governance of the Musti Group complies with the Company's Articles of Association, Finnish and EU laws and regulations, in particular the Finnish Companies Act, the Accounting Act, securities markets regulations and other decrees and regulations relevant to the governance of a public limited liability company. Furthermore, Musti Group's operations are guided internal operating principles.

In its governance, Musti Group also complies with the Finnish Corporate Governance Code for listed companies ('Code') issued by the Securities Market Association in 2025. Musti Group has not deviated from the recommendations of the Code. Following Joanna Hummel's resignation from the Board of Directors in February 2026, Musti Group is currently deviating from recommendation 10 of the Code, which provides that the Board of Directors shall comprise at least two members who are independent of both the company and its significant shareholders.

The Code is available on the Internet at [www.cgfinland.fi](http://www.cgfinland.fi).

This Corporate Governance Statement has been prepared in accordance with the recommendations of the Code. The Audit Committee of Musti Group's Board of Directors has reviewed this Corporate Governance Statement. The Company's external auditor has reviewed that this Corporate Governance Statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process are consistent with the financial statements.

## II. Descriptions concerning corporate governance

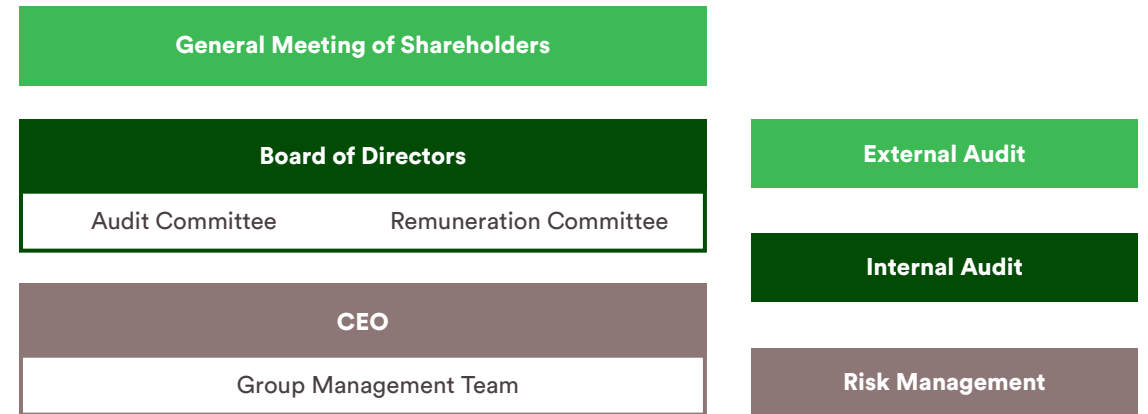
Musti Group is a company founded in Finland and is registered in the Finnish Trade Register maintained by the Finnish Patent and Registration Office as a public limited liability company. Musti Group operates under Finnish law and is listed on the official list of Nasdaq Helsinki.

The group consists of its parent company, Musti Group plc and several group companies in Finland, Sweden, Norway, Estonia, Latvia, Lithuania and Portugal. The parent company is responsible for the management and governance of the Group, and the group companies are responsible for operative

actions. Musti Group's reporting segment structure is based on a geographical division. On this basis, Finland, Sweden, Norway and Portugal have been designated as their own operating segments and the Baltic countries are reported under the segment called New Markets.

The management and control of Musti Group is divided between the General Meeting of shareholders, the Board of Directors, and the Chief Executive Officer ("CEO"). General Meeting of the shareholders is the ultimate decision-making authority. Every shareholder has the right to attend the General Meeting and participate in decision making by voting. Each share entitles the holder to one vote. Decisions at the General Meetings are primarily made by a simple majority of votes, except in certain cases specified by the Finnish Companies Act (e.g. amending the Articles of Association).

### Musti Group governance bodies



## 1. General Meeting

A General Meeting is convened by the Board of Directors. According to the Articles of Association, the Annual General Meeting ("AGM") shall be held in Helsinki within six months from the close of the financial year on a date decided by the Board of Directors. Usually, AGM is held at the end of April.

At the Annual General Meeting, the shareholders resolve on the adoption of the financial statements, decide on the distribution of dividend, elect the members of the Board of Directors and the external auditor, and determine their remuneration, as well as decide on amendments to the Articles of Association if necessary.

Annual general meeting was held on 29 April 2025. Shareholders were also able to exercise their voting rights by voting in advance or by way of proxy representation. Extraordinary general meeting was held on 18 September 2025 in Helsinki. Shareholders were also able to exercise their voting rights by voting in advance or by way of proxy representation.

The materials of the general meetings are available on Musti Group's [website](#).

## 2. Board of Directors

### Composition, diversity and shareholding of the Board of Directors

According to Musti Group's Articles of Association, the Board of Directors consists of a minimum of 3 and a maximum of 10 ordinary members. The term of office of the Board of Directors expires at the end of the first Annual General Meeting of shareholders following the election. The Board of Directors prepares the proposal for the composition of the Board of Directors to the General Meeting of shareholders based on the discussions between the major shareholders and the Chair of the Board of Directors.

When preparing the proposal for the composition of the Board of Directors, the Board of Directors considers the Company's business requirements and development and the Company's strategy. The main objective is to ensure that the composition of the Board of Directors supports the Company's business operations and strategy in the best possible way. Diversity of the Board of Directors supports reaching this objective. Diversity is considered from different angles. The most relevant factors for the Company are the members' mutually complementary know-how, education, and experience in different fields of business as well as the personal attributes of the members. Musti Group aims to have both genders equally represented in the Board, and to have members with experience from different geographical areas. The progress in achieving the objectives is reviewed regularly. A candidate elected to the Board of Directors must have the required competence for the position, and a sufficient amount of time for attending to the duties of the position.

The Annual General Meeting decided that the number of members of the Board of Directors shall be seven (7). The Annual General Meeting decided that Joanna Hummel and Tiina-Liisa Liukkonen are elected as new members, and Maria Cláudia Teixeira de Azevedo, João Pedro Magalhães da Silva Torres Dolores, João Nonell Günther Amaral, Jeffrey David, and Johan Dettel are re-elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting.

Musti Group Plc's Extraordinary General Meeting was held on 18 September 2025 in Helsinki. The Extraordinary General Meeting decided that the number of members of the Board of Directors shall be seven (7).

Member of the Company's Board of Directors João Nonell Günther Amaral resigned from the Company's Board of Directors on 28 August 2025. The Extraordinary General Meeting elected Eduardo Piedade as a new ordinary member of the Board of Directors. No other changes to the composition of the Company's Board of Directors were made, and the other current members of the Board of Directors will continue in their positions.

In its organizing meeting held following the Extraordinary General Meeting, the Board of Directors of Musti Group Plc decided that Cláudia Azevedo will continue to serve as the Chair of the Board of Directors and Jeffrey David as the Vice-Chair of the Board of Directors.

Moreover, the Board of Directors appointed members to its Audit Committee and Remuneration Committee.

Tiina-Liisa Liukkonen will continue to serve as the Chair of the Audit Committee and João Dolores and Johan Dettel as other members of the Audit Committee. Cláudia Azevedo will continue to serve as the Chair of the Remuneration Committee and Jeffrey David as a member of the Remuneration Committee. Furthermore, Eduardo Piedade was elected as a member of the Remuneration Committee.

Composition and shareholdings of the Board of Directors on 31 December 2025:

Name	Year of Birth	Position	Member since	Attendance	Shareholding
Claudia Azevedo	1970	Chair	2024	9/10	0
Jeffrey David	1964	Vice Chair	2016	8/10	0
Johan Dettel	1978	Member	2022	9/10	0
João Dolores	1980	Member	2024	9/10	0
Joanna Hummel	1975	Member	2025	9/9	0
Tiina-Liisa Liukkonen	1978	Member	2025	9/9	0
Eduardo Piedade	1978	Member	2025	3/4	0



### **Maria Cláudia Teixeira de Azevedo**

#### **Chair of the Board**

Independent of Musti Group Plc but not independent of its major shareholder.

Cláudia Azevedo has been a member of Musti Group's Board of Directors since 12 April 2024. She is the Chief Executive Officer of Sonae – SGPS, S.A., where she leads the Group's overall strategy and portfolio development across its diversified businesses. She also serves as Chair of the Board of Directors of several Sonae portfolio companies.

Throughout her career within the Sonae Group, Cláudia Azevedo has held a range of executive and board positions across retail, real estate, telecommunications, and investment businesses. She has extensive experience in strategy, investment management, and corporate governance, and has led complex organizations in both domestic and international markets.

She holds a bachelor's degree in Management from Universidade Católica Portuguesa and an MBA degree from INSEAD. She is a Portuguese citizen.



### **Jeffrey David**

#### **Vice-Chair of the Board**

Independent of Musti Group Plc but not independent of its major shareholder.

Jeffrey David has been a member of Musti Group's Board of Directors since 2016 and was Chairman of the Board during 2017-2024. In addition, Mr. David is a Board member of Greencross Limited – Australia. He is an Australian citizen.



### **Johan Dettel**

#### **Member of the Board**

Independent of Musti Group Plc but not independent of its major shareholder.

Johan Dettel has been a member of Musti Group's Board of Directors since 27. January 2022. Mr Dettel is also a Board member of ECODC Holding AB (and affiliates), Fiber Opportunity Partners AB, Konstmässan Market AB, Ventuso Holding AB (and affiliates), Quila Capital AB, Vaser Fastighets AB (and affiliates) and Arte Collectum AB (and affiliates). In addition, during the last five years he has been a Board member of Epidemic Sound AB and Iver Group AB. Mr Dettel holds a Master of Science degree in Industrial Engineering & Management from the Linköping Institute of Technology, and he is a Swedish citizen.



### **João Pedro Magalhães da Silva Torres Dolores**

#### **Member of the Board**

Independent of Musti Group Plc but not independent of its major shareholder.

João Dolores has been a member of Musti Group's Board of Directors since 12 April 2024. He is Chief Financial Officer of Sonae – SGPS, S.A., with responsibility for the Group's financial management, corporate strategy and capital allocation. He serves as Chair and board member of several companies within the Sonae Group, across retail, telecommunications, real estate, and investment businesses.

Throughout his career, João Dolores has held a range of senior financial and board positions, developing extensive experience in corporate finance, investment management, and governance across diversified and international operations.

He holds a degree in Economics from the University of Porto, and an MBA degree from the London Business School. He is a Portuguese citizen.



### Joanna Hummel

#### Member of the Board

Independent of the company and its significant shareholders.

Joanna Hummel has served as a member of Musti Group's Board of Directors since April 29, 2025. In addition, she serves as a Board member of Apotea AB, BHG Group AB, Viva Wine Group AB, and Nordic Nest AB. Earlier in her career, Hummel held positions as General Manager of Nordics and Baltics at Zalando SE, Managing Director of Afound (part of H&M Group), and senior management roles at Lyko AB, Kicks Group AB, and Axstores AB. She has also worked as an auditor at EY. Hummel holds a Master's degree in Finance and Economics from Stockholm University and is a Swedish citizen. Hummel has resigned from Musti Group's Board of Directors in February 2026.



### Tiina-Liisa Liukkonen

#### Member of the Board

Independent of the company and its significant shareholders.

Liukkonen has been a member of the Musti Group Board of Directors since April 29, 2025. She serves as the Chair of the Audit Committee. Liukkonen is the Chief Finance and Information Officer of Olvi Oyj. Liukkonen is also a board member of Säästöpankki Optia and Savon Voima Oyj, and participates in regional business projects. Liukkonen holds a Master's degree in Economics from the University of Jyväskylä and an MBA Executive degree from the Aalto Executive Education program. She is a Finnish citizen.



### Eduardo Humberto dos Santos Piedade

#### Member of the Board

Independent of Musti Group Plc, but not independent of its major shareholder.

Eduardo Piedade has served as Chief Development Officer of Sonae – SGPS, S.A. since July 2025. He joined Sonae in 2001 and has held several senior roles within the Group, including Strategic Planning Manager, Secretary to the Executive Committee and the Board of Directors, and Head of Investment Management.

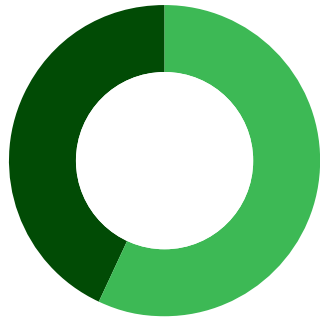
He later served as CEO and Managing Partner of Bright Pixel Capital, Sonae's corporate venture capital unit, where he led the investment strategy in software and technology companies across international markets. In that capacity, he chaired and served on the boards of several portfolio companies.

Throughout his career, he has developed extensive experience in strategy, M&A, and corporate finance, with a particular focus on high-growth technology businesses.

He holds a degree in Management from the University of Porto and an MBA from London Business School. He is a Portuguese citizen.

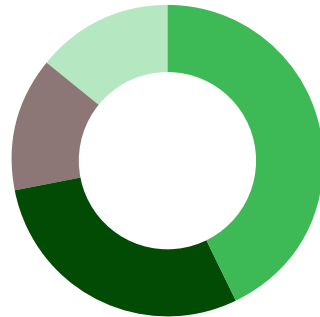
### Board diversity

#### Gender



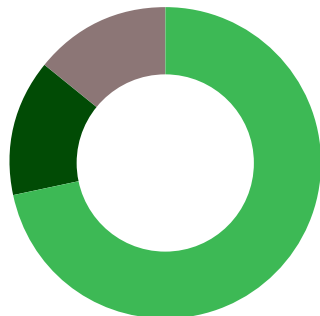
- Male, 57%
- Female, 43%

#### Nationality



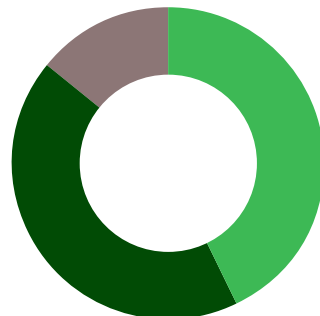
- Portuguese, 43%
- Swedish, 29%
- Finnish, 14%
- Australian, 14%

#### Age



- 41-50 years, 71%
- 51-60 years, 14%
- 61-70 years, 14%

#### Tenure



- Less than 1 year, 43%
- 1-5 years, 43%
- Over 5 years, 14%

### Evaluation of the independence of the Board of Directors

It is the duty of the Board of Directors to evaluate the independence of its members. A majority of members of the Board of Directors must be independent of the Company. At least two members independent of the Company must also be independent of significant shareholders of the Company. According to the independence assessment, all members of Musti Group's Board of Directors are deemed to be independent of the Company and its significant shareholders.

The Board members' independence has been evaluated based on the Corporate Governance Code issued by the Finnish Securities Market Association in 2025. According to the evaluation, all Board members are currently independent of the Company. However, five of the Board members are not independent of the Company's significant shareholders. Jeffrey David and João Pedro Magalhães da Silva Torres Dolores are members of the Board of Directors, and Johan Dettel and Eduardo Piedade deputy Board members, of Flybird Holding Oy, which is the Company's largest shareholder. In addition, Maria Cláudia Teixeira de Azevedo, João Pedro Magalhães da Silva Torres Dolores and Eduardo are all executive directors of Board of Directors of Sonae, which is the Company's ultimate parent company.

### Self-evaluation of the Board of Directors

The performance of the Board of Directors is evaluated annually. The results of the assessment are considered when preparing a proposal for a new composition for the Board of Directors. The self-assessment was conducted by way of a survey that was followed by a discussion among the members of the Board of Directors about the results and further actions.

### Duties of the Board of Directors

In addition to the specific duties defined in Finnish Companies Act and the Company's Articles of Association, Musti Group's Board of Directors shall, among others:

- annually approve the Company's strategy, budget and business plan and supervise their execution
- arrange the control, supervision and audit of the Company's accounts and finances
- review and approve interim reports, financial statements, sustainability statement and the annual report
- define the Company's financial targets and dividend policy
- appoint and discharge from his/her duties the CEO and the group management team member
- resolve on the remuneration and incentives of the CEO and the group management team in accordance with the Company's remuneration policy

- steer the operations of the Company and supervise and monitor the CEO
- confirm the Group's organizational structure and decide on any material organizational changes
- decide on large and strategically significant investments, acquisitions, and divestments and on any other matters that are of material importance to Company
- annually assess the performance of the Board of Directors, including its activities and working methods, and its individual members;
- summon the General Meetings of Shareholders and prepare proposals on matters to be considered in the meetings and
- decide on the establishment of the communication strategy and related policy as well as the publication of important information concerning the Musti Group and its activities

During the financial year 2025, the Board of Directors paid particular attention to:

- monitoring the execution of the Company's growth strategy
- strengthening the Company's financing position
- development of the Company's sustainability strategy

### Committees of the Board of Directors

The Board of Directors delegates some of its functions to the Audit Committee and Remuneration Committee. The Board of Directors appoints the chairs and members to the Committees from among its members.

Each Committee meets regularly and reports on its work to the Board. The Committees have no decision-making authority independent of the Board, except where expressly authorized by the Board.

### Audit Committee

In its organizing meeting, the Board of Directors of Musti Group Plc elected Tiina-Liisa Liukkonen as the Chair of the Audit Committee and João Dolores and Johan Dettel as other members of the Audit Committee. Tiina-Liisa Liukkonen and João Dolores have experience and expertise with respect to the committee's area of responsibility and the mandatory tasks relating to auditing. Audit Committee held six meetings during the financial year. The attendance rate was 100%.

The responsibilities of the Audit Committee include, among other things:

- Monitoring the financial position of the Company
- Monitoring and assessing the financing and reporting system
- Monitoring the reporting process of financial statements and sustainability statement
- Monitoring the statutory audit of the financial statements, consolidated financial statements and the sustainability statement
- Preparing for the Board of Directors the proposal for resolution on the election of the auditor
- Monitoring and evaluating the independence of the statutory auditor and, in particular, the offering of services other than auditing services by the auditor
- Monitoring and assessing the efficiency of the Company's internal control, internal audit, compliance and risk management systems
- Reviewing the description of the main features of the internal control and risk management systems in relation to the financial reporting process, which is included in the Company's Corporate Governance Statement
- Reviewing the risk management principles, monitoring material risks and uncertainties, including but not limited to financial, funding, IT-security related risks as well as tax risks and principles
- Assessing the scope and quality of the internal audit, approving the internal audit plan and resourcing, and reviewing audit reports
- Monitoring and assessing legal compliance and business ethics compliance
- Establishment of principles concerning the monitoring and assessment of related party transactions
- Monitoring and assessing how agreements and other legal acts between the company and its related parties meet the requirements of the ordinary course of business and arm's length terms

### Remuneration Committee

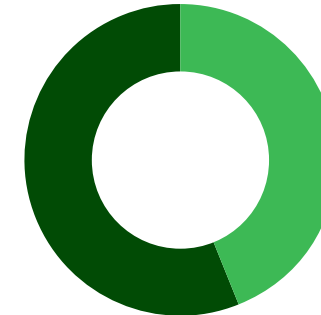
In its organizing meeting, the Board of Directors elected Cláudia Azevedo as the Chair of the Remuneration Committee and Jeffrey David and João Günther Amaral as other members of the Remuneration Committee. Following the extraordinary general meeting on 18 September 2025 Eduardo Piedade was elected as member of the Remuneration Committee. The Remuneration Committee met once during the fiscal year 2025 and the attendance rate was 100%.

The responsibilities of the Remuneration Committee are to prepare the following decisions for the Board of Directors to decide:

- prepare for the nomination of the CEO and his/her deputy
- review and prepare for the nominations of the members of group management team and other officers reporting to the CEO and
- from time-to-time review and prepare a proposal on the overall compensation policies applicable to the member of the group management team
- review and prepare a proposal to the Board of Directors on the compensation of the members of the group management team and other officers reporting to the CEO including each of the components thereof
- ensure that the members of the group management team are rewarded appropriately for their contributions to the Company's growth and profitability and that such compensation policies are aligned with the Company's business strategy, long-term financial success, and shareholder interests
- review and prepare a proposal to the Board of Directors on the Company's goals and objectives relevant to the compensation of the CEO
- evaluate the performance of the CEO in light of the above-referenced goals and objectives
- prepare a proposal to the Board of Directors on the compensation of the CEO (including its components thereof) based on the above-referenced evaluation and
- in determining the long-term incentive component of the CEO's compensation, the Committee should consider the Company's development and relative shareholder return, the value of similar incentive awards to CEOs at other companies comparable to the Company and awards given to the CEOs in past years
- review and prepare a recommendation to the Board of Directors on at least an annual basis evaluating the Company's compensation and other benefit plans, including incentive compensation and equity-based plans and programs
- review and prepare a recommendation to the Board of Directors on the granting of options, restricted stock, stock appreciation rights and other equity-based grants to the members of the Group management team consistent with the Company's incentive compensation plans and programs and compensation strategy and
- ensure that the Company's compensation structure is competitive and make recommendations as necessary
- prepare the Company's policy concerning the remuneration of the Company's Board of Directors, CEO, and possible deputy CEO ("Remuneration Policy") for the Board at least every four years
- prepare the Company's report concerning the remuneration of the Company's Board of Directors, CEO, and possible deputy CEO ("Remuneration Report")

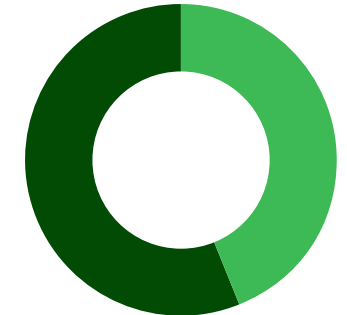
### Group Management Team diversity

#### Gender



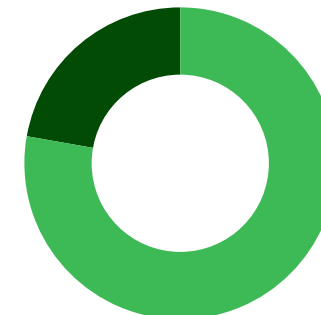
- Male, 44%
- Female, 56%

#### Nationality



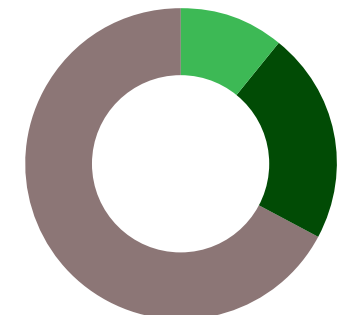
- Finnish, 44%
- Swedish, 56%

#### Age



- 41-50 years, 78%
- 51-60 years, 22%

#### Tenure



- 1-2 years, 11%
- 3-5 years, 22%
- Over 5 years, 67%

### 3. The CEO and Group Management Team

#### The CEO

The Board of Directors appoints the CEO and decides on the terms of the CEO's service. The CEO is responsible for the supervision and control of the Company's day-to-day operations in accordance with the Finnish Companies Act, the Company's Code of Conduct and authorizations and guidelines issued by the Board of Directors.

David Rönning has acted as Company's Chief Executive Officer since 2017.

#### Group Management Team

The CEO leads the group management team's work and makes decisions pertaining to the operations in consultation with the group management team. Meetings are held weekly, and the focus is on strategic and operative monitoring and development.

#### Composition and shareholding of the Group Management Team

On 31 December 2025, the group management team of Musti Group comprised the following members:

Name	Year of Birth	Position	Member since	Shareholding
David Rönning	1977	CEO	2017	0
Robert Berglund	1977	CFO	2024 and 2017–2021	0
Sami Tanner	1981	Head of Strategy	2016	0
Daniel Pettersson	1977	Head of Sweden, Finland, Norway and Baltics	2018	0
Annamaija Hujala	1969	Head of Pureplay	2022	0
Ellinor Nilsson	1979	Chief Commercial Officer	2018	0
Nanna Martin-Löf	1977	Head of Human Resources	2018	0
Malin Nygren	1974	Chief Customer Officer	2019	0
Pamela Nelimarkka	1982	Chief Operating Officer	2022	0

### III. Descriptions of internal control procedures and the main features of risk management systems

Musti Group prepares consolidated financial statements and interim reports in accordance with the International Financial Reporting Standards, as adopted by the EU, the Finnish Securities Markets Act as well as the appropriate Finnish Financial Supervisory Authority Standards and Nasdaq Helsinki's rules. The Report of the Board of Directors of Musti Group and parent company financial statements are prepared in accordance with the Finnish Accounting Act and the recommendations and guidelines of the Finnish Accounting Board.

Musti Group's financial reporting process is managed internally, and the process is supported by external service providers. The internal control and risk management systems and practices described in more detail below are designed to ensure that financial reporting concerning the Company as well as its group companies is reliable.

The group management team evaluates results of the segments based on net sales, adjusted EBITDA and adjusted EBITA. Events outside the ordinary course of business are treated as items affecting comparability and have been allocated to the segments. In all other respects monitoring of results by management corresponds with IFRS reporting.

It is the duty of the Company's Audit Committee to monitor the reporting process of financial statements reporting and to review with the external auditor the annual financial statements and interim reports before submission to the Board of Directors for final approval, as well as to review internal controls and monitor the effectiveness of the Company's procedures for internal control over financial reporting. In addition, the Audit Committee assesses principles related to internal controls and risk management of the Company's financial reporting processes, monitors and reviews the effectiveness of the Company's risk management system, including the risk profile of Musti Group, and makes such recommendations as the Committee considers desirable. The Company's Board of Directors reviews and approves the Company's interim reports, financial statements and annual reports.

#### 1. Internal control

Internal control refers to measures and procedures aiming to ensure that the Company meets its goals and targets, the Group's resources are utilized economically and efficiently, risks relating to operations are managed appropriately and financial and other information is reliable and correct. In addition, internal control aims to ensure continuity of business operations and compliance with the Company's internal policies and processes, as well as with the requirements, legislation and regulations applied in the operating environment. Efficient internal control and risk management promote the Company's performance and reaching of targets, and they are a material part of Musti Group's corporate governance.

Musti Group's operating model of internal control and risk management related to financial reporting aims to provide sufficient assurance regarding the reliability of financial reporting and that the financial statements have been prepared in accordance with the applicable laws and regulations, accepted accounting principles (IFRS), and other requirements for listed companies. The principal components of internal control are control environment, risk assessment, control activities, communications, and monitoring. Musti Group has defined and documented internal control activities related to its business and reporting processes. Approval mechanisms, access rights, segregation of duties, authorizations, verifications, reconciliations, and follow-up of financial reporting are essential internal activities. The monitoring, development and communication related to internal controls is the responsibility of the CFO who regularly reports the results to the Audit Committee.

All employees of the Group must act according to the ethical principles determined in the Company's Code of Conduct. The principles are based on the ten principles of the UN Global Compact. The Company has committed to include these principles in all of its operations, company culture and strategy. In addition, Musti Group has committed to communicating the principles to its employees, owners, suppliers, and other partners.

The Group utilizes a whistleblowing reporting channel aiming to support compliance with laws and Musti Group's internal guidelines, policies, and values. Employees and other stakeholders may report suspected misconduct or non-compliance with corporate policies according to the whistleblowing procedure.

## 2. Risk management

The Board of Directors has approved the principles of the risk management of the Company. The target of the Company's risk management is to collect information on and to review and manage opportunities, threats and risks arising from the Company's operations in order that the Company will reach its targets and carry out its operations without disruptions. As such, the risk management aims to promote for its own part implementation of the strategy, reaching of financial targets, satisfying customer proposition, capability to distribute dividends, utilization of responsible practices and business continuity.

The Company's risk management comprises risk management targets, risk management process and its implementation, monitoring and reporting. Risk management is systematic activity aiming to ensure appropriate identification, review, management, and monitoring of risks. It is a part of the Company's planning and governance process, decision-making, management, and operations, as well as control and reporting procedures. Risk management is implemented systematically, proactively, and comprehensively, and it covers all operations in the entire Group.

Risks are assessed and managed with a comprehensive approach based on the business. Implementation of review and management shall be implemented in a way that ensures that material risks are identified, assessed, managed, monitored, and reported as a part of the reporting based on the governance system and the business. In addition, risk management is developed continuously as a part the Company's operations.

Risk management is implemented according to the principles below:

- The management carries out a comprehensive risk review and updates the risk charts annually.
- The risk review comprises identification of risks, assessment of their relevance and planning of risk management activities. The group management team continuously monitors the execution of the activities
- Results of the risk review are reported to the Audit Committee. The Audit Committee addresses the most significant risks and measures to control them, as well as reviews the efficiency and operation of the risk management. The Audit Committee reports to the Board of Directors in accordance with its Charter
- The CFO reports annually to the Audit Committee the risks identified and measures to manage risks, as well as any changes in them
- The Company discloses risks, uncertainties, and risk management to its stakeholders in accordance with the principles presented in the Finnish Corporate Governance Code

The CFO with the assistance of the group management team is responsible for the preparation of the Risk Management Policy and the systematic and appropriate implementation of the risk management. The CFO shall ensure appropriate coverage of the Company's risk management and assess the implementation of the risk management. The CFO reports on the risk management to the Board of Directors.

The members of the group management team are responsible for the planning, implementation and follow-up of the risk management measures in their own area. The functions and franchisees are responsible for the operational risk management in their own area by identifying and assessing risks in their own area and defining risk control measures, and their implementation shall be monitored systematically.

### 3. Internal audit

The Board of Directors has not found it necessary to date to establish a separate internal audit function for Musti Group. Instead, the internal audit function of the Company's ultimate parent company Sonae is responsible for the internal audit based on the internal audit plan which is approved by the Audit Committee. The internal audit function of Sonae is independent from the Musti Group's management team and in respect of Musti Group's internal audit, reports to the Audit Committee of Musti Group. The Audit Committee reviews the results of the audits and monitors the measures taken based on the results of the audits.

## IV. Other information

### 1. Related party transactions

The Company maintains records of its related parties and adheres to the responsibilities set out in the Finnish Companies Act and the Code when monitoring and evaluating related party transactions. The Board of Directors evaluates, and monitors transactions concluded between the Company and its related parties to ensure that any conflicts of interest are taken into account appropriately in the decision-making of the Company. Related party transactions that are not concluded in the ordinary course of business or on customary commercial terms are subject to approval by the Board of Directors.

The Company's Finance function monitors related party transactions as part of the normal control activities and reporting procedure and reports related party transactions to the Audit Committee. Related party transactions are disclosed as required annually in the notes to the Company's financial statements. Material related party transactions are disclosed in accordance with the Securities Market Act.

### 2. Insider administration

Musti Group's insider policy, based on the Guidelines for Insiders of Nasdaq Helsinki Ltd and the Market Abuse Regulation, describes the main obligations of insiders in the Company as well as the trade reporting of managers and their closely associated persons, and other related regulations and guidance under the Market Abuse Regulation. The Board of Directors approves the insider policy. The Company draws up and maintains project-specific insider lists only. Project-specific insider lists are not public. Persons entered in a project-specific insider list are not allowed to trade on Musti Group's financial instruments during the term of the insider project.

The members of the Board of Directors, the CEO, and the members of the group management team of Musti Group and their closely associated persons are required to notify the Company and the Finnish Financial Supervisory Authority of transactions conducted on their own account relating

to the Company's financial instruments. The Company publishes the information it has received in a stock exchange release promptly after receipt of the notification. The notifications are available on the Musti Group's website. The member of the Board of Directors, the CEO, and the members of the group management team each shall identify the persons closely associated with them and notify the Company in writing of required information.

The Board of Directors, the group management team, and selected employees ("Closed Period Employees") may not trade on Musti Group's financial instruments during a minimum period of 30 days prior to the publication of interim reports and financial statements, or on the date of publication ("Closed Period"). The Closed Period Employees are individuals who have more information about the Company than the market due to their work duties, such as preparation of the Company's interim reports and financial statements, or responsibilities related to the Company's finances, financial reporting or communication. In addition, persons who have access to the said information for the purpose of carrying out their work duties, and certain individuals in executive positions, are considered by the Company as Closed Period Employees.

The CFO of the Company is responsible for the insider administration. The Company's employees or other stakeholders may report actual or potential infringements of the insider policy or financial market regulation through the anonymous whistleblower channel.

### 3. External auditor

The General Meeting resolves on the election of the auditor and the auditor's remuneration. According to the Articles of Association, the Company must have one external auditor that shall be an Authorized Public Accountant Firm approved by the Finnish Patent and Registration Office. The auditor's term of office ends at the close of the Annual General Meeting following the election.

The AGM 2025 re-elected Ernst & Young Oy, Authorized Public Accountants, as external auditor of the Company with Maria Onniskä, Authorized Public Accountant, acting as the auditor with principal responsibility. Maria Onniskä has acted as the Company's auditor with principal responsibility since 2025.

#### The remuneration paid for audit and non-audit services is set out below.

EUR	1 Jan 2025 – 31 Dec 2025	1 Oct 2023-31 Dec 2024
Audit fees	394,455	505,296
Fees for non-audit services	197,226	57,613

# Remuneration Report 2025

This Remuneration Report has been prepared in compliance with Musti Group plc's Remuneration Policy, which was adopted at Musti Group plc's Annual General Meeting on 29 April 2025 ('Remuneration Policy'). The updated Remuneration Policy is intended to apply for a period of four years until the 2029 Annual General Meeting.

The Remuneration Report provides information on the remuneration paid to the Board of Directors and the CEO during the financial year. The remuneration and other financial benefits are reported on a cash basis. The Remuneration Report has been prepared in accordance with the section 'Remuneration Reporting' of the Finnish Corporate Governance (CG) Code 2025.

## Overview of remuneration in the financial year 1 January 2025 – 31 December 2025

This is the fifth Remuneration Report for governing bodies applied within Musti Group plc ("Musti Group" or "Company") and it complies with the CG Code. The CG Code 2025 is available in full on the website of the Securities Market Association at [www.cgfinland.fi](http://www.cgfinland.fi). This Remuneration Report concerns the remuneration of the members of Musti Group's Board of Directors as well as the CEO of Musti Group in FY2025.

The Remuneration Committee of Musti Group's Board of Directors prepared this Remuneration Report, and the Board of Directors approved it on 30 March 2026. Musti Group's auditor, Ernst & Young Oy, has audited this Remuneration Report to confirm that it contains the information referred to in the Ministry of Finance Decree on the remuneration policy and remuneration report of a share issuer (608/2019). This remuneration report will be reviewed at Musti Group's 2026 Annual General Meeting. This Remuneration Report is available on Musti Group's website at [www.mustigroup.com/investors/corporate-governance/remuneration](http://www.mustigroup.com/investors/corporate-governance/remuneration).

Year 2025 was a rebound year for Musti. Group net sales increased by 14.4% to EUR 508.9 million (EUR 444.9 million). Net sales increased, especially during the last three quarters of the year. The growth was strong especially in Norway and Finland. Also, the acquisition of Pet City in the Baltics increased net sales by EUR 32.2 million. The acquisition of ZU in December increased the net sales by EUR 3.1 million. The comparable net sales growth was 6.4%.

The purpose of remunerations paid by the Company is to drive its strategy and create long-term, sustainable performance with increased shareholder value. The structure of the remuneration of the Company's Board of Directors and the CEO and the decision-making order in FY2025 complied with Musti Group's Remuneration Policy for the governing bodies.

In FY2025 the Board members were paid a fixed annual fee. The amount of the fees paid depended on their duties in the Board of Directors – Chair and member of the Board of Directors, and Chair and member of a committee of the Board of Directors. The fees paid are disclosed under 'Remuneration of the Board of Directors.'

The total remuneration paid to the CEO in FY2025 consisted of fixed monthly salary, fringe benefits, short-term bonus, and long-term incentive plan. The short-term bonus is to promote the Company's strategy through the achievement of annual targets. The aim of a share-based incentive plan is to align the objectives of the shareholders and key employees for increasing the value of the Company in the long term. The remuneration paid and incentive plans to the CEO are disclosed under 'Remuneration of the CEO.'

Musti Group had during FY2025 one share-based long-term incentive plan ("Musti Performance Share plan FY2023-2027"), in place, consisting of three consecutive performance periods.

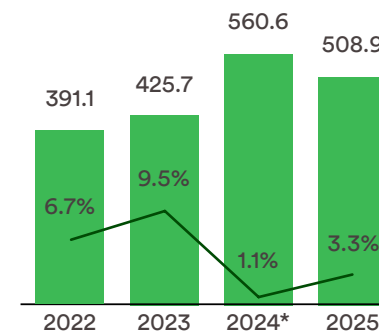
The Performance Share Plan FY2023-2027 consists of three consecutive performance periods, covering the financial years 2023–2025, 2024–2026 and 2025–2027. The 2023-2025 program was paid

out in April 2024 as the Board of Directors resolved on the payment in cash of the already allocated share plan incentive based on the 2023 performance. The payment in cash was resolved in order to facilitate the establishment of a new long-term incentive plan. The 2024-2026 program was approved by the Board of Directors and launched in January 2024. During FY2025 the 2024-2026 program was in vesting and the planned payment is January 2027. The Board of Directors has not made decisions on the performance criteria or the target group of the performance period 2025-2027.

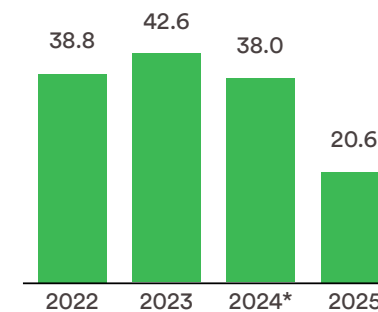
The Board of Directors decides separately for each performance period the performance criteria, and the related targets, as well as the minimum, target, and maximum reward potentially payable based on target attainment at the beginning of a performance period. The potential reward based on the plan will be paid partly in the Company's shares and partly in cash after the end of each performance period. The cash proportion is intended to cover taxes and tax-related expenses arising from the reward to a participant. No reward is paid if the participant's employment or service terminates for reasons related to the participant before the reward payment unless the Board of Directors decides otherwise.

The company's Group management team member is obliged to hold at least 50 per cent of the net number of shares paid to the member based on the plan, until the value of his or her total shareholding in the company equals to 50 per cent (100 per cent for the CEO) of his or her annual base salary. Such number of shares must be held as long as the membership in the group management team continues.

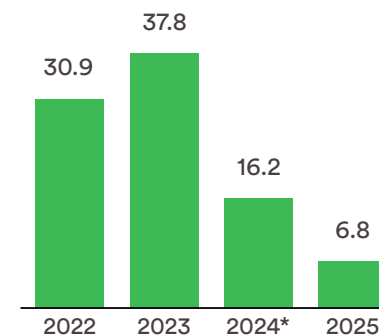
**Net sales, EUR million and like-for-like sales growth, %**



**Adjusted EBITA, EUR million**



**Operating profit, EUR million**



\*15 months' financial year

## Development of Musti Group's financial performance and remuneration

The table below presents the development of the Board of Directors and the CEO's remuneration compared to the development of the average remuneration of Musti Group's employees and Musti Group's financial development during the last five financial years. Board remuneration numbers include both Board fees and Committee fees.

Compensation (EUR)	FY2025	FY2024	FY2023	FY2022	FY2021
Chair of the Board	65,000*	65,000*	70,000	70,000	65,000
Vice-Chair of the Board	40,000	47,500	45,000	47,500	42,500
Other members of the Board (average)	39,167	42,031	41,667	40,833	32,500
CEO	540,000	1,916,674	533,576	659,740	614,456
Average Musti Group employee**	40,337	59,577	47,334	47,824	47,963

\*As decided by the AGM. Cláudia Azevedo, João Amaral, João Dolores and Eduardo Piedade did not receive any remuneration for their duties for the company as they work for the company's ultimate parent company Sonae. Information on their remuneration is available in Sonae's Remuneration Report: <https://www.sonae.pt/en/investors/releases-to-the-market/>

\*\*The average compensation in this table is the paid-out compensation during the fiscal year. The remuneration of the average Musti Group employee is based on all personnel.

## Remuneration of the Board of Directors

The Annual General Meeting 2025 confirmed the following fixed annual fees for the members of the Board of Directors:

	EUR
Chair of the Board	65,000
Members of the Board	35,000

The Annual General Meeting 2025 confirmed the following annual fees for the members of the Committees:

	EUR
Chair of the Committee	7,500
Committee members	5,000

Board members are not compensated separately for attending the Board meetings. Travel expenses resulting from Board meetings are compensated in accordance with the Company's travel compensation regulations. Remuneration for the Board members does not include pension payments.

The Board members who work for the company's ultimate parent company, Sonae, do not receive a separate remuneration for their duties.

Members of the Board of Directors are not included in Musti Group's short- or long-term incentive programs.

## Fees paid to the Board members in the financial year 2025

	Committee Membership	Board Annual Fee in total	Committee Fee	Total
Claudia Azevedo, Chair	Chair of the Remuneration Committee	0	0	0
Jeffrey David, Vice Chair	Member of the Remuneration Committee	35,000	5,000	40,000
João Günther Amaral, member until 28 August 2025	Member of the Remuneration Committee	0	0	0
Johan Dettel	Member of the Audit Committee	35,000	5,000	40,000
João Dolores	Chair of the Audit Committee	0	0	0
Joanna Hummel		35,000	0	35,000
Tiina-Liisa Liukkonen	Chair of the Audit Committee	35,000	7,500	42,500
Eduardo Piedade, member since 18 September 2025	Member of the Remuneration Committee	0	0	0

In addition the Musti Group has paid consulting fees to Board members as follows: Jeffrey David EUR 176,219 and Johan Dettel EUR 109,783.

## Remuneration of the CEO

The Company's CEO was David Rönnberg throughout the financial year 1 January 2025 – 31 December 2025.

The remuneration of the CEO consists of a fixed monthly salary, fringe benefits, an annual bonus potential (short-term incentive plan) and long-term incentive plan. The retirement age of the CEO is 63 years under current legislation. The CEO is entitled to life insurance and supplementary pension payments on behalf of Musti Group in accordance with a pension agreement concluded with the Company. The CEO receives a supplementary pension at the age of 63.

### Short-term performance bonus

The CEO is eligible to participate in the bonus scheme in accordance with the company's bonus policy. The purpose of the short-term bonus (STI) is to promote the company's strategy through the achievement of annual targets. The terms of the bonus are decided annually by Musti Group's Board of

Directors. The bonus of the CEO is based on financial targets set for the financial year. For the financial year 1 January 2025 – 31 December 2025, the maximum performance bonus was equivalent to a 9 months' full salary. The performance criteria for the bonus are Group Sales, Group adjusted EBITA and Net adds. The fulfilment of the bonus criterion is evaluated in the beginning of fiscal year 2026.

### Long-term incentive plan

Musti Group has during FY2025 one share-based long-term incentive plan ("Musti Performance Share plan"), consisting of three performance periods. The aim of a share-based compensation plan is to align the objectives of the shareholders and key employees for increasing the value of the Company in the long term. The plan FY2023–2027 includes the performance periods of the financial years 2023–2025, 2024–2026 and 2025–2027. The CEO is part of all currently valid long-term incentive plans.

The CEO is obliged to hold at least 50% of the net number of shares paid based on the plan, until the value of his or her total shareholding in the Company equals 100% of his or her annual base salary. Such number of shares must be held as long as the CEO's service contract continues.

## Remuneration paid to the CEO in the financial year 2025

Fixed salary, including benefits	Short-term bonus*	Long-term incentive	Additional pension	Total remuneration
500,000	40,000	0	0	540,000

\*Earned based on performance in the fiscal year 2024 paid in 2025.

## Long-term incentive plan in place in the financial year 1 January – 31 December 2025

Performance period	Grant date	Grant date share price, EUR	Earnings criteria	Criteria outcome (out of maximum level)	Number of shares received in payment	Payment in cash, EUR	Payment date	Share price on payment date, EUR
FY2025-FY2027	4 January 2024	26.12	Total shareholder return (TSR) and adjusted EBITA	To be confirmed latest in January 2027	-	-	-	-

# Board of Directors' Report

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# Board of Directors' Report

for the financial year January – December 2025

## Market outlook

Musti Group operates in the European pet care markets, broadly defined as the sale of pet food, products, services and veterinary care. In our Nordic core markets Finland, Sweden and Norway, our core market consisting of pet food and products was estimated by Euromonitor at approximately EUR 2.3 billion in 2024, with Sweden as the largest market (approximately EUR 0.9 billion), followed by Finland (approximately EUR 0.8 billion) and Norway (approximately EUR 0.6 billion). In late 2024, Musti entered the Baltic market and in late 2025 Musti Group expanded to Portugal by acquiring the pet retailer ZU.

Pet care market is driven by an underlying long term structural trend called pet parenting, the tendency of people to treat their pets increasingly like family members. This trend leads to premiumization and humanization as consumers spend more on higher quality and more premium nutrition, as well as a more diverse range of products and wider adoption of services.

## Key Events

- On 13 June 2025 Musti Group announced that Erik Ringen Skjærstad will step down as Head of Norway and new markets and as a member of the Management Team of Musti Group plc to pursue career opportunities outside the company. Daniel Pettersson, Country manager Finland and Sweden, will take responsibility also for Musti Norge and the Baltics. The change is a natural step for Musti to bring the Nordic and Baltic markets even closer together.
- On 28 August 2025 Musti Group announced that João Nonell Günther Amaral resigns as from the Board of Directors of Musti Group. The Extraordinary General Meeting held on 18 September 2025 elected Eduardo Piedade as a new ordinary member of the Board of Directors.
- On 5 December 2025 Musti Group acquired 100% of the shares of Zu, Produtos e Serviços para Animais, S.A. ("ZU"), a retailer of pet food, accessories and vet services in Portugal, from MCRetail SGPS ("MC"). With the acquisition of ZU, Musti extends its network to 474 stores, 54 vet clinics, and 196 spas in 7 countries with 22% of sales online. Musti acquires the shares of ZU from MC, a Sonae Group company. As MC is a part of the Sonae Group, the acquisition is a related party transaction. The provisional purchase price of the transaction amounting to EUR 12.9 million, was paid in cash at closing. The final purchase price was determined to be EUR 13.1 million and remaining amount was paid in January 2026.
- Mr Tobias Azevedo, MBA, BSc, the General Manager of ZU, has joined the Musti Management Team as of 1 January 2026.

## Group performance

### Group key figures

EUR million or as indicated	1-12/2025	10/2023-12/2024
Net sales	508.9	560.6
Net sales growth, %	14.4%	31.7%
LFL sales growth, %	3.3%	1.1%
LFL store sales growth, %	3.2%	-1.6%
Online share, %	22.9%	24.3%
Gross margin, %	44.0%	44.1%
EBITDA	54.9	67.2
EBITDA margin, %	10.8%	12.0%
Adjusted EBITDA	62.0	81.6
Adjusted EBITDA margin, %	12.2%	14.6%
EBITA	13.5	23.6
EBITA margin, %	2.7%	4.2%
Adjusted EBITA	20.6	38.0
Adjusted EBITA margin, %	4.0%	6.8%
Operating profit	6.8	16.2
Operating profit margin, %	1.3%	2.9%
Profit/loss for the period	-3.7	6.7
Earnings per share, basic, EUR	-0.11	0.20
Net cash flow from operating activities	66.6	46.9
Investments in tangible and intangible assets	21.7	19.2
Net debt / LTM adjusted EBITDA	3.4	3.1
Number of loyal customers, thousands	1,870	1,866
Number of stores at the end of the period	497	415
of which directly operated	495	411

### Group net sales

EUR million	1-12/2025	10/2023-9/2024
Group	508.9	560.6
Finland	197.8	242.1
Sweden	187.9	224.2
Norway	84.7	91.1
New Markets	38.4	3.2

Musti Group's financial year was changed to calendar year during the year 2024, and therefore the financial year 2024 covered 15 months. Due to the extended financial year, the amounts presented in this report are not entirely comparable. Comparison period for the financial year 2025 is 1 October 2023 – 31 December 2024. The comparative information presented in the text below has been adjusted to correspond 12 months.

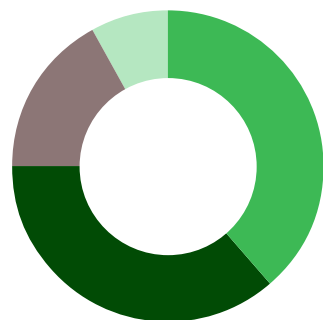
Group net sales increased by 14.4% to EUR 508.9 million (EUR 444.9 million). Net sales increased, especially during the last three quarters of the year. The growth was strong especially in Norway and Finland. Also, the acquisition of Pet City in the Baltics increased net sales by EUR 32.2 million. The acquisition of ZU in December increased the net sales by EUR 3.1 million. The comparable net sales growth was 6.4%.

Currency exchange rate changes affected the net sales positively with EUR 5.7 million. The stronger SEK exchange rate increased sales by EUR 6.3 million and the weakened NOK exchange rate decreased sales by EUR 0.6 million. Like-for-like growth, which is calculated in local currencies, amounted to 3.3% (0.2%).

Store sales increased by 17.5% to EUR 383.9 million (EUR 326.7 million). We opened 19 directly operated stores, acquired two third-party stores, closed three directly operated stores and two franchise stores left the chain during the reporting period. In addition, the acquisition of ZU increased our store network by 65 stores. Like-for-like store sales growth was 3.2% (-2.6%). Online sales increased by 6.4% to EUR 116.4 million (EUR 109.4 million). Like-for-like online sales growth was 3.5% (9.4%). Online sales accounted for 22.9% (24.6%) of total net sales.

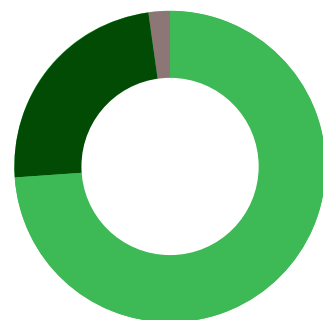
The total number of customers (excluding Baltics and ZU) increased by 0.3% to 1,870 thousand (1,866 thousand). Rolling 12 months average spend per loyal customer was EUR 220.4 (EUR 209.1).

### Net sales by segment FY 2025



- Finland, 39%
- Sweden, 37%
- Norway, 17%
- New Markets, 8%

### Net sales by channel FY 2025



- Store sales, 75%
- Online sales, 23%
- Other sales\*, 2%

\*Other sales include franchise fees and wholesale.

## Group result

Group adjusted EBITA was EUR 20.6 million (EUR 25.6 million). This was still impacted by the weak consumer climate as well as the several ongoing initiatives that support growth and scalability which increased the operating expenses. The Baltics, which is still in the integration phase, had a negative impact of EUR 2,7 million on EBITA. Recent movements of the local currencies SEK and NOK had EUR 0.1 million negative impact on adjusted EBITA (no effect in the comparison period). Adjusted EBITA margin was 4.0% (5.7%).

Gross margin was 44.0% (43.6%). The share of sales of own and exclusive brands was 51.3% (51.2%). The share of employee benefits and other operating expenses as percentage of sales was 34.6% (33.8%).

Depreciation amounted to EUR 41.4 million (EUR 35.6 million) and amortization amounted to EUR 6.6 million (EUR 6.0 million). Main driver is the growing store network via IFRS 16 impact.

Adjustments to EBITA were EUR 7.1 million (EUR 12.8 million) in the reporting period. The adjustments include costs relating to digitalization and platform projects, personnel restructuring costs as well as M&A projects.

Unadjusted operating result was EUR 6.8 million (EUR 6.8 million).

Result before taxes amounted to EUR -3.1 million (EUR 0.7 million). The net impact of financial income and expenses on result before taxes was EUR 10.0 million negative (EUR 6.1 million negative), mainly due to risen interest expenses and the negative change in the fair value of derivatives. Result for the period was EUR -3.7 million (EUR 0.9 million) and basic earnings per share was EUR -0.11 (0.03).

## Financial position and cashflow

In January – December 2025, the net cash flow from operating activities totaled EUR 66.6 million (EUR 31.3 million). Change in net working capital had an impact of EUR 11.7 million (EUR -9.6 million) on cash flow during the reporting period. Non-recurring costs had a EUR 6.7 million negative (EUR 13.9 million negative) impact on operating cash flow. Cash flow used in investing activities during the reporting period amounted to EUR 42.0 million (EUR 33.8 million).

Cash and cash equivalents at the end of the period amounted to EUR 16.2 million (31 December 2024: EUR 11.8 million). Total consolidated assets amounted to EUR 494.8 million (31 December 2024: EUR 443.3 million).

Equity attributable to owners of the parent company totaled EUR 169.1 million (31 December 2024: EUR 166.8 million).

Net debt / LTM adjusted EBITDA was 3.4 (31 December 2024: 3.1). Gearing at the end of the reporting period was 123.8% (31 December 2024: 112.3%) and net debt amounted to EUR 209.4 million (31 December 2024: EUR 187.5 million). At the end of the period, the interest-bearing loans included in net debt amounted to EUR 124.9 million (31 December 2024: EUR 104.3 million) and lease liabilities EUR 100.5 million (31 December 2024: EUR 95.6 million).

Musti Group focuses on maintaining sufficient liquidity in the group. Musti Group had unutilized bank overdraft of EUR 10 million. Additionally, to facilitate future growth, the Group has an undrawn revolving credit facility in total of EUR 85 million and EUR 50 million commercial paper program of which EUR 37 million unutilized. During the financial year, the final maturity of the EUR 210 million facilities agreement was extended by a year to August 2028.

## Investments

In January – December 2025, investments in tangible and intangible assets amounted to EUR 21.7 million (EUR 15.2 million). Investments were mainly related to new and relocated stores, logistics, manufacturing and IT and digital platform development projects.

Musti Group acquired the shares of Pet City OÜ (including its subsidiaries, Pet City UAB, Pet City SIA and Pet City Klinika UAB) and Eesti Veterinaaria Kliinikum OÜ from Magnum Group for an Enterprise

Value (EV) of EUR 18.1 million, of which EUR 13.7 million was paid in cash at closing in November 2024. The remaining amount EUR 4.5 million was also paid in cash during March 2025.

Musti Group acquired the shares of ZU, Produtos e Serviços para Animais, S.A., a retailer of pet food, accessories and vet services in Portugal, from MCRetail SGPS which is a part of Sonae Group. Provisional purchase price of the transaction amounted to EUR 12.9 million that was paid in cash at closing in December 2025. Purchase price was adjusted by EUR 0.5 million after the end of the financial year, and the adjusted price was paid in cash at the beginning of January 2026.

In addition, EUR 2.7 million were invested in business acquisitions in Sweden during the reporting period.

## Business segment performance

Musti Group's reporting segments are primarily based on geographical regions where Finland, Sweden and Norway are separated to individual operating segments. In addition, the management monitors the new market areas separately, for which the operating and reporting segment, the New Markets, was formed in the end of 2024. Currently the segment comprises of the Baltic countries and Portugal. In other items, Musti Group reports the Group functions, including the operations of the headquarters, the central warehouse and production.

## Finland

Finland is our most mature market where Musti Group is the market leader with a nationwide network. A vast majority of Finnish pet parents are within convenient reach of a Musti store complemented by an omni-channel offering with fast deliveries. Musti Group's brands in Finland are Musti ja Mirri (store, services and omnichannel) and Peten Koiratarvike (online focus complemented by select stores).

In Finland, our goal is to continuously optimize our footprint and offering to best meet consumer needs, and to invest in maintaining our market leading omnichannel offering.

EUR million or as indicated	1-12/2025	10/2023-12/2024
Net sales	197.8	242.1
Net sales growth. %	3.7%	27.5%
LFL segment sales growth, %	4.7%	-1.3%
EBITDA	47.2	60.6
EBITDA margin. %	23.8%	25.1%
Adjusted EBITDA	47.3	61.2
Adjusted EBITDA margin. %	23.9%	25.3%
EBITA	35.1	46.0
EBITA margin. %	17.7%	19.0%
Adjusted EBITA	35.2	46.6
Adjusted EBITA margin. %	17.8%	19.2%
Number of stores	136	137
of which directly operated	136	137

Net sales in Finland increased by 3.7% to EUR 197.8 million (EUR 190.8 million) driven by the growth in the last three quarters. Like-for-like sales growth was 4.7% (-2.5%).

EBITA increased by 0.7% to EUR 35.1 million (EUR 34.8 million). Adjusted EBITA increased by 0.1% to EUR 35.2 million (EUR 35.1 million). The decrease in profitability was due to pressure in gross margin arising from targeted investment in price and campaign activities. Adjusted EBITA margin was 17.8% (18.4%).

One directly operated store was opened and two directly operated stores were closed during the financial year.

## Sweden

Musti Group has been present in Sweden since 2010 and is today the Swedish market leader with 138 stores complemented by omnichannel through the brands Arken Zoo (store, omnichannel and veterinary clinics) and VetZoo (online focus).

In Sweden, our focus is on continued customer acquisition and network expansion as we see further room to increase our reach in the larger Swedish market when compared to our more mature Finnish benchmark.

EUR million or as indicated	1-12/2025	10/2023-12/2024
Net sales	187.9	224.2
Net sales growth. %	5.4%	31.2%
LFL segment sales growth. %	-1.0%	1.0%
EBITDA	33.1	43.8
EBITDA margin. %	17.6%	19.5%
Adjusted EBITDA	33.1	44.0
Adjusted EBITDA margin. %	17.6%	19.6%
EBITA	20.1	28.9
EBITA margin. %	10.7%	12.9%
Adjusted EBITA	20.1	29.1
Adjusted EBITA margin. %	10.7%	13.0%
Number of stores	138	133
of which directly operated	136	129

Net sales in Sweden increased by 5.4% to EUR 187.9 million (EUR 178.3 million). The growth was driven by the increased number of stores opened and acquired during the last 12 months. The stronger SEK exchange rate had EUR 6.3 million positive impact on net sales in the reporting period. The like-for-like sales growth, which is calculated in local currencies, was -1.0% (0.1%).

EBITA and adjusted EBITA decreased by 6.7% to EUR 20.1 million (EUR 21.5 million). The decrease was driven by strong online competition and inflation in the fixed cost base. Adjusted EBITA margin decreased to 10.7% (12.1%).

Two third party stores were acquired, five directly operated stores opened and two franchise stores left the chain during the financial year.

## Norway

Musti Group entered Norway in late 2016 and has reached market leadership with presence in 91 local communities complemented by our omnichannel offering. Our brands in Norway are Musti (store, services and omnichannel) and VetZoo (online).

Norway remains a more fragmented market where Musti Group holds a market leading position, yet clearly lower market share compared to Finland and Sweden. Therefore our focus is to continue on the path of market share gains through continued customer acquisition supported by further store roll-out into more communities, and on increasing country profitability as the network matures.

EUR million or as indicated	1-12/2025	10/2023-12/2024
Net sales	84.7	91.1
Net sales growth. %	16.6%	40.3%
LFL segment sales growth. %	10.3%	9.0%
EBITDA	18.2	20.6
EBITDA margin. %	21.5%	22.6%
Adjusted EBITDA	18.2	20.6
Adjusted EBITDA margin. %	21.5%	22.6%
EBITA	11.4	12.9
EBITA margin. %	13.4%	14.1%
Adjusted EBITA	11.4	13.0
Adjusted EBITA margin. %	13.4%	14.2%
Number of stores	91	83
of which directly operated	91	83

Net sales in Norway increased by 16.6% to EUR 84.7 million (EUR 72.7 million), driven by like-for-like sales growth of 10.3% and ramp-up of the stores opened during the last twelve months. The NOK exchange rate had a EUR 0.6 million negative impact on net sales in the reporting period.

EBITA increased by 18.3% to EUR 11.4 million (EUR 9.6 million). Adjusted EBITA increased by 18.1% to EUR 11.4 million (EUR 9.6 million) driven by operating leverage and offset by slightly decreasing gross margin. Adjusted EBITA margin was 13.4% (13.3%).

Eight directly operated stores were opened during the financial year.

## New Markets

The segment New Markets was established in the end of 2024, when Musti entered the Baltic market. In the end of 2025 Musti expanded also to Portugal which is also currently reported in the New Markets segment.

In the Baltic countries Musti operates under the Pet City banner and has 51 retail stores and 16 veterinary clinics in the Baltic countries, and an e-commerce platform operating throughout the Baltic region. In Portugal Musti operates the ZU chain which has 65 retail stores of which 24 include veterinary clinics.

EUR million or as indicated	1–12/2025	10/2023–12/2024
Net sales	38.4	3.2
EBITDA	3.5	0.2
EBITDA margin, %	9.1%	5.8%
Adjusted EBITDA	3.6	0.2
Adjusted EBITDA margin, %	9.4%	5.8%
EBITA	-1.3	-0.2
EBITA margin, %	-3.3%	-6.1%
Adjusted EBITA	-1.2	-0.2
Adjusted EBITA margin, %	-3.0%	-6.1%
Number of stores	132	62
of which directly operated	132	62

Musti expanded to Portugal in December 2025 by acquiring the shares of ZU, which is a retailer of pet food, accessories and veterinary services. During 2025 the sales and profitability of the segment were impacted by the activities to fully integrate the Baltics into Musti's concept and platforms. The financial performance improved towards the end of the year as the integration process continued but was negatively affected by the weak consumer climate in the Baltic markets.

Pet City contributed EUR 35.3 million to the segment's net sales, and ZU contributed EUR 3.1 million.

Pet City opened five directly operated stores and closed one store in the Baltics during the financial year.

## Group functions

Adjusted EBITA was EUR -44.9 million (EUR -40.6 million). Costs increased mainly in central warehouses and various group functions. The adjustments include costs relating to digitalization and platform projects, personnel restructuring and M&A projects. Adjusted Group functions cost in relation to group net sales was 8.8% (9.1%).

The EBITA impact of the Group functions was EUR -51.8 million (EUR -53.0 million) during the financial year.

## Personnel

At the end of the reporting period on 31 December 2025, the number of personnel was 3,954 (31 December 2024: 3,372) of whom 1,271 (31 December 2024: 1,239) were employed in Finland, 1,139 (31 December 2024: 1,039) in Sweden, 710 (31 December 2024: 626) in Norway, 486 (31 December 2024: 468) in the Baltics and 348 in Portugal.

### Average personnel, full time equivalent (FTE)

	1 Jan 2025– 31 Dec 2025	1 Oct 2023– 31 Dec 2024	1 Oct 2022– 30 Sep 2023	1 Oct 2021– 30 Sep 2022	1 Oct 2020– 30 Sep 2021
Average personnel (FTE)	2,575	1,761	1,640	1,523	1,284

### Personnel by area, FTE

	1 Jan 2025– 31 Dec 2025	31 Dec 2024	30 Sep 2023	30 Sep 2022	30 Sep 2021
Finland	741	714	664	664	616
Sweden	746	681	664	650	578
Norway	420	339	316	274	203
Baltics	405				
Portugal	283	-	-	-	-
<b>Total</b>	<b>2,595</b>	<b>2,142</b>	<b>1,643</b>	<b>1,587</b>	<b>1,397</b>

### Wages and salaries

	1 Jan 2024– 31 Dec 2025	1 Oct 2023– 31 Dec 2024	1 Oct 2022– 30 Sep 2023	1 Oct 2021– 30 Sep 2022	1 Oct 2020– 30 Sep 2021
Wages and salaries total	81,891	81,252	59,370	56,303	47,489

More information on the remunerations is available for reading at the [Remuneration Report](#) published in accordance with the Financial Statements and the Board of Directors' Report.

## Changes in Group structure

In December 2025, Musti Group acquired 100% of the shares of ZU, Produtos e Serviços para Animais, S.A., a retailer of pet food, accessories and veterinary services in Portugal.

## Changes in Group management

On 13 June 2025, Musti Group announced that Erik Ringen Skjærstad will step down as Head of Norway and New Markets and as a member of the Management Team of Musti Group plc to pursue career opportunities outside of the company. Daniel Pettersson, country manager Finland and Sweden, has taken the responsibility also for Norway and the Baltics starting from 1 August 2025.

On 18 December 2025, Musti Group announced that Tobias Azevedo, MBA, BSc, the General Manager of ZU, will join the Management Team of Musti Group plc as of 1 January 2026.

## Information contained in the notes to the financial statements

Related party transactions are disclosed in note 6.1.

## Governance

Musti Group is committed to good corporate governance through compliance with laws and regulations in all its operations and to implementing recommendations for good corporate governance. The governance of the Musti Group complies with the Company's Articles of Association, Finnish and EU laws and regulations, the Finnish Companies Act, the Accounting Act, securities markets regulations and other decrees and regulations relevant to the governance of a public limited liability company. Furthermore, Musti Group's operations are guided by values and internal operating principles ratified by the company.

The governance of Musti Group is described in more detail in the [Corporate Governance Statement](#) published in connection with the Financial Statements and the Board of Directors' Report.

## Annual General Meeting

Musti Group plc's Annual General Meeting was held on 29 April in Helsinki.

The Annual General Meeting adopted the annual accounts for the financial year 1 October 2023 – 31 December 2024 and discharged the persons who have acted as the members of the Board of Directors and CEO during the financial year from liability. In its advisory resolution, the Annual General Meeting approved the Remuneration Report for the institutions and the Remuneration Policy of the institutions.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors that based on the balance sheet adopted for the financial year ended on 31 December 2024, no dividend is distributed.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that the members of the Board of Directors be paid the following annual remuneration:

- Chair of the Board of Directors: EUR 65,000
- Other members of the Board of Directors: EUR 35,000

In addition, members of the Audit Committee and the Remuneration Committee of Board of Directors will be paid the following annual remuneration:

- Chair of the Committee: EUR 7,500
- Other Committee members: EUR 5,000

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that the aforementioned remuneration shall not be paid to Board members who are employed by the company's ultimate parent company, Sonae SGPS, S.A.

Additionally, due to the longer duration of the previous financial year (1 October 2023 – 31 December 2024, totaling 15 months) the Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that the following remuneration be paid to the then-current members of the company's Board of Directors for the period 1 October 2024 – 31 December 2024, i.e., for the portion exceeding a customary 12-month financial year:

- Chair of the Board of Directors: EUR 16,250, and
- Other members of the Board of Directors: EUR 8,750.

Additionally, also due to the aforementioned reason, the Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that the following remuneration be paid to the then-current members of the Audit Committee and the Remuneration Committee for the period 1 October 2024 – 31 December 2024, i.e., for the portion exceeding a customary 12-month financial year:

- Chair of the Committee: EUR 1,875, and
- Other Committee members: EUR 1,250.

The Annual General Meeting decided that the number of members of the Board of Directors shall be seven (7). The Annual General Meeting decided that Joanna Hummel and Tiina-Liisa Liukkonen are elected as new members, and Maria Cláudia Teixeira de Azevedo, João Pedro Magalhães da Silva Torres Dolores, João Nonell Günther Amaral, Jeffrey David, and Johan Dettel are re-elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting.

Ernst & Young Oy, Authorized Public Accountants, was re-elected as the auditor of the Company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Oy has notified the Company that Maria Onniselkä, Authorized Public Accountant, will act as the auditor with principal responsibility. The Annual General Meeting decided that the remuneration to the auditor shall be paid against a reasonable invoice approved by the Audit Committee.

Ernst & Young Oy, Authorized Sustainability Audit Firm, was re-elected as the sustainability reporting assurer of the Company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Oy has notified the Company that Maria Onniselkä, Authorized Sustainability Auditor, will act as the sustainability reporting assurer with principal responsibility. The Annual General Meeting decided that the remuneration to the auditor shall be paid against a reasonable invoice approved by the Audit Committee.

## Extraordinary General Meeting

Musti Group Plc's Extraordinary General Meeting was held on 18 September 2025 in Helsinki. The Extraordinary General Meeting decided that the number of members of the Board of Directors shall be seven (7).

Member of the Company's Board of Directors João Nonell Günther Amaral resigned from the Company's Board of Directors on 28 August 2025. The Extraordinary General Meeting elected Eduardo Piedade as a new ordinary member of the Board of Directors. No other changes to the composition of the Company's Board of Directors were made, and the other current members of the Board of Directors will continue in their positions.

## Shares and shareholders

### Issued shares and share capital

At the end of the financial year on 31 December 2025, Musti Group's share capital was EUR 11,001,853.68 and the total number of shares outstanding was 33,535,453. The company has one share class. Each share carries one vote and entitles to the same dividend.

## Trading of shares

Trading of Musti Group's share commenced on the Prelist of Nasdaq Helsinki Ltd on 13 February 2020 and on the Official List on 17 February 2020.

The opening price of the share was EUR 19.80 on the first trading day of the financial year on 2 January 2025. The closing price of the share on the last trading day of the financial year on 30 December 2025 was EUR 17.82. The highest price of the share during the financial year was EUR 22.65, the lowest EUR 17.40. The average closing price during the financial year was EUR 19.92 and the average volume per day was 11,321 shares.

Musti Group's market capitalization was EUR 597.6 million on 30 December 2025.

## Own shares

On 31 December 2025 Musti Group held 147,566 (147,566) own shares representing 0.44% (0.44%) of the total number of shares and votes. Musti Group did not purchase its own shares during the reporting period.

## Authorizations of the Board of Directors

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows:

The number of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 percent of all the shares in the Company. However, the Company together with its subsidiaries may not at any moment own and/or hold as pledge more than 10 percent of all the shares in the Company.

Own shares may be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets. The Board of Directors decides on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares may be repurchased using, inter alia, derivatives. Own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

This authorization cancelled the authorization given by the Annual General Meeting held on 31 January 2024 to decide on the repurchase the Company's own shares and/or to accept the Company's own shares as pledge. The authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 30 June 2026.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows:

The number of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately 9.5 percent of all of the shares in the Company. The authorization covers both the issuance of new shares as well as the transfer of treasury shares held by the Company.

The Board of Directors decides on all other conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

This authorization cancelled the authorization given by the Annual General Meeting held on 31 January 2024 to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. The authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 30 June 2026.

## Shareholders and flagging notifications

At the end of the reporting period, the number of registered shareholders was 4,908. The proportion of nominee-registered shareholders was 0.83% of the company's shares. The 20 largest shareholders registered in the book-entry register maintained by Euroclear Finland Oy held a total of 97.93% of Musti Group's shares and votes at the end of the reporting period.

Musti Group did not receive any announcements under Chapter 9, Section 5 of the Securities Markets Act during the reporting period.

## Shareholders, Musti Group plc 31 December 2025

No.	Shareholders	Number of shares	% of shares
1	Flybird Holding Oy	27 114 747	80,85
2	Varma Mutual Pension Insurance Company	3 263 823	9,73
3	Ilmarinen Mutual Pension Insurance Company	1 571 000	4,68
4	Elo Mutual Pension Insurance Company	491 000	1,46
5	Musti Group Oyj	147 566	0,44
6	Nordea Finnish Stars Fund	131 451	0,39
7	Sijoitusrahasto Ub Hr Suomi	31 000	0,09
8	Hotellinx Group Oy	13 075	0,04
9	Gerako Oy	11 000	0,03
10	Raumaluoto Oy	10 250	0,03
	Total	32 784 912	97,76
	100 largest shareholders total	32 951 405	98,26
	Nominee registered total	277 827	0,83
	<b>Number of shares total</b>	<b>33 535 453</b>	<b>100,00</b>

## Shareholders by number of shares held, Musti Group plc, 31 December 2025

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1-100	3 985	81,19	110 476	0,33
101-500	775	15,79	164 193	0,49
501-1000	70	1,43	52 940	0,16
1001-5000	60	1,22	124 584	0,37
5001-10000	7	0,14	44 706	0,13
10001-50000	4	0,08	65 325	0,19
50001-100000	0	0,00	0	0,00
100001-500000	4	0,08	1 023 659	3,05
500001- & above	3	0,06	31 949 570	95,27
<b>Total</b>	<b>4 908</b>	<b>100,00</b>	<b>33 535 453</b>	<b>100,00</b>

**Shareholders by sector, Musti Group, 31 December 2025**

Shareholders by sector	Number of shares	% of shares
Public sector	5,325,823	16.01
Financial and insurance corporations	165,609	0.50
Households	391,874	1.18
Non-financial corporations	27,365,857	82.28
Non-profit institutions	5,362	0.02
Rest of the world	3,101	0.01
<b>Total</b>	<b>33,257,626</b>	<b>100.00</b>
Nominee registered	277,827	0.83
<b>Number of shares total</b>	<b>33,535,453</b>	<b>100.00</b>

**Remuneration**

The objective of Musti Group's remuneration program is to promote the company's competitiveness and to support the execution of the company's strategy. Furthermore, the remuneration programs aim to retain key persons and the whole staff and create long-term commitment in order to achieve shared goals and to create shareholder value.

The remuneration in Musti Group is described in more detail in the [Remuneration Report](#) published in connection with the Financial Statements and the Board of Directors' Report.

**Risks and uncertainties**

Musti Group's risk profile follows the general risk level of the retail and grocery trade. The industry is not particularly cyclical and not subject to rapid changes. The company regularly monitors changes in the risks and their impact on the business. The company implements risk management continuously and systematically according to a scheduled process. The risk management process ensures that risks related to the Group are identified, estimated, and controlled in a proactive way and the management of risks is monitored. The company's risk management includes, among others: identification and review of risks, risk assessment, determining and implementing control measures for the identified risks, and monitoring and reporting of risks.

The following describes the risks and uncertainties that are considered significant for Musti Group.

**Risks relating to the macroeconomic environment and inflation**

Increasing geopolitical instability could have a significant impact on the global economy and business environment. Although Musti Group sells products, a recession may have a negative impact on consumer confidence and sales.

General cost level has risen in past few years following price increases in energy, raw materials, and freights. Musti Group's cost level has increased accordingly and is reflected in higher retail prices to maintain profitability. Higher inflation will also contribute to higher interest rates. These may have an impact on consumer behavior and price competition.

**Risks relating to changes in the competitive environment**

Pet products and services retail industry has become increasingly competitive. Musti Group's competitors include large grocery retailers, smaller pet specialist stores, online competitors (including general online stockists and internet pure plays), home and garden stores, pet service providers, as well as veterinary clinics. Many are competing for the same customers with similar offerings, and it is easy to make comparisons between competitors. The large share of own and exclusive products partly mitigates this risk. If Musti Group fails in this competition, its sales and profitability would decrease.

**Risks relating to quality of products and services**

A failure in product safety control or supply chain quality assurance may result in financial losses, loss of customer trust or in the worst case, a health hazard to a pet. Musti Group's pet food factory's manufacturing processes are subject to risks, such as equipment breakdown, raw material availability, accidents, damage, and interruption risks. These risks are managed through certifications and continuous EHSQ work.

Customers may also make allegations against Musti Group publicly concerning the quality of the company's product or services. This could result in a reputational loss for Musti Group.

## Risks relating to changes in customer preferences

Customers' buying patterns may change more rapidly than the company has anticipated. With the rising trend of online shopping customers expect a simple and consistent shopping experience and fast delivery regardless of the sales channel. Brick-and-mortar stores are expected to offer experiences, a place to meet, and information. Various sustainability aspects in products and services are increasingly important to customers. If the company fails to address the new purchasing patterns and sustainability requirements, there is a risk that the investment in assortment, sales channels and services will not generate the intended results.

## Risks relating to sourcing of products

A loss of significant supplier or an inability to source products from such suppliers that meet Musti Group's standards and requirements, or a supply reduction or cost increases demanded by suppliers may have a material adverse effect on customer relationships and competitive position.

## Risks relating to inventories

A lot of the company's capital may be tied up in carrying the inventory if the company is unable to forecast accurately customer demand. Operative difficulties in managing the inventory and obsolescence may increase costs of inventory or result in selling the goods at discount which may have a negative impact on profitability.

## Risks relating to logistics

The company's distribution center in Eskilstuna is its distribution hub. Most goods from suppliers are delivered to Eskilstuna and then distributed to shops and online customers. Collecting the logistics in one location carries certain risks, for example, disruptions to communications and information technology infrastructure, as well as fire and strikes, which may result in business discontinuity or lower sales.

## Risks relating cybercrimes

The frequency of professional cybercrimes is growing especially after the war in Ukraine begun. This has increased the risk relating to business continuity and loss of critical information. Cyber-attacks may target, for example, data systems critical for business continuity, or personal data. Cyber-attacks may result in disruptions in sales, personal data leakages, financial losses, compensation for damage or reputational damages.

## Risks relating to employees

If Musti Group is not perceived as an attractive and sustainable employer brand, the company may not be able to safeguard skilled and motivated employees. The prerequisite for execution of strategy and reaching the set targets is to be able to maintain insightful and motivated employees.

## Risks relating to currency fluctuations

As a significant part of Musti Group's business is in countries outside the eurozone, Musti Group's balance sheet and results are exposed to fluctuations in foreign currency exchange rates. The main transaction exposure currencies are USD and GBP in which Musti Group of companies have outflows related to purchases. Translation exposure arises from subsidiaries reporting in SEK and NOK as results and balance sheet items are consolidated to Musti Group level.

## Seasonality

Musti Group's business is characterized by a generally limited seasonality effect, with the high share of recurring food and stable products of net sales translating into low seasonality within years. However, there are certain intra-year fluctuations that affect cash flows, sales and profitability. Usually, the period between July to December has higher sales and profitability margins compared to January to June, driven by higher sales of accessories and other seasonal products.

The volumes and timing of Musti Group's sales may vary somewhat due to weather conditions, with sales of pet clothing being primarily impacted. Cold winters and rainy weather generally result in higher sales of coats and shoes for pets.

## Outlook for the financial year 2026

The underlying trend of pet parenting that drives long-term structural market growth remains robust. For 2026, our expectation is a gradual return to long term market growth levels of approximately 4%. This view is supported by normalization of the key factors that suppressed market growth during the last years. Number of puppies and kittens are stabilizing and returning to long term average levels. Macro forecasts indicate improving consumer spending power across the European countries gradually towards 2027, supported by improving GDP outlook, wage increases and stable interest rates.

## Dividend policy

Musti Group's Board of Directors has defined that the company's dividend policy is as follows: The company's net profit shall be used towards financing the company's growth and investments, and the company does not expect to distribute dividends. The Board of Directors may, however, assess dividend distribution annually.

## Board of Directors' proposal for profit distribution

The Group's parent company's distributable funds on 31 December 2025 totaled EUR 125,108,780.55 of which the result for the financial year was EUR -3,002,474.22. The Board of Directors proposes to the Annual General Meeting that no dividend will be distributed for the financial year ended on 31 December 2025.

Helsinki, 30 March 2026

**Board of Directors**

## Financial ratios and alternative performance measures

EUR millions or as indicated	1/2025-12/2025	10/2023-12/2024	10/2022-9/2023
Net sales	508.9	560.6	425.7
Net sales growth, %	14.4%	N/A	8.9%
LFL sales growth, %	3.3%	1.1%	9.5%
LFL store sales growth, %	3.2%	-1.6%	6.7%
LFL online sales growth, %	3.5%	10.1%	19.0%
Store sales	383.9	413.2	322.3
Online sales	116.4	136.4	97.8
Online share of net sales, %	22.9%	24.3%	23.0%
Gross margin, %	44.0%	44.1%	45.7%
EBITDA	54.9	67.2	74.6
EBITDA margin, %	10.8%	12.0%	17.5%
Adjusted EBITDA	62.0	81.6	73.6
Adjusted EBITDA margin, %	12.2%	14.6%	17.3%
EBITA	13.5	23.6	43.6
EBITA margin, %	2.7%	4.2%	10.2%
Adjusted EBITA	20.6	38.0	42.6
Adjusted EBITA margin, %	4.0%	6.8%	10.0%
Operating Profit	6.8	16.2	37.8
Operating Profit margin, %	1.3%	2.9%	8.9%
Profit/loss for the period	-3.7	6.7	26.5
Earnings/Share, basic, EUR	-0.11	0.20	0.79
Earnings/Share, diluted, EUR	-0.11	0.20	0.79
Cash flow from operating activities	66.6	46.9	79.6
Investments in tangible and intangible assets	21.7	19.2	11.9
Net debt	209.4	187.5	137.9
Gearing, %	123.8%	112.3%	83.9%
Net debt / LTM Adjusted EBITDA	3.4	3.1	1.9
Equity ratio %	34.2%	37.6%	41.7%
Nr of loyal customers, thousands	1 870	1 866	1 543
Number of stores at end of period	497	415	342
of which directly operated	495	411	330
Own & Exclusive share, %	51.3%	51.5%	52.4%

## Share performance indicators

	1/2025-12/2025	10/2023-12/2024	10/2022-9/2023
Earnings per share, basic, EUR	-0.11	0.20	0.79
Earnings per share, diluted, EUR	-0.11	0.20	0.79
Equity per share, EUR	5.04	4.97	4.90
Dividend payout per share and capital return total	0.00	0.00	0.60
Dividend payout and return of capital, total of result, %	0.0%	0.0%	76.0%
Effective dividend yield, %	0.0%	0.0%	3.3%
Price/earnings ratio (P/E)	-159.80	99.27	22.71
Highest share price, EUR	22.65	27.25	20.46
Lowest share price, EUR	17.44	16.20	14.63
Share price as at the end of the financial year	17.82	19.92	18
Market capitalisation	597,601,772	668,026,224	603,638,154
Share turnover during the financial year, %	8.4%	119%	40.7%
Shares outstanding at the end of the period	33,535,453	33,535,453	33,535,453
Shares outstanding at the end of the period, diluted	33,530,887	33,530,887	33,644,244
Weighted average adjusted number of shares during the financial period, basic	33,535,453	33,387,987	33,374,823
Weighted average adjusted number of shares during the financial period, diluted	33,530,887	33,546,147	33,598,167

## Calculation formulas of key performance indicators

Key Performance Indicator	Definition
Gross profit	Net sales - Material and services
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Operating profit + Depreciation, amortization and impairment
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	Operating profit + Depreciation, amortization and impairment + adjustments
Earnings before interest, taxes and amortization (EBITA)	Operating profit + amortization and impairment of intangible assets
Adjusted earnings before interest, taxes and amortization (Adjusted EBITA)	Operating profit + amortization and impairment of intangible assets + Adjustments
Earnings per share, basic	Profit/loss for the period - Non-controlling interests Average number of shares
Earnings per share, diluted	Profit/loss for the period - Non-controlling interests Average diluted number of shares
Net Debt	Interest bearing liabilities - Loan receivables +/- Derivative financial instruments - Cash and cash equivalents

Key Performance Indicator	Definition
Gearing (%)	Net debt Equity
Net debt/LTM (last twelve months) Adjusted EBITDA	Net debt LTM adjusted EBITDA
Equity ratio (%)	Total equity Total assets - Advances received
LFL (Like-for-like) sales growth (%)	Sales of online channels and stores that have been open more than 13 months Sales from corresponding online channels and stores in the same time period
Own & Exclusive share (%)	Sales of own and exclusive product sales Product sales in own channels
Online share (%)	Online sales Net sales

## Reconciliation of key performance indicators

EUR millions or as indicated	1 Jan 2025– 31 Dec 2025	1 Oct 2023– 31 Dec 2024
<b>Gross profit</b>		
Net sales	508.9	560.6
Material and services	-285.1	-313.4
<b>Gross profit</b>	<b>223.8</b>	<b>247.2</b>
<b>Gross margin (%)</b>	<b>44.0%</b>	<b>44.1%</b>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>		
Operating profit	6.8	16.2
Depreciation, Amortization and Impairment	48.1	51.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	54.9	67.2
<b>EBITDA margin (%)</b>	<b>10.8%</b>	<b>12.0%</b>
<b>Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)</b>		
Operating profit	6.8	16.2
Depreciation, amortization and Impairment	48.1	51.0
Adjustments	7.1	14.4
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	62.0	81.6
<b>Adjusted EBITDA margin (%)</b>	<b>12.2%</b>	<b>14.6%</b>
<b>Adjustments (EBITDA)</b>		
Restructuring related expenses	0.2	0.4
Acquisition & IPO related expenses	1.1	0.7
Non-recurring costs (Public Tender Offer & product recall)	0.0	12.1
Digital transformation projects	5.8	1.2
<b>Adjustments (EBITDA)</b>	<b>7.1</b>	<b>14.4</b>
<b>Earnings before interest, taxes and amortization (EBITA)</b>		
Operating profit	6.8	16.2
amortization and impairment	6.7	7.3
Earnings before interest, taxes and amortization (EBITA)	13.5	23.6
<b>EBITA margin (%)</b>	<b>2.7%</b>	<b>4.2%</b>

EUR millions or as indicated	1 Jan 2025– 31 Dec 2025	1 Oct 2023– 31 Dec 2024
<b>Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)</b>		
Operating profit	6.8	16.2
amortization and impairment of intangible assets	6.7	7.3
Adjustments	7.1	14.4
<b>Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)</b>	<b>20.6</b>	<b>38.0</b>
<b>Adjusted EBITA margin (%)</b>	<b>4.0%</b>	<b>6.8%</b>
<b>Adjustments (Operating profit)</b>		
Restructuring related expenses	0.2	0.4
Acquisition & IPO related expenses	1.1	0.7
Non-recurring costs (Public Tender Offer & product recall)	0.0	12.1
Digital transformation projects	5.8	1.2
<b>Adjustments (Operating profit)</b>	<b>7.1</b>	<b>14.4</b>
<b>Earnings per share, basic</b>		
Profit/loss for the period	-3.7	6.7
Non-controlling interest	0.0	0.0
Average number of shares	33.4	33.4
<b>Earnings per share, basic</b>	<b>-0.11</b>	<b>0.20</b>
<b>Earnings per share, diluted</b>		
Profit/loss for the period	-3.7	6.7
Non-controlling interest	0.0	0.0
Average number of shares*	33.5	33.5
<b>Earnings per share, diluted</b>	<b>-0.11</b>	<b>0.20</b>

\*Includes shares from Restricted Share Plan (PSP)

EUR millions or as indicated	1 Jan 2025– 31 Dec 2025	1 Oct 2023– 31 Dec 2024
<b>Net debt</b>		
Interest-bearing liabilities	225.5	200.0
Derivative financial instruments	0.2	-0.6
Cash and cash equivalents	16.2	11.8
<b>Net debt</b>	<b>209.4</b>	<b>187.5</b>
<b>Gearing (%)</b>		
Net Debt	209.4	187.5
Equity	169.2	166.9
<b>Gearing (%)</b>	<b>123.8%</b>	<b>112.3%</b>
<b>Net debt/LTM Adjusted EBITDA</b>		
Net debt	209.4	187.5
LTM adjusted EBITDA	62.0	61.2
<b>Net debt/LTM adjusted EBITDA</b>	<b>3.4</b>	<b>3.1</b>
<b>Equity ratio (%)</b>		
Total equity	169.2	166.9
Total assets	494.8	445.0
Advances received	0.6	0.6
<b>Equity ratio (%)</b>	<b>34.2%</b>	<b>37.6%</b>
<b>LFL sales growth (%)</b>		
Net sales	508.9	560.6
Net sales growth %	14.4%	N/A
Other growth %	11.1%	N/A
<b>LFL sales growth (%)</b>	<b>3.3%</b>	<b>1.1%</b>
<b>LFL store sales growth (%)</b>		
Store sales	383.9	413.2
Store sales total growth %	17.5%	N/A
Other growth %	14.3%	N/A
<b>LFL store sales growth (%)</b>	<b>3.2%</b>	<b>-1.6%</b>

EUR millions or as indicated	1 Jan 2025– 31 Dec 2025	1 Oct 2023– 31 Dec 2024
<b>Net sales</b>		
Store sales	383.9	413.2
Online sales	116.4	136.4
Other sales	8.5	11.0
<b>Net sales</b>	<b>508.9</b>	<b>560.6</b>
<b>Online share (%)</b>		
Net sales	508.9	560.6
Online sales	116.4	136.4
<b>Online share (%)</b>	<b>22.9%</b>	<b>24.3%</b>

# Sustainability Statement

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# Sustainability Statement

## 1. General disclosures

### Basis for preparation

#### ESRS 2 BP-1 General basis for preparation of the sustainability statements

At Musti Group, sustainability is not an add-on — it is a fundamental part of our strategy, operations, and identity. As the leading Nordic specialist retailer of pet products and services, we understand our unique role in supporting the well-being of pets, their owners, and the broader environment in which we operate. With operations across Finland, Sweden, Norway and Baltics and recently in Portugal, our pawprint and influence are significant — and so is our responsibility.

This sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) in compliance with the Corporate Sustainability Reporting Directive (CSRD), and the Finnish Accounting Act's Chapter 7 on sustainability reporting.

### Scope of consolidation

The scope of consolidation of the sustainability statement prepared at the group level corresponds to the scope in the financial statements, including all group companies under the Group's control. The Group's parent company, Musti Group Oyj, is a publicly listed company on Nasdaq Helsinki. For more information about the Group structure, refer to Note 1.4 Group information in the financial statements.

### Coverage of value chain

The sustainability statement includes relevant information on sustainability matters across the Group's value chain in accordance with ESRS 1 standard. This includes both upstream and downstream activities, based on their material impacts and the availability of reliable data. The value chain information reflects our current visibility and control over sustainability matters beyond our direct operations. We are committed to improving data coverage and stakeholder engagement across the value chain by continuously developing policies, measurements, targets and scope of future disclosures.

The core principle of ESRS 2 is the concept of double materiality, which we have adopted in full. This means we assess both impact materiality: the effects our operations have on people, pets, and the environment; and financial materiality: the sustainability risks and opportunities that could impact our financial condition or long-term performance. To guide our reporting, we conducted a comprehensive double materiality assessment, consulting key internal and external stakeholders and analyzing our entire value chain — from suppliers and logistics partners to our in-store teams and customers.

### Omission of information and use of exemption for disclosure

Musti Group has not exercised the option to omit any information related to the intellectual property, know-how or innovation outcomes.

Musti Group has not exercised the option to exempt the disclosure of impending developments or matters in course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

### ESRS 2 BP-2 Disclosures in relation to specific circumstances

#### Time horizons

Time horizons applied in the sustainability statement correspond to the definition of ESRS: short-term is the same reporting period as in the financial statements, mid-term is up to five years, and long-term is more than five years. Musti Group has not applied any other time horizons in the reporting.

#### Value chain estimation

When preparing this sustainability statement, the Group has used estimates when reporting sustainability information related to the upstream and downstream ends of our value chain, particularly in areas where complete and third-party verified data are not yet available. This primarily concerns topic-specific sections E1 and E5. These sections disclose the performance indicators used, the basis for their calculation, and the level of accuracy of the results to the extent indirect sources were used in the estimation.

Although these measurement methods provide a reasonable basis for understanding the material sustainability impacts in our value chain, we acknowledge the limitations in achieving full accuracy. We are actively working to improve data collection by increasing collaboration with suppliers and other stakeholders. All assumptions and measurement methods used are reviewed, where possible, to enhance accuracy and consistency.

#### Sources of estimation and outcome uncertainty

Certain sustainability disclosures are subject to estimation and may involve a degree of uncertainty regarding the accuracy of reported figures or the outcome of future actions. Estimation uncertainty is most relevant to upstream data in the value chain due to the challenges in data availability and quality. This uncertainty particularly concerns sections E1 and E5. Value chain data in emission calculations is indicative.

The uncertainty related to the outcomes is influenced by changes in consumers' ethical consumption behaviors, which are connected to the long-term effectiveness of circular economy initiatives and to the gradual implementation of sustainability measures by suppliers. While we take reasonable steps to monitor and improve these outcomes, they are influenced by external factors beyond our direct control.

To manage these uncertainties, we clearly document the assumptions, methodologies, and data sources used in each relevant section of the report. We also disclose any material changes in estimation methods. Efforts to reduce uncertainty include strengthening supplier engagement, expanding internal data collection processes, and reviewing estimation models on a regular basis.

#### Changes in preparation or presentation of sustainability information and reporting errors in prior periods

As this is the first year Musti Group is publishing a sustainability statement in accordance with ESRS, there are no prior reporting periods for a direct comparison in relation to reporting any changes in preparation or presentation of sustainability information or errors in prior periods.

#### Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Musti Group's sustainability statement has been prepared in accordance with Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464), the European Sustainability Reporting Standards (ESRS) as defined in the Commission Delegated Regulation (EU) 2023/2772, the Finnish Accounting Act's Chapter 7 on sustainability reporting and EU Taxonomy Regulation (2020/852). Musti Group does not use any generally accepted sustainability reporting standards or frameworks in addition to ESRS.

Musti Group's pet food factory is certified by a third party in accordance with the Food Safety System Certification, FSSC 22000, and the Environmental Management System's standard ISO 14001.

#### Incorporation by reference

In section IRO-2, Disclosure Requirements in ESRS covered by the undertaking's sustainability statement, there is a table presenting a list of the disclosure requirements of the sustainability standard, or the specific data points required by those disclosure requirements, that have been included by way of references.

#### Transitional provision

In the first ESRS reporting year, Musti Group utilizes the transitional provision in accordance with ESRS 1 Appendix C for the following disclosure requirements:

- ESRS E1-9
- ESRS E5-6
- ESRS S1-7
- ESRS S1-13

In accordance with the double materiality assessment, Musti Group reports the verified sustainability matters, their links to the business model and strategy, as well as the related policies, actions and metrics in the relevant sections in accordance with the following reporting standards: E1, E5, S1, S2, S4 and G1. Musti has applied the transitional provisions for the ESRS S2 and ESRS S4 standards, resulting in the disclosure of specific, material datapoints.

## Governance

### ESRS 2 GOV-1 Role of administrative, management, and supervisory bodies

The Board of Directors of Musti Group supervises the management of the Group and its operations, including matters related to sustainability, and is the highest authority responsible for the Group's sustainability. The Board of Directors approves the Group's strategy, business plan, operating principles, and guidelines, which are linked to the objectives and principles of sustainable business.

The Group's CEO is responsible for implementing the operating principles and guidelines confirmed by the Board of Directors, including sustainability targets and action plans, within the Group. The members of the Group Management Team are responsible for implementing these within their own areas of responsibility in accordance with the requirements set by the CEO.

The members of the Company's Board of Directors and management team have diverse international experience in retail and consumer business as well as other areas of business. Their professional experience and age, nationality, and gender distribution complement each other, ensuring that the company's management has the most diverse expertise and background possible.

There are seven members in the Board of Directors: Cláudia Azevedo (chair), Jeffrey David, Johan Dettel, João Dolores, Joanna Hummel, Tiina-Liisa Liukkonen and Eduardo Piedade (from 18 September 2025). In addition, João Amaral was member of the Board until 28 August 2025. All of them are non-executive directors. The Board of Directors has two committees, Audit Committee and Remuneration Committee. Both committees have charters where their key duties and operating principles are confirmed by the Board of Directors. The members of the Audit Committee are Tiina-Liisa Liukkonen (chair), Johan Dettel and João Dolores. The members of the Remuneration Committee are Cláudia Azevedo (chair), Jeffrey David and Eduardo Piedade. 57% of the members of the Board of Directors are male and 43% female.

In 2025, the management team consisted of ten members until August 31, 2025, and thereafter nine members, all of whom except for the CEO were employees. The members of the management team are executive directors. The members of the Group Management Team are David Rönberg (CEO), Robert Berglund, Annamaija Hujala, Nanna Martin-Löf, Pamela Nelimarkka, Ellinor Nilsson, Malin Nygren, Daniel Pettersson and Sami Tanner. In addition, Erik Skjærstad was a member of the management team until August 31, 2025. 44% of the management team members are male and 56% female. There are no employee representatives in the management team or the Board of Directors.

The Board of Directors is responsible for assessing the independence of its members. The majority of the Board members must be independent of the Company. At least two Board members who are independent of the Company must also be independent of the Company's significant shareholders.

The Board members' independence has been evaluated based on the Corporate Governance Code 2025 issued by the Finnish Securities Market Association. According to the evaluation, all Board members (100%) are currently independent of the Company. In addition, Tiina-Liisa Liukkonen and Joanna Hummel are independent of the Company's significant shareholders. Jeffrey David and João Dolores are members of the Board of Directors, and Johan Dettel and Eduardo Piedade deputy Board members, of Flybird Holding Oy, which is the Company's largest shareholder. In addition, Cláudia Azevedo, João Dolores and Eduardo Piedade are all executive directors of Board of Directors of Sonae, which is the Company's ultimate parent company.

### Duties and responsibilities of the administration, management, and supervisory bodies

The Charter of the Board of Directors defines the duties of the Board of Directors include to arrange the control on the Company's sustainability reporting and the compliance of the reporting, and the review and approval of the sustainability statement.

The Audit Committee is responsible for monitoring compliance with the sustainability reporting process and reporting standards. The Company's remuneration policy defines the principles for remunerating the Company's governing bodies, i.e., the Board of Directors and the CEO.

The Board of Directors approves the Group's strategy, business plan, operating principles, and guidelines, which are linked to the objectives and principles of responsible business. The Group's management team is responsible for implementing these and reports to the Group's Board of Directors on the impacts, risks, and opportunities. The management team is also responsible for preparing the sustainability statement and ensuring that sufficient resources are allocated for this. The corporate responsibility team implements responsibility work, prepares the setting of objectives and indicators, monitors and coordinates the implementation of operating principles in the Group's various functions, and prepares the sustainability statement. The corporate responsibility team reports to the Group's Chief Operating Officer.

The Board's Audit Committee oversees the sustainability reporting process and compliance with standards and approves the sustainability statement before it is submitted to the Board for approval. The Audit Committee reviews the auditor's observations on the sustainability statement. The Group's internal audit assesses sustainability issues as part of its internal audit procedures. The company's management team has set targets and indicators for all Group operations to take sustainability issues into account in business operations and support functions. The Group has prepared action plans based on these targets and their implementation is monitored regularly.

The Group's Board of Directors and management team have extensive knowledge of sustainability issues, which the members of the supervisory bodies have accumulated in their previous and current positions. The Group's Chief Operating Officer has extensive knowledge of sustainability issues, and the Chief Financial Officer is proficient in sustainability reporting. In addition, the Group's Board of Directors and management team have access to internal and external experts who support them in their duties, as well as the opportunity to participate in trainings. The Group's Chief Operating Officer is responsible for ensuring that the corporate responsibility team has sufficient resources and expertise. The Group's management team, members of the corporate responsibility team, and other persons involved in preparing the sustainability report participate in training related to sustainability issues and familiarize themselves with relevant literature and other materials in accordance with their roles. The members of the Group's management team ensure, within their own areas of responsibility, that the Group has sufficient expertise and competence with regard to the company's material risks, impacts, and opportunities.

The objectives of risk management are therefore to promote the implementation of the strategy, the achievement of financial targets, the fulfillment of customer promises, the implementation of responsible operating practices, and business continuity. Assessment and management are carried out by identifying, assessing, managing, monitoring, and reporting key risks annually through risk mapping. Management reports the results of risk mapping and risk management measures to the Audit Committee.

### **ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

As part of the double materiality analysis process, the Board's Audit Committee and Management Team discussed the identified sustainability-related impacts, risks, and opportunities and provided feedback on their assessment and scoring. The policies measures, and targets related to sustainability issues and reporting are reported to the supervisory bodies whenever they are updated and when new policies, targets, or measures are drawn up.

In 2025, the Audit Committee addressed the following sustainability topics:

- CSRD-reporting
- Review and approval of double materiality analysis, including impacts, risks, and opportunities
- Risk management, including data protection, cybersecurity, and ESG-related risks

The management team participated in the approval of the results of the double materiality analysis in 2024. In 2025, the management team discussed the following topics:

- Status update on preparations for CSRD compliance during 2025
- Presentation of action plan work and reporting process
- Approval of action plans, indicators, and targets
- Policies, management of sustainability matters, and climate change

### **ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes**

Sustainability considerations were not taken into account in the remuneration of Musti Group's Board of Directors or Management Team in the 2025 financial year.

## ESRS 2 GOV-4 Statement on due diligence

Part of the due diligence process	Topic	Location and page number in sustainability statement
Integration of the due diligence process into governance, strategy and business model	GOV-1 The role of the administrative, management and supervisory bodies	ESRS 2 GOV-2, sustainability statement p. 33
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2 SBM-3, sustainability statement p. 39
Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 Interests and views of stakeholders	ESRS 2 SBM-2, sustainability statement p. 38
	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2 IRO-1, sustainability statement p. 43
Identification and assessment of adverse effects on humans and the environment	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2 IRO-1, sustainability statement p. 43
Taking actions to address negative impacts on the people and the environment	G1-1 Corporate culture and business conduct policies and corporate culture	G1-1, sustainability statement p. 85
	G1-2 Management of relationships with suppliers	G1-2, sustainability statement p. 85
	G1-3 Prevention and detection of corruption and bribery	G1-3, sustainability statement p. 86
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4, sustainability statement p. 69
	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 action	S2-4, sustainability statement p. 79
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	S4-4, sustainability statement p. 82
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5, sustainability statement p. 72
Tracking the effectiveness of actions	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5, sustainability statement p. 79
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4-5, sustainability statement p. 83

## ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting

Risk management is part of the Company's management system, and risks related to sustainability reporting are identified, assessed, and managed as part of the Company's normal risk management work. The Company regularly assesses risks based on their likelihood of occurrence and magnitude of impact. Risk assessment takes into account their impact on the Company's operations, personnel, and strategic objectives.

Sustainability reporting is part of the Company's statutory reporting and is the responsibility of the Company's Chief Operating Officer. The sustainability reporting process is led by the Company's corporate responsibility team, with the participation of the finance team.

To ensure the content and coverage of sustainability reporting, it is carried out by persons familiar with the subject. In addition, roles and processes have been defined to ensure the quality, coverage, and accuracy of sustainability reporting. Sustainability reporting is also supported by external, independent verification.

The company has control measures in place to ensure the accuracy of its sustainability reporting, and these control measures will continue to be developed in 2026.

If necessary, the Board's Audit Committee may utilize internal audit to ensure the accuracy and comprehensiveness of sustainability reporting and to develop it further.

The most significant risks identified in sustainability reporting relate to data availability, the creation of a data collection process, and the adequacy and expertise of human resources. Risks related to data availability and the data collection process are managed through systematic working methods and by building robust and controlled processes for data collection. To ensure the adequacy of human resources, the Company has increased the human resources of its corporate responsibility team and enabled the training of people involved in reporting in relation to CSRD reporting. The Company also receives expert support for sustainability reporting from experts at its parent company, Sonae.

## Strategy

### ESRS 2 SBM-1 Strategy, Business Model and Value Chain

#### Strategy

The goal of Musti Group's strategy is to build a strong, responsible and scalable retail entity for pet products and services that creates long-term value for customers, employees, owners and other stakeholders.

The strategic focus areas are:

- New customers and especially puppy customers as market share increasers
- Increase sales through the use of data in customer loyalty marketing
- Expanding the store network and increasing the number of service points
- Nordic market leadership in both the store network and e-commerce
- Improving sales margin by continuously developing our own and exclusive products
- Scalable business that delivers operational economies of scale through growing volumes and leveraging digitalization

Sustainability is integrated into the profitability and growth strategy described above. The business model is implemented in such a way that the development of sustainability topics is part of daily business operations in accordance with the strategy in various functions. The company is committed to operating ethically, combating corruption and bribery, developing responsible sourcing, and maintaining transparency in supply chains. Our goals include reducing the environmental impact of our operations and continuously developing social perspectives both in our own operations and in the supply chain, as well as offering safe and high-quality products for pets. The company's strategic priorities include significant sustainability impacts, risks, and opportunities that are important to identify and manage. More information about these ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model in chapter Interaction with strategy and business model in page 42.

#### Business model

Musti Group operates in the pet market in Finland, Sweden, Norway, the Baltic countries, and Portugal as a manufacturer, contract manufacturer, and retailer of pet products. The company's most significant customer groups are pet owners, especially owners of dogs and cats, who value high-quality, safe and expertly selected products and comprehensive services. The company's most significant product category is pet food. The product range also includes products, accessories, and services related to pet care and well-being. Services include grooming, training, massage, and nutritional services, as well as veterinary services in certain stores. Musti's product and service range and market position enable it to promote the sustainability of supply chains, reduce environmental impacts, and increase the well-being of pets. The company's extensive customer base and own brand portfolios enable it to bring sustainable product choices and responsible practices to the market.

Musti Group's integrated business model includes stores, e-commerce, and in-store services. It serves its Nordic customers through the store chains Musti ja Mirri, Musti, Arken Zoo and Peten Koiratarvike, as well as purely through the online store such as Peten Koiratarvike and Vetzoo. In the Baltic countries, Musti Group serves its customers in Pet City stores and online. In Portugal, Musti Group conducts business under the name ZU.

The Musti store concept is based on a wide selection of pet food and supplies combined with a culture of knowledgeable and service-minded employees. In addition to personal service, dialogue with customers is also conducted through the consumer service function. Musti's goal is to build a community of pet owners and pets around it and to increase the well-being of both pets and people. In addition, cooperation is carried out with various stakeholders at all stages of the value chain.

In 2025, the number of Musti Group's employees in Finland was 1,271, in Sweden 1,139, in Norway 710, in Estonia 215, in Latvia 140, in Lithuania 131 and in Portugal 348. Section S1-6 Characteristics of the company's employees contains more information about Musti Group's personnel.

#### **Production inputs and the procedures for collecting, developing and securing those inputs**

Musti Group's key production inputs consist of raw materials for the manufacture and distribution of pet products and food, manufacturing capacity, supplier network, logistics services, and warehousing and distribution infrastructure. In addition, skilled personnel and expertise are an essential part of the company's value creation. Musti manages and secures these production inputs through operating methods that include responsibility, security of supply, and resource efficiency.

Musti ensures the quality and availability of production inputs by maintaining a responsible and monitored supplier network. All suppliers are required to commit Musti's Supplier Code of Conduct or amfori's Code of Conduct, and especially in high-risk countries, suppliers must pass amfori BSCI audits. Suppliers are evaluated to ensure the implementation of social and ethical responsibility.

In 2023, Musti strengthened the security of supply of raw materials by acquiring the full ownership of Premium Pet Food Suomi Oy in Lieto, which produces pet food. The factory uses, among other things, local raw materials, which shortens logistics chains and supports delivery of reliability and sustainability goals.

Musti ensures the quality and availability of production inputs by maintaining a responsible and monitored supply chain network. This includes the development of the operations of the central warehouse, the optimization of store deliveries, and e-commerce logistics. The logistical service model supports cost-efficiency and responsiveness in the supply chain.

Although physical inputs are central, a significant part of Musti's ability to utilize production inputs is based on the expertise of its personnel, especially in procurement, logistics, warehousing and quality management. The competence of the personnel is a critical resource for the company's strategic position and is supported by continuous development.

#### **Outputs and results and their current and expected benefits for stakeholders**

Musti Group's business model creates value for customers, investors, and other stakeholders by offering high-quality pet products, comprehensive services, and a safe, reliable shopping experience. The company's outputs, such as a wide range of products, own and exclusive brands, service packages and an efficiently functioning multi-channel distribution network, form the basis for the value creation that stakeholders experience in a concrete way.

Musti Group creates value for its customers by offering a wide range of products. Pet food responds to customers' key needs to provide nutritionally high-quality food for their pets. The significant share of own and exclusive brands in the product portfolio improves the quality of the offering and enables products that are tailored to customer needs and have a competitive price-quality ratio.

In addition, Musti Group offers services such as fur care, training and veterinary services that support customers' ability to take care of their pets comprehensively. With these services, Musti Group acts as a "one-stop-shop", which increases the ease of customer transactions and deepens customer relationships.

The multi-channel business model – 497 stores and a significantly growing online store – improves the accessibility and reliability of the service. E-commerce, which accounts for about a quarter of total sales, offers customers flexible ways of doing business even in changing market conditions. The expansion of the store network and the role of higher margins of private labels will improve Musti's long-term competitiveness and growth potential.

For investors, Musti's business success benefits in the form of increased company value. Musti's growth is supported by the pet parenting phenomenon, which leads to customers investing in the well-being of their pets. Musti's investments in supply chain efficiency and responsible sourcing also play a key role in Musti's long-term value creation, as they increase delivery reliability and cost-efficiency.

For other stakeholders, such as suppliers, employees and societies, Musti creates value in the form of sustainable supply chain development, jobs and investments, among other things.

For suppliers, Musti offers a long-term partnership model in which sustainability criteria, audits, and continuous performance evaluation support the transparency and development of the supply chain. Cooperation with suppliers supports the sustainability requirements of the entire value chain.

For employees, Musti offers a growing, internationally expanding operating environment, where the expertise of the personnel is a key competitive factor. The expansion of operations to seven countries and the growth of the store network will create jobs and training opportunities.

More broadly, Musti's operations support social benefits, for example through the development of local production at the pet food factory in Finland, which strengthens the regional economy and shortens supply chains. In addition, investments in cooperation with transport partners in emission reductions in logistics, such as the use of biodiesel and preparations for the introduction of electric trucks, support broader climate and environmental goals.

### Value chain

Musti Group's value chain consists of products manufactured under its own brands, global brands product range managed with suppliers, the transport of products by transport partners to warehouses, a warehousing network and multi-channel distribution channels to consumers through a store network or an online store. The multi-channel model, which combines physical and digital services, enables wide service experience. The end users are pets and their owners, whose needs guide the development of the product and service range. Musti has a customer community of approximately 1.9 million loyal customers, which allows feedback and demand signals to be used directly in the optimization of its value chain. Musti combines its supplier network, in-house production and logistics in line with the needs of end customers, influencing the entire chain from the perspectives of sustainability, quality, and delivery reliability.

### ESRS 2 SBM-2 Interests and views of stakeholders

Musti Group's key stakeholders include employees, consumers, partners and suppliers, investors and analysts, as well as pet associations and other NGO partners. Regular dialogue ensures that the expectations set by different stakeholders for Musti Group's sustainability work and the needs for the development of operations are taken into account.

Employees are a key resource, as their competence, commitment, and well-being have a direct impact on the quality of business and the achievement of sustainability goals. Key employee views and expectations include good team spirit and a functional work environment, equal pay and career development opportunities, opportunities to increase competence, open communication, and that the company's values are in line with their own values. The focus of HR measures is on good employee experience, which starts with recruitment and continues throughout the employment relationship.

Consumers and pets are an important customer group for the Group, and the company focuses on sustainable growth to create value for pet parents as well as owners and other stakeholders. Consumers form a diverse group whose purchasing behavior is influenced by both emotional and rational factors. The customer base covers a wide range of ages and incomes, but city dwellers and young adults in particular are a growing segment. Consumers are digitally active; they search for information online, compare products, and appreciate easy online shopping.

Consumers' interests and views are primarily related to the well-being and safety of pets. Customers expect products and services to support their pet's health and comfort. Responsibility and sustainability are important values. Digital services, e-commerce and home delivery also increase customer satisfaction and a good customer experience. Tailored diets and high-quality products are seen as added value, and some consumers are prepared to pay a premium price for quality.

Consumers' views are heard in customer encounters in stores, through contacts through customer service channels and customer satisfaction surveys. Interaction also takes place on social media.

Suppliers are key players in the value chain, as the reliability of product delivery has a direct impact on the quality of business. Cooperation with suppliers aims at a long-term, mutually beneficial relationship, as well as transparency in the supply chain and the development of sustainability topics.

The purpose of Musti Group's stakeholder dialogue is to ensure that the company's strategy, sustainability targets and operational activities reflect the expectations of pets and their owners, employees, suppliers, communities, and investors. The company's operations are based on its purpose to make the lives of pets and their families easier, safer and more fun throughout the pet's life cycle, and this purpose guides how Musti identifies and interprets the needs and concerns of its stakeholders.

Stakeholder dialogue helps Musti identify the impacts, risks, and opportunities related to the company's operations. With regard to customers, interaction takes place especially through the loyalty program. Customer feedback provides information about customers' needs but also concerns. This information can be used in assortment decisions, service concepts, and the development of personnel competence.

Internal feedback, training, and the results obtained through the eNPS survey and the Fairness Index, among other things, provide a basis for developing well-being at work and strengthening the corporate culture.

The dialogue with suppliers aims to ensure sustainability of the supply chain. Regular cooperation ensures mutual benefits for both the supplier and Musti Group. This dialogue is important because delivery reliability and quality are essential in Musti's operations from the perspective of meeting consumer expectations.

In addition, Musti actively participates in pet community cooperation, through which it promotes the well-being of pets and supports pet parents with information and services. Dialogue with pet communities produces valuable information on the needs and expectations of consumers and communities regarding the well-being of pets and responsible operations.

Investor interaction, on the other hand, focuses on the development of transparent reporting, sustainability targets, and risk management. Investors' expectations affect how Musti builds its sustainability strategy and how it reports its progress.

The aim of the stakeholder dialogue is also to support Musti's sustainability commitments. Musti is committed to the principles of the UN Global Compact, which guides the company's operations especially from the perspectives of human rights, labor rights, and environmental protection. This commitment strengthens Musti's sustainability work in relation to suppliers, employees, and society.

Musti Group utilizes stakeholder dialogue as a mechanism through which the company collects and interprets the expectations of its key stakeholders and utilizes them in the continuous development of its operations. Identified observations through dialogue are utilized in business development in such a way that Musti's operations are aligned with its purpose, values and stakeholder expectations, and that the company is able to create value in a sustainable way throughout its value chain.

### Channels and topics of interaction with key stakeholders

Stakeholder groups	Interaction channels and cooperation	Key stakeholder interests and views
Customers	Customer encounters in stores Customer service channels Customer satisfaction surveys Social media	Product quality and safety Origin of products Responsible supply chain Musti as an employer and employee well-being
Employees	Teamwork and management Meetings Onboarding and trainings Intranet Employee surveys	Well-being and occupational health in the workplace Occupational safety Environmental work Diversity and equality
Suppliers	Supplier meetings Trade fair meetings	Product quality and safety Origin of products and traceability Packaging Supplier's environmental work Supplier as an employer Respect of Human rights
Investors, capital markets, authorities	Meetings and share of information Negotiations General meeting Financial reporting and press conferences Webpages	Profitable business Good governance Climate change mitigation Responsible supply chain  Respect of Human rights Anti-corruption and anti-bribery
Pet community	Events and happenings Campaigns Trainings and knowledge sharing	Well-being and health of pets and pet parents
NGO's	Events and meetings Shared campaigns and communication	Increase of pet well-being and health Decrease of pet feed wastage

In 2025, Musti Group did not make any significant changes to its current strategy based on stakeholder views and did not anticipate any changes in the medium term.

The Management Team processes the results of the personnel surveys and the customer satisfaction survey. Representatives of the company's management report on the most important stakeholder's views on various matters under discussion to the Board of Directors.

### ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model.

Musti Group's growth and profitability strategy is linked to several material sustainability topics that have been identified in the double materiality analysis. The identified sustainability topics cover the impacts of the company's operations on people and the environment, as well as the financial risks and opportunities related to financial performance. The Group's material sustainability themes are Climate Change and Mitigation (ESRS E1), Resource Use and Circular Economy (ESRS E5), Own Workforce (ESRS S1), Value Chain Workers (ESRS S2), Consumers and End Users (ESRS S4) and Business Conduct (ESRS G1). The material impacts are on the value chain, personnel, and customers, as well as pets. Managing these impacts, risks and opportunities supports strategic growth, profitability and the development of a scalable business.

### Musti Group material impacts, risks and opportunities

Standard	Material topic	Impact	Actual / Potential A/P	Positive / Negative + / -	Risks and Opportunities	Risk / Opportunity R/O	Value chain location x			Time Horizont x		
							Upstream	Own activities	Downstream	Short-term	Medium-term	Long-term
Climate Change E1	Climate change mitigation	Pet food raw materials have negative impact on climate through emissions caused by agriculture and transportation	A	-			x			x	x	x
		Suppliers causes emissions when manufacturing products and have negative impact on climate	A	-			x			x	x	
Resource Use and the Circular Economy E5	Resource Inflows	The use of recycled materials in the products in Musti's product range has the opportunity to save natural resources and have positive impact on environment.	A	+			x	x		x	x	x
		Developing product and packaging materials and reducing the amount of materials used has a positive impact on the environment.	A	+			x	x		x	x	x
	Resource Outflows	The recycling instructions on the packaging have a positive impact on the environment by recycled materials.	A	+				x	x	x	x	x
	Waste	The waste generated by Musti's own operations causes negative impacts on the environment.	A	-				x		x	x	x
Own workforce S1	Working conditions, Working time	Promoting work-life balance, for example through flexible working hours, has a positive impact on employees and their work ability.	A	+				x		x	x	x
	Working conditions, Adequate wages	Diverse employee benefits and equal pay are part of a good employee experience and have a positive impact on employees.	A	+				x		x	x	x
	Working conditions, Health and safety	Good management and performance management increase team job satisfaction and employee well-being, which has a positive impact on employees.	A	+				x		x	x	x
	Equal treatment and opportunities for all, Gender equality and equal pay for work of equal value	Equal treatment of personnel, e.g. gender equality, at work and in matters related to the employment relationship and salary increases job satisfaction, commitment and productivity positive impact on employee.	A	+				x		x	x	x
	Equal treatment and opportunities for all, Training and skills development	A lack of training opportunities and skills development can negatively impact employees and work motivation.	P	-	Trust in the employer weakens and can lead to a shortage of skilled personnel or staff retention can be a risk to the company's operations, turnover and employer brand.	R		x		x	x	
	Equal treatment and opportunities for all, Diversity	A diverse workforce (e.g. age, gender, cultural background, etc.) increases the company's ability to innovate and understand the needs and trends of the customer base and develop the business - positive impact on employee. Diversity	A	+				x		x	x	x
	Other work-related rights, Privacy	Weaknesses in information security can create a risk to the confidentiality of employees' personal information - negative impact on employee.	P	-	Potential leaks of personal information from employees can cause costs for the company and affect the brand.	R		x		x	x	

Standard	Material topic	Impact	Actual / Potential A/P	Positive/ Negative + / -	Risks and Opportunities	Risk / Opportunity R/O	Value chain location x			Time Horizont x		
							Upstream	Own activities	Downstream	Short-term	Medium-term	Long-term
Workers in the value chain S2	Working conditions	Good treatment of workers in the supply chain is the starting point for cooperation with suppliers. Supplier cooperation aims for positive and human rights-based treatment of workers and preventing negative ones.	A	-/+			x			x	x	x
Consumers and endusers S4	Information-related impacts for consumers and/or end-users, Privacy	Data leaks involving consumers' personal data can have a negative impact on consumers.	P	-	Data breaches targeting consumers' personal data pose a risk to Musti's operations, which could negatively impact revenue.	O		x	x	x	x	
	Information-related impacts for consumers and/or end-users, Privacy	The e-com shopping industry is facing the threat of cybercrime, for example, threats to electronic payment processing, which can have a negative impact on the online shopping customer.	P	-	Cybercrime targeting e-com shopping can have a negative impact on revenue and brand value.	R		x	x	x	x	
	Information-related impacts for consumers and/or end-users, Freedom of expression	Failure in customer service or handling customer feedback causes a negative experience for the customer and the reaction is to share the incident on social media.	P	-	A big uproar on social media damages Musti's image and has a negative impact on revenue.	R		x	x	x	x	
	Information-related impacts for consumers and/or end-users, Access to (quality) information	Incorrect product and packaging labeling can mislead the consumer and cause a negative impact on the pet.	P	-	The negative impact is on the brand's reputation, which can reduce the sales of the brand's products.	R		x	x	x	x	
	Information-related impacts for consumers and/or end-users, Access to (quality) information	The advice provided by knowledgeable store staff in customer service situations and Musti's pet care and health services increase the level of expertise of pet owners, which has a positive impact on the well-being and health of their pets.	A	+	The number of loyal customers increases, which has a positive impact on sales and the brand value.	O		x	x	x	x	
	Personal safety of consumers and/or endusers, Health and safety	Product defects (for example, electrical equipment defects) can endanger the health of pets and cause property damage to the consumer.	P	-	Negative impact on Musti's sales and brand value.	R		x	x	x	x	
	Personal safety of consumers and/or endusers, Health and safety	Poor quality pet food can jeopardize the well-being and health of the pet.	P	-	Poor quality pet food can weaken the value of the product brand and have a negative impact on revenue.	R		x	x	x	x	
	Social inclusion of consumers and/or endusers, Responsible marketing practices	Unethical marketing can negatively impact consumers.	P	-	Unethical marketing can cause a stir on social media, negatively impacting Musti's reputation and brand value.	R		x	x	x	x	
	G1->S4 Animal welfare	Musti's pet care and health services and trainings promote the welfare of pets - positive impact on pets.	A	+	Increased use of Musti's pet care and health services increases sales	O			x	x		
Governance G1	Corruption and bribery	Code of Conduct training has a positive impact on employees and management. Their knowledge and vigilance can help prevent the risk of bribery and detect potential corruption cases.	A	+			x	x		x	x	

**Environmental impacts, risks and opportunities (E1 and E5)**

Supply chain procurement, logistics and material choices for products account for the most significant climate and resource impacts. Changing regulations and customer and investor requirements emphasize the importance of reducing emissions, energy efficiency, and the responsibility of product materials. Material risks include disruptions in supply chains, rising costs, and tightening environmental requirements. Opportunities arise from solutions based on the circular economy, the utilization of circular economy perspectives in the development of private labels, for example by using recycled raw materials, and the optimization of transport and the transition to renewable fuels.

Expanding Musti Group's store network and increasing the number of service points will increase Musti Group's environmental impact, for example through increased energy consumption or waste volumes.

**Social impacts, risks and opportunities (S1, S2 and S4)**

The material impacts related to our personnel (S1) concern well-being at work, safety, competence development, and equal treatment. Growth in line with the strategy requires effective competence management and the availability of labor. Material risks include challenges in coping at work, recruitment in difficult labor market conditions, and ensuring competence in new stores and services. Committed and healthy personnel support the growth and customer strategy.

Risks related to workers in the value chain (S2) concern working conditions and human rights, especially in international supply chains. The Supplier Code of Conduct and supplier audits are key to managing these impacts. Supplier assessments and sustainability requirements reduce social risks and support strategic objectives.

The impacts on consumers and end-users (S4) are related to product safety, animal welfare, and quality of services. Product safety risks can have an impact on reputation and business continuity. Pet welfare services and products that meet customer expectations have significant potential to strengthen customer loyalty.

**Impacts, risks and opportunities of good governance (G1)**

Essential aspects of conducting business concern the prevention of corruption and bribery, especially in procurement and contract processes. The effects are directed at people in one's own operations or in the supply chain. The company has zero tolerance for corruption, and risk management is supported by the Code of Conduct for both its own staff and suppliers; suppliers are subject to approval procedures. Ethical sourcing supports the strategy and the responsible growth of private labels. Suspicions of misconduct can be reported through the whistleblowing channel. Good governance practices and

principles promote ethical business conduct, reduce risks of misconduct, and increase stakeholder trust. Musti Group's business operations are based on ethical and compliant operations, which strengthens trust in investors and customers.

**Interaction with strategy and business model**

In accordance with the strategy, we are aiming for new customers, especially puppy and kitten customers, to increase our market share. Sustainability impacts are related to environmental impacts, as the consumption of products increases, and so do the environmental impacts, such as the carbon footprint. Guiding customers to make responsible choices, for example, to products that have been designed with recyclability in mind, or materials that are from recycled sources, makes it possible to reduce environmental impact. If communication or product information is inadequate, there may be negative effects on the consumer or pet, which can lead to a risk of reputational damage. On the other hand, a comprehensive product range and high-quality service are an opportunity, which makes it possible to meet customer expectations and customer satisfaction.

Increasing sales through the use of data in customer loyalty marketing can improve targeting and reduce unnecessary marketing, which supports resource efficiency and is reflected in a positive impact on the environment, for example, in reduced material consumption. Data management requires strong data security. GDPR violations and data misuse can undermine customer trust and can cause a negative impact on customers, for example in the form of security leaks. The opportunity is that data analytics can be used to optimize warehouse operations and store deliveries and reduce waste, which creates opportunities for improving profitability.

Expanding the store network and increasing the number of service points will increase the amount of environmental impact, for example, through increased energy consumption or waste volumes. The energy efficiency requirements of properties may indirectly cause cost pressures through increased rents for retail premises. At the same time, energy-efficient stores and the use of renewable energy are an opportunity to reduce environmental impacts.

Nordic market leadership in terms of the store network and e-commerce increases volume and environmental footprint but also gives us the opportunity to influence industry trends. Responsible practices, such as good marketing and communications practices, prevent reputational risks. In a leading position, there is an opportunity to set up good practices and develop the industry.

Improving the sales margin by developing our own and exclusive products provides an opportunity to develop circular economy solutions. The quality and safety of the products maintain customer trust. Sustainable materials and circular economy solutions are an opportunity to differentiate a brand from its competitors.

Scalable business that takes advantage of digitalization makes operations more efficient, but the energy consumption of data centers can increase. Cybersecurity risks and the rapid obsolescence of technology can pose challenges. However, automation and digitalization can improve resource efficiency and reduce the carbon footprint.

Musti Group's material impacts arise from both its own operations and business relationships. The impacts generated by the company's operations include the environmental impacts of the company's own production plant, warehousing and stores, as well as the social impacts related to product safety and employees.

However, a significant part of the impact is generated through business relationships, especially in the supply chain. Musti is involved in the environmental and human rights impacts generated through its suppliers, as the products and materials are sourced from an extensive supplier network. Suppliers are guided to sustainability through ethical guidelines and amfori BSCI audits, but the effects are ultimately created by the practices of these external actors.

Logistics partners have material, indirect impacts, especially in relation to emissions in the transport chain. Musti strives to reduce these impacts through cooperation and steering instruments, even though the effects are created through the partners' activities.

Therefore, Musti Group's involvement in material impacts is divided into two categories: direct impacts, which the company can influence through its own operations, and indirect impacts, which arise through supplier and logistics relationships and which the company manages through requirements, audits and collaboration.

Musti Group has not made a precise estimate of the impact of material risks and opportunities on the financial result, cash flows or financial position in the financial year 2025 and the company has not anticipated the above-mentioned financial impacts in the short, medium or long term. In addition, Musti Group has not assessed the resilience of the company's strategy and business model and its ability to address material impacts and risks or to take advantage of material opportunities.

Musti Group does not have its own entity-specific sustainability topics to report.

## Managing impacts, risks and opportunities

### ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Musti Group has assessed and identified the actual and potential impacts, risks and opportunities in its own operations and upstream and downstream of the value chain. At the end of the value chain, particular attention was paid to the assessment of adverse effects related to consumers and end users. The assessment has been carried out in accordance with the principles of double materiality assessment (DMA) (ESRS 1, chapter 3). The sustainability topics identified as a result of the assessment are what Musti Group focuses on in the development of sustainable business and reports in its sustainability statement in accordance with the CSRD.

The identification and assessment of impacts, risks and opportunities was based on the company's previous sustainability assessments and expert workshops, as well as external sources, such as an industry-specific analysis and qualitative expert assessments. The assessment covered the company's own operations and key parts of the value chain as a high-level analysis.

The double materiality assessment process was carried out for the first time between 2023 and 2024. The assessment process used public and internal sources, stakeholder interviews, personal materiality assessment, and working group assessment. In 2021, Musti Group carried out a materiality analysis to identify its impact on people and the environment. The results of this study on the identified sustainability topics serve as a basic starting point for the assumptions. In the background analysis phase of the process, they were supplemented based on the topic recommendations of sector-specific sustainability standards and information found on the websites and reports of peer companies, among other things. Based on the background analysis, the most significant sustainability topics in the sector were related to, among other things, climate change mitigation, taking circular economy perspectives into account in business and product development, issues related to the working conditions of the company's own workforce and employees in the value chain, and taking into account the impacts on consumers and end users.

The double materiality analysis was carried out in three main phases:

1. Understanding context: Evaluating internal materials, evaluating reporting standards found in the business area, evaluating peers and trends, understanding stakeholder views and interests, and conducting stakeholder interviews.
2. Identification of actual and potential impacts, risks and opportunities (IROs) related to sustainability topics in accordance with the results of the first phase: An internal team assesses the identified impacts, risks and opportunities.
3. Assessment of the significance of the identified impacts, risks and opportunities related to sustainability topics and the result of the assessment: The significance assessment was carried out through an internal survey, the results were processed and approved by the Management Team.

The prioritization of the identified impacts, risks and opportunities was assessed by internal experts using a survey conducted in the Webropol tool to assess the impact materiality and financial materiality. The outcome of the assessment is a list of Musti Group's material sustainability topics.

#### **Assessment of materiality of impacts and financial risks and opportunities**

In the process of identifying and assessing material actual and potential impacts, Musti Group's own operations and value chain were mapped. The value chain was examined holistically in order to identify impacts or other factors that affect the environment or people, both in Musti Group's own operations and upstream and downstream of the value chain.

The double materiality assessment was started in 2023 by consulting key stakeholder representatives (e.g. investor/analyst, pet association, supplier, company management). The interviews emphasized reducing climate impacts, investing in employee well-being, especially employees working in customer service in stores, responsible use of resources, cooperation with suppliers, and investing in product quality and safety.

The assessment, which was carried out in 2024, identified both negative and positive impacts on people and the environment that may arise through Musti Group's own operations or business relationships (e.g. suppliers, subcontractors, customers). The location of the impacts in the value chain was described in the assessment documentation prepared during the analysis phase.

The materiality analysis examined the impacts and related dependencies, together with the risks and opportunities that may arise from them. The identified environmental and social impacts were assessed as cause-and-effect chains, which made it possible to assess potential financial risks and business opportunities.

The materiality of the identified sustainability impacts was assessed in accordance with the principles of the standards (ESRS 1, chapter 3). The assessment examined the actual and potential negative and positive impacts. The materiality of the negative impacts was assessed in accordance with the severity scale, the extent of the impact and the irreparable nature of the impact. The materiality of the impact was calculated as the product of severity (negative)/utility (positive) and probability.

Financial risks and opportunities were assessed as the product of scale and probability. In the first phase, each impact, risk and opportunity was assessed on a scale of 1 to 5. The second stage consisted of changing the rating scales to a scale of 1–3. This was done because Musti Group's assessment became part of Sonae Group's double materiality analysis with the acquisition completed in 2024. This ensured consistent results across the subsidiaries of the Sonae Group. Sonae Group defined the materiality threshold as 2 on a scale of 1 to 3. The results were evaluated qualitatively by the internal working group and the management team. On this basis, minor reweightings were made. Musti Group's Management Team approved the result of the double materiality analysis in September 2024.

Musti Group's material sustainability topics to be reported in the sustainability statement are:

ESRS E1 Climate change / Climate change mitigation

ESRS E5 Resource Use and Circular Economy

ESRS S1 Own workforce

ESRS S2 Value Chain Workers

ESRS S4 Consumers and end-users

ESRS G1 Conduct of business / Anti-corruption and anti-corruption / Animal welfare\*

\*G1/Animal welfare is addressed in the context of reporting standard S4 Consumers and end-users

During 2025, the impacts of the Baltic PetCity business on material sustainability topics were also assessed. As PetCity operates in the same business area as Musti Group, there were no changes to the sustainability topics that had already been identified.

The Management Team validated the results of the double materiality analysis conducted in 2024, stating that they will continue to be up-to-date in 2025. The results of the sustainability review were discussed by the Board's Audit Committee in November 2025. Internal control related to sustainability topics is based on clearly defined roles, documentation practices and management reviews.

So far, the sustainability risk assessment has been carried out as a separate process. These risks have not yet been compared with other risks in the integrated risk assessment framework. The company recognizes the need to develop risk management practices so that sustainability-related risks can be taken into account as part of the prioritization of overall risks in the future.

The identification and assessment of sustainability-related opportunities takes place as part of the materiality assessment and the business units' operational planning. Opportunities are discussed as part of decision-making, but the process does not cover all opportunities systematically.

## **ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement**

### **Double Materiality Assessment: Non-Material Topics**

#### **ESRS E2 Pollution**

Non-material topic. The potential for pollution did not emerge as a material sustainability topic in the double materiality analysis. There is no major risk of environmental pollution in Musti Group's own operations, and minor risks are managed through good operational planning and preventive measures. Musti Group did not carry out a detailed assessment of the actual and potential impacts, risks and opportunities upstream and downstream of the value chain due to the lack of reliable information available. The topic was also not raised in the stakeholder consultations.

#### **ESRS E3 Water and marine resources**

Non-material topic. The use of water resources in Musti Group's own operations did not emerge as a material sustainability topic in the double materiality analysis. The use of water resources is relatively small, the Group's operations are not located in water risk areas, and water use and wastewater are monitored and managed as part of the environmental program. Musti Group did not carry out a detailed assessment of the actual and potential impacts, risks and opportunities upstream and downstream of the value chain due to the lack of reliable information available. Impacts on marine resources were not identified at the analysis stage, so it was not assessed in the double materiality analysis. The topic was also not raised in the stakeholder consultations.

#### **ESRS E4 Biodiversity and ecosystems**

Non-material topic. Biodiversity in Musti Group's own operations did not emerge as a material sustainability topic in the double materiality analysis. The analysis assessed Musti Group's direct ability to influence the progress of biodiversity loss and nature restoration. Musti Group did not carry out a detailed assessment of the actual and potential impacts, risks and opportunities upstream and downstream of the value chain due to the lack of reliable information on the supply chain. The topic was also not raised in the stakeholder consultations.

#### **ESRS S3 Affected Communities**

Non-material topic. The civil and political rights of the affected communities as well as the rights of vulnerable people were not identified as Musti Group's impacts on people in the impact analysis phase of the double materiality analysis. The topic did not come up in the stakeholder consultations.

The material impacts, risks and opportunities are presented in the table of Musti Group's material impacts, risks and opportunities in section ESRS 2 SMB 3 –Material impacts, risks and opportunities and their interaction with the strategy and business model.

## List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The following table shows datapoints derived from other EU legislation listed in Annex B of ESRS 2. The table shows where the datapoints are found in the Musti Group's Sustainability Statement and which datapoints have been assessed as non-material on the basis of the double materiality analysis.

Disclosure requirement	Datapoint	Location and page number	Sustainability information	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation	EU Climate Law
ESRS 2 GOV-1	21 (d)	33	The board's gender diversity	x		x	
ESRS 2 GOV-1	21 (e)	33	Percentage of board members who are independent			x	
ESRS 2 GOV-4	30	35	Statement of due diligence	x			
ESRS 2 SBM-1	40 (d) i	Non-material	Involvement in activities related to fossil fuel	x	x	x	
ESRS 2 SBM-1	40 (d) ii	Non-material	Involvement in activities related to chemical production	x		x	
ESRS 2 SBM-1	40 (d) iii	Non-material	Involvement in activities related to controversial weapons	x		x	
ESRS 2 SBM-1	40 (d) iv	Non-material	Involvement in activities related to cultivation and production of tobacco			x	
ESRS E1-1	14	53	Transition plan to reach climate neutrality by 2050				x
ESRS E1-1	16 (g)	53	Undertakings excluded from Paris-aligned benchmarks		x	x	
ESRS E1-4	34	57	GHG emissions reduction targets	x	x	x	
ESRS E1-5	38	Non-material	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x			
ESRS E1-5	37	57	Energy consumption and mix	x			
ESRS E1-5	40–43	57	Energy intensity associated with activities in high climate impact sectors	x			
ESRS E1-6	44	58	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x	
ESRS E1-6	53–55	58	Gross GHG emissions intensity	x	x	x	
ESRS E1-7	56	Non material	GHG removals and carbon credits				x
ESRS E1-9	66	Information does not exist	Exposure of the benchmark portfolio to climate-related physical risks			x	
ESRS E1-9	66 (a); 66 (c)	Information does not exist	Disaggregation of monetary amounts by acute and chronic physical risk. Location of significant assets at material physical risk.		x		
ESRS E1-9	67 (c)	Information does not exist	Breakdown of the carrying value of its real estate assets by energyefficiency classes		x		
ESRS E1-9	69	Information does not exist	Degree of exposure of the portfolio to climate-related opportunities			x	
ESRS E2-4	28	Non-material	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x			
ESRS E3-1	9	Non-material	Water and marine resources	x			
ESRS E3-1	13	Non-material	Dedicated policy	x			
ESRS E3-1	14	Non-material	Sustainable oceans and seas	x			
ESRS E3-4	28 (c)	Non-material	Total water recycled and reused	x			
ESRS E3-4	29	Non-material	Total water consumption in m3 per net revenue on own operations	x			
ESRS 2- IRO-1 - E4	16 (a) i	Non-material		x			

Disclosure requirement	Datapoint	Location and page number	Sustainability information	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation	EU Climate Law
ESRS 2 IRO-1 - E4	16 (b)	Non-material		x			
ESRS 2 IRO 1 - E4	16 (c)	Non-material		x			
ESRS E4-2	24 (b)	Non-material	Sustainable land / agriculture practices or policies	x			
ESRS E4-2	24 (c)	Non-material	Sustainable oceans / seas practices or policies	x			
ESRS E4-2	24 (d)	Non-material	Policies to address deforestation	x			
ESRS E5-5	37 (d)	65	Non-recycled waste	x			
ESRS E5-5	39	65	Hazardous waste and radioactive waste	x			
ESRS 2 SBM-3 - S1	14 (f)	67	Risk of incidents of forced labour	x			
ESRS 2 SBM-3 - S1	14 (g)	67	Risks of incidents of child labour	x			
ESRS S1-1	20	67	Human rights policy commitments	x			
ESRS S1-1	21	67	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions			x	
ESRS S1-1	22	67	Processes and measures for preventing trafficking in human beings	x			
ESRS S1-1	23	67	Workplace accident prevention policy or management system	x			
ESRS S1-3	32 (c)	68	Grievance/complaints handling mechanisms	x			
ESRS S1-14	88 (b); 88'(c)	76	Number of fatalities and number and rate of work-related accidents	x		x	
ESRS S1-14	88 €	76	Number of days lost to injuries, accidents, fatalities or illness	x			
ESRS S1-16	97 (a)	76	Unadjusted gender pay gap	x		x	
ESRS S1-16	97 (b)	76	Excessive CEO pay ratio	x			
ESRS S1-17	103 (a)	76	Incidents of discrimination	x			
ESRS S1-17	104 (a)	76	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x	
ESRS 2 SBM-3 - S2	11 (b)	77	Significant risk of child labour or forced labour in the value chain	x			
ESRS S2-1	17	78	Human rights policy commitments	x			
ESRS S2-1	18	78	Policies related to value chain workers	x			
ESRS S2-1	19	78	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x	
ESRS S2-1	19	78	Due diligence policies on issues addressed by the fundamental ILO Conventions			x	
ESRS S2-4	36	79	Human rights issues and incidents connected to its upstream and downstream value chain	x			
ESRS S3-1	16	Non-material	Human rights policy commitments	x			
ESRS S3-1	17	Non-material	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x	
ESRS S3-4	36	Non-material	Human rights issues and incidents	x			
ESRS S4-1	16	81	Policies related to consumers and end-users	x			

Disclosure requirement	Datapoint	Location and page number	Sustainability information	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation	EU Climate Law
ESRS S4-1	17	81	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x	
ESRS S4-4	35	82	Non-material Human rights issues and incidents	x			
ESRS G1-1	10 (b)	85	Principles for anti-corruption or anti-bribery consistent with the UN Convention against Corruption	x			
ESRS G1-1	10 (d)	85	Protection of whistle-blowers	x			
ESRS G1-4	24 (a)	86	Fines for violation of anti-corruption and anti-bribery laws	x		x	
ESRS G1-4	24 (b)	86	Standards of anti-corruption and anti-bribery	x			

## Disclosure requirements in ESRS covered by the undertaking's sustainability statement

### ESRS 2 – General information

Disclosure requirement	Description	Location	Additional information
BP-1	General basis for preparation of sustainability statements	31	
BP-2	Disclosures in relation to specific circumstances	31	
GOV-1	The role of the administrative, management and supervisory bodies	33	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	34	
GOV-3	Integration of sustainability-related performance in incentive schemes	34	
GOV-4	Statement on due diligence	35	
GOV-5	Risk management and internal controls over sustainability reporting	36	
SBM-1	Strategy, business model and value chain	36	
SBM-2	Interests and views of stakeholders	38	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	39	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	43	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	45	

### E1 – Climate change

Disclosure requirement	Description	Location	Additional information
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	53	
E1-1	Transition plan for climate change mitigation	53	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	53	
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	55	
E1-2	Policies related to climate change mitigation and adaptation	55	
E1-3	Actions and resources in relation to climate change policies	56	
E1-4	Targets related to climate change mitigation and adaptation	57	
E1-5	Energy consumption and mix	57	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	58	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	N/A	Non-material
E1-8	Internal carbon pricing	N/A	Non-material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	N/A	Phase-in applied

**E5 – Resource use and circular economy**

Disclosure requirement	Description	Location	Additional information
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	62	
E5-1	Policies related to resource use and circular economy	62	
E5-2	Actions and resources related to resource use and circular economy	62	
E5-3	Targets related to resource use and circular economy	63	
E5-4	Resource inflows	64	
E5-5	Resource outflows	64	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	N/A	Phase-in applied

**S1 – Own workforce**

Disclosure requirement	Description	Location	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	66	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	66	
S1-1	Policies related to own workforce	67	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	68	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	68	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	69	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	72	
S1-6	Characteristics of the undertaking's employees	76	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	N/A	Phase-in applied
S1-8	Collective bargaining coverage and social dialogue	N/A	Non-material
S1-9	Diversity metrics	75	
S1-10	Adequate wages	N/A	Non-material
S1-11	Social protection	N/A	Non-material
S1-12	Persons with disabilities	N/A	Non-material
S1-13	Training and skills development metrics	N/A	Phase-in applied
S1-14	Health and safety metrics	76	
S1-15	Work-life balance metrics	N/A	Non-material
S1-16	Compensation metrics (pay gap and total compensation)	76	
S1-17	Incidents, complaints and severe human rights impacts	76	

**S2 – Workers in value chain**

Disclosure requirement	Description	Location	Additional information
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	
S2-1	Policies related to value chain workers	78	
S2-2	Processes for engaging with value chain workers about impacts	78	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	78	
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 action	79	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	79	

**S4 – Consumers and end-users**

Disclosure requirement	Description	Location	Additional information
ESRS 2, SBM-2	Interests and views of stakeholders	80	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	80	
S4-1	Policies related to consumers and end-users	81	
S4-2	Processes for engaging with consumers and end-users about impacts	82	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	82	
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	82	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83	

**G1 – Business conduct**

Disclosure requirement	Description	Location	Additional information
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	ESRS 2 GOV-1	
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2 IRO-1	
G1-1	Corporate culture and business conduct policies and corporate culture	85	
G1-2	Management of relationships with suppliers	85	S2
G1-3	Prevention and detection of corruption and bribery	86	
G1-4	Confirmed incidents of corruption or bribery	86	
G1-5	Political influence and lobbying activities	N/A	Non-material
G1-6	Payment practices	N/A	Not material



## E1 Climate change

### Governance

#### ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

The remuneration of the Board of Directors, the CEO and the Management Team in Musti Group is based on the current remuneration policy and remuneration principles approved by the company's Board of Directors and shareholders. The climate-related targets were approved by the management team in the autumn of 2025. Therefore, they could not be taken into account in the 2025 remuneration of Musti Group's Board of Directors, CEO or management team, which was already decided in early 2025.

### ☆ Strategy

#### E1-1 Transition plan for climate change mitigation

Reducing environmental impacts is part of Musti Group's business. Key areas have been improving energy efficiency, developing recycling and waste management, and reducing emissions from logistics.

In autumn 2025, the Group's Management Team approved targets for mitigating climate change and reducing emissions. Musti Group is committed to reducing Scope 1 and 2 absolute climate emissions by 42% by 2030 compared to the 2024 level. The medium-term absolute climate emission reduction target is 63% by 2035 and the long-term carbon neutrality target by 2040. The reduction targets apply to the entire Group. The targets are in line with the Paris Agreement's 1.5°C warming target, but so far they have not yet been confirmed by the Science Based Targets initiative (SBTi).

To achieve the Scope 1 and 2 greenhouse gas emission reduction targets, Musti Group has in 2025 preliminarily defined the measures to be taken to enable the implementation of emission reductions in its own operations. The transition plan related to climate change mitigation will be discussed by the management team in 2026, and after this, the means of decarbonization will be described and reported in more detail. The measures will be related to the transition to renewable energy sources and the transition to F-gases with a lower global warming potential. Musti Group has not yet made decisions on the investments and their financing that will be used to implement the transition plan, as the transition plan was not approved in 2025. Therefore, Musti Group has also not made an assessment of the need to adapt its strategy and business model to achieve climate goals in order to remain in line with the Paris Agreement.

So far, already in previous years, Musti Group has invested in energy efficiency solutions in its own operations, for example in its pet food factory in Finland and in the use of renewable electricity in Sweden and Norway. The transition to renewable fuels has also been promoted in product transport (Scope 3) in cooperation with transport partners, and this will continue in the future. The Group is aware that achieving climate goals requires investments both in its own operations and cooperation throughout the value chain.

Reducing environmental impacts is part of Musti Group's strategic operations, and the measures in the transition plan are described in the company's function-specific action plans, which cover the sustainability topics relevant to each function. Musti Group has not made any plans related to operating or capital expenditure for 2025, as the action plans were prepared during the second half of the year.

The emission reduction potential of the Scope 3 value chain will be assessed in 2026, and no transition plan has been made for them.

Musti Group does not have any GHG lock-ins in its key assets or products, which could jeopardize the achievement of the company's GHG emission reduction targets and cause a transition risk.

Musti Group has no economic activities falling within the scope of the Climate Change Adaptation or Mitigation Delegated Regulations issued under the Taxonomy Regulation.

Musti Group is not excluded from the EU's benchmarks under the Paris Agreement.

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Musti Group's growth and profitability strategy is linked to several material sustainability topics. The Group has assessed the risks and opportunities related to climate change for its operations in a double materiality analysis in 2024 and supplemented the risk and opportunity analysis in 2025 in accordance with the principles of the Task Force on Climate-related Financial Disclosures (TCFD). The results of the TCFD-based climate risk and opportunity analysis are presented in the following table.

## Musti Group's climate change risks and opportunities, TCFD

	Risk / Opportunity R/O	Value chain location			Time horizon			Risk
		Upstream	Own activities	Downstream	Short-term	Medium-term	Long-term	Physical / Transition risk P/T
<b>Risks and Opportunities</b>								
Taxes on fossil fuels and the high cost of biofuels introduced to mitigate climate change increase transportation costs and impact profitability	R	x	x		x	x		S
Extreme weather events, such as storms, floods, or heatwaves, disrupt product logistics and storage, increasing direct costs and reducing profitability	R	x	x			x	x	P
Extreme weather events may affect the availability of products, leading to product delays and lost sales	R					x	x	P
The availability of financing may become more difficult and the price may increase	R		x			x		S
EU and national policy or regulatory changes related to climate change adaptation and the transition to a fossil-free society may affect product information requirements, leading to higher product or internal costs and reduced profitability	R		x			x		S
New, innovative protein sources as raw materials for animal feed can reduce greenhouse gas emissions and bring new types of products to consumers	O	x				x	x	
The by-products used in pet food come from a production system that focuses on maintaining biodiversity and sequestering carbon	O	x			x	x	x	
Switching to renewable energy sources instead of fossil energy sources enables the reduction of greenhouse gas emissions	O		x		x	x		
Developing climate change resilience by assessing product mix and origin to prevent risks in areas already experiencing climate change and to seize opportunities. Opportunities include improving the efficiency of the production chain and developing new products, considering the climate change impacts on the supply chain	O		x			x	x	

The analysis covered both the company's own operations and the value chain. The company's own operations in all business countries have included stores, an online store, a warehouse and a pet food factory in Finland. With regard to the value chain, the review has included suppliers (including products and packaging) and transport services in terms of product import and distribution operations in business countries.

Transition risks have been identified as the impact of climate change mitigation measures on costs, such as possible higher taxes on fossil fuels and higher prices of biofuels, and their possible impact on business profitability, for example, higher transport costs. At the same time, there may be changes in the availability of financing or the price may rise if investors place a stronger emphasis on low-emission solutions. In addition, the tightening of EU and national regulation in the transition to a fossil-free society may increase the reporting and information requirements related to products. This can increase both product costs and the company's own internal costs, which can further reduce profitability.

Physical risks have been identified as potential disruptions in product logistics or warehousing caused by extreme weather phenomena, such as storms, floods and heat waves, which can increase direct costs and potentially affect profitability. In addition, such phenomena may reduce the availability of products produced in risk areas, which may affect sales losses.

The preparation of the resilience analysis began in 2025 and will continue in 2026. The climate risk and opportunity analysis will be supplemented with a climate scenario analysis in 2026. The results of the resilience analysis will be reported in the 2026 report.

## Impact, risk and opportunity management

### **ESRS 2 IRO-1 Description of the processes for identifying and assessing material climate-related impacts, risks and opportunities**

The material impacts, risks and opportunities related to climate change in the company's own operations and at the beginning and end of the value chain have been identified in a double materiality analysis in 2024. The description of the double materiality analysis implementation process can be found ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities in page 43 and resultus in page 40 table Musti Group material impacts, risks and opportunities.

The sources of greenhouse gas emissions have been identified and assessed in accordance with the Greenhouse Gas Protocol (GHG Protocol) by conducting a greenhouse gas inventory. Based on this analysis, the data collection and recording of emission sources has been compiled into the company's systems.

The identification and assessment of physical climate risks and transition risks have been carried out both in the company's own operations and upstream and downstream of the value chain, complementing the double materiality analysis in accordance with the principles of the TCFD. Transition risks and physical risks are described in more detail in the table Musti Group's climate change risks and opportunities, TCFD in page 54.

In 2025, Musti Group has started preparing climate scenarios using the IPCC's SSP-RCP scenarios: SSP1-RCP2.6 (1.5 °C), SSP2-RCP4.5 (~2.7 °C) and SSP4-RCP8.5 (4 °C). The results of the analysis will be ready in 2026. Accordingly, the company has not yet assessed whether its assets and business may be exposed to climate-related risks and has not yet identified assets and business that are incompatible with the transition to a climate-neutral economy or that require significant efforts to ensure compatibility with it.

The utilization of the climate risks and opportunities identified in 2025 in business climate change preparedness will be developed from 2026 onwards.

### **E1-2 Policies related to climate change mitigation and adaptation**

In the double materiality analysis carried out in 2024, Musti Group assessed the impacts, risks and opportunities arising from climate change in its own operations and the value chain. The operating principles related to climate change mitigation and adaptation are described in the environmental policy approved by Musti Group's Management Team at the end of 2025. The Group is committed to complying with the principles of the ISO 14001 standard in its pet food manufacturing plant. The Management Team is responsible for the implementation of the policy. The Group's Environmental Policy can be found on its website.

The Environmental Policy is applied throughout the Musti Group in all its markets and geographical areas. Musti Group will implement the corresponding principles to its suppliers as part of the requirements set for suppliers. In addition, the suppliers undertake to act in accordance with Musti Group's separate Supplier Code of Conduct, which is described in more detail in section G1-2 Supplier Code of Conduct.

Musti Group is committed to reducing the environmental impact of its operations. The commitments have been concretized in the goals set as part of the sustainability work and the related indicators.

Our goal is to be a manufacturer, a contract manufacturer and a retailer of high-quality and safe products that take into account the reduction of environmental impact. Our good and well-functioning processes build and strengthen our operations and serve as the basis for profitable business. We work in cooperation with our subcontractors to contribute to the reduction of environmental impact. Our goal is satisfied and healthy pet owners and pets.

The key principles of the Environmental Policy are climate change mitigation, improving energy efficiency and transitioning to renewable energy, which will be implemented through function-specific action plans. The principles also include operating in accordance with regulations and ensuring the competence of personnel.

Environmental responsibility at Musti Group means, among other things, taking environmental aspects into account throughout the product's life cycle, minimizing the environmental impact of its own pet food factory, increasing energy efficiency, and favoring renewable energy.

### E1-3 Actions and resources related to climate change policies

#### Climate change mitigation measures

##### Stores Scope 1-2 and Scope 3 waste

In the stores, climate change mitigation measures are particularly focused on reducing energy consumption and improving energy efficiency to the extent that Musti Group can influence through its own operations. Musti Group's stores are located in leased premises, so the responsibilities are divided between the landlord and the tenant in accordance with the roles and responsibilities defined in the lease agreements. For example, electricity and waste management are included in the lease agreement in most stores. In a small number of Musti Group's stores, Musti has entered into a direct contract with an electricity company or a waste management company. Renewable electricity is used in Sweden and Norway.

Typically, stores are responsible for loose furniture, such as freezers and, in some locations, air source heat pumps or air conditioners. At these sites, Musti Group takes care of the maintenance of the equipment in accordance with a regular maintenance program and refrigerant refills when necessary. In 2025, the replacement of old freezers with new Energy Class C freezers began, of which 196 were replaced in Finland, Sweden and Norway. This work will continue in 2026.

In order to reduce energy consumption in stores, the transition to LED lighting will take place in stages as old luminaires are replaced. Store staff are encouraged to save electricity, which can be especially influenced when the store is closed by ensuring that all other lights, with the exception of shop window lights, are switched off.

In 2025, a study was carried out on the possibility of reducing the climate impact of shop fittings. During 2026, the results of the survey will be part of the competitive tendering process for shop fittings. The climate impacts of marketing materials are also being investigated.

In order to reduce the climate impact of waste management in stores, the update of waste sorting instructions has started and staff is encouraged to sort it correctly. The possibilities for sorting waste have also been improved by adding sorting containers according to the fractions to be sorted.

##### Central warehouse in Sweden Scope 2, Scope 3 packaging materials and waste

In warehouse operations, key climate change mitigation measures include improving energy efficiency, optimizing processes and managing material flows. In 2025, an energy audit was carried out at the Swedish central warehouse, in accordance with the recommendations of which the temperature of the warehouse was lowered by one degree. Temperature monitoring was improved with a new automatic control system. In addition, heat retention was improved by installing new loading ports, which reduces the transfer of cold air into the interior during unloading of products. The electricity used is of renewable origin.

A new packaging line was introduced in the warehouse for packaging e-commerce orders. With the investment, the amount of packaging material will decrease significantly, and it is estimated that the amount of plastic used as filling material will decrease by 95% during 2026. It is estimated that the use of cardboard and tape will also decrease.

In 2025, a study was carried out on the possibility of switching from virgin plastic to a plastic grade containing recycled material.

Waste sorting was improved especially by paying attention to the sorting of biowaste, which increased the amount of this waste fraction.

##### Pet food factory in Finland Scope 2, Scope 3 packaging materials and waste

In our own pet food factory solar panels and renewable electricity are used. The production plant recovers heat from the processes of the production lines, which is utilised, for example, to heat the washing water used on the frozen food production line. The employees of the pet food factory have access to several charging points for electric cars.

At the beginning of 2025, steam production switched to using wood chips instead of liquefied petroleum gas (LPG). Waste sorting was improved by training staff in waste sorting.

In 2025, some of the products switching to recyclable monoplactic material started.

#### Offices

The climate impacts of offices can be influenced by general operating methods, such as automatic systems that turn off the lights, and by maintaining the staff's awareness of the impacts of their own activities. Waste sorting has been arranged in the offices. The hybrid work model is in use in the Group's business countries, which reduces emissions from commuting.

### Transportation of products

Transport accounts for a significant part of the climate impact of the retail sector, which is why reducing emissions has been a key development target for several years. The basic principles of reducing transport emissions are the optimization of routes, load filling rates and transport routes. Emissions from transport logistics are being reduced in cooperation with logistics partners, and the transition to the use of renewable fuels is underway.

In early 2025, Musti agreed with its logistics partner to switch to renewable diesel, HVO, in its store transports in Finland. During 2025, emissions from these transports decreased by 90 %.

Many of Musti Group's logistics partners that transport products from warehouses to stores are committed to reducing their greenhouse gas emissions.

During 2025, Musti Group has not made significant investments in the implementation of action plans related to climate change mitigation, and it has not estimated the capital and operating expenses required for this in the long term.

### ✔ Metrics and targets

#### E1-4 Targets related to climate change mitigation and adaptation

Musti Group has set a target to reduce Scope 1 and 2 absolute greenhouse gas emissions by 42% by 2030 from 2024 levels in the short term. The medium-term absolute greenhouse gas emissions reduction target is 63% by 2035, and the long-term climate neutrality target is by 2040. Musti Group is committed to continuously reducing the environmental impacts of its operations in its Environmental Policy. These commitments are embodied in climate change mitigation goals and related greenhouse gas emission indicators. Stakeholders have not participated in setting the goals.

The Scope 1 and 2 targets are in line with the Paris Agreement's 1.5-degree warming target, but so far they have not yet been confirmed by the Science Based Targets initiative (SBTi). The targets have been set in 2025 and they are based on 2024 emissions, the estimated emission reduction potential and the result determined by the SBTi calculation tool.

Reducing greenhouse gas emissions towards the targets will take place through the transition to renewable energy sources and the transition to F-gases with a lower global warming potential. These issues will be described in the transition plan, which will be completed during 2026.

### E1-5 Energy consumption and mix

#### Energy consumption and mix

Energy consumption and mix	2024	2025
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	457.9	625.3
Fuel consumption from natural gas (MWh)	0	0
Fuel consumption from other fossil sources (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	8,173.7	2,478.3
<b>Total fossil energy consumption (MWh)</b>	<b>8,631.6</b>	<b>3,103.6</b>
Share of fossil sources in total energy consumption (%)	31.4	11.2
<b>Consumption from nuclear sources (MWh)</b>	<b>1,701.9</b>	<b>1,641.3</b>
Share of consumption from nuclear sources in total energy consumption (%)	6.2	5.9
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	17,153.7	22,861.7
The consumption of self-generated non-fuel renewable energy (MWh)	0	0
<b>Total renewable energy consumption (MWh)</b>	<b>17,153.7</b>	<b>22,861.7</b>
Share of renewable sources in total energy consumption (%)	62.4	82.8
<b>Total energy consumption (MWh)</b>	<b>27,487.3</b>	<b>27,606.6</b>
<b>Energy intensity MWh / Musti Group net revenue MEUR</b>	<b>61.8</b>	<b>54.2</b>

In 2025, Musti Group's total energy consumption increased slightly from the previous year, by approximately +0.4%. Although total energy consumption grew, energy intensity decreased from 61.8 to 54.2 MWh per MEUR of revenue (-14%). Business volume and sales increased in 2025.

Consumption based on fossil energy sources decreased significantly (-64%). This change was driven by an adjustment made at Musti Group's own pet food factory related to steam production. In February 2025, the steam used in production was switched from LPG-based steam to wood-based steam. The change is also reflected in the increased share of renewable energy sources and decreased fossil energy consumption. The share of renewable energy in total energy consumption rose from 62% to 83%.

Musti Group expanded its operations into the Baltics and Portugal. Reliable energy consumption data for the Baltic operations was not yet available in 2025, as the business integration into the Group was still ongoing. For the Portuguese operations, part of the consumption data is already included in Group reporting. The collection of environmental data for both the Baltic and Portuguese operations will be further developed in 2026 and incorporated retroactively into the calculations.

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

### Gross Scopes 1, 2, 3 and Total GHG emissions for continuing operations in 2025 (tCO<sub>2</sub>e)

	Retrospective		Milestones and target year: Scope 1 and 2		
	Base year 2024	2025	2030 -42 %	2035 -63 %	2040 net zero
<b>Gross Scope 1 GHG emissions (tCO<sub>2</sub>e)</b>	1,337	357			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0			
<b>Gross location-based Scope 2 GHG emissions (tCO<sub>2</sub>e)</b>	1,827	594			
<b>Gross market-based Scope 2 GHG emissions (tCO<sub>2</sub>e)</b>	2,798	1,518			
<b>Total Gross indirect (Scope 3) GHG emissions (tCO<sub>2</sub>e)</b>	9,289	8,120		No numerical target	
3.1 Purchased goods and services	n/a	n/a			
3.3 Fuel and energy-related activities (which are not included in scope 1 or scope 2 emissions)	1,692	1,616			
3.4 Upstream transportation and distribution	7,338	6,283			
3.5 Waste generated in operations	64	56			
3.6 Business travel	148	115			
3.7 Employee commuting	47	51			
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>e)</b>	12,453	9,072			
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>e)</b>	13,424	9,996			
<b>Biogenic emissions Scope 1</b>	0	0			
<b>Biogenic emissions Scope 2</b>	0	53			
<b>Biogenic emissions Scope 3</b>	n/a	n/a			
<b>GHG emissions intensity (market-based) tCO<sub>2</sub>e / Musti Group net revenue MEUR</b>	30	20			

Musti Group's Scope 1 emissions from its own operations decreased significantly due to the small number of refrigerant leaks at its own pet food factory compared to 2024. Scope 2 market-based emissions decreased as the steam used in the pet food factory's operations changed from fossil to renewable sources. Overall, Scope 1 and 2 emissions decreased by -55 % from 2024 to 2025..

Musti Group has for the first time analyzed its Scope 3 value chain emissions and started calculating them. The calculation methodologies will be refined and data collection developed in the coming years.

Employee commuting emissions increased slightly, which is explained by the growth in Musti Group's workforce.

Waste generated in operations represents only a small share of Musti Group's activities and therefore cannot be considered comprehensive. The waste volume covers only those operations where Musti has its own waste management contract with a waste transport company.

Emissions from upstream transportation and distribution decreased by 14%, mainly due to the transition to lower-emission fuels in some of Musti Group's product transport.

Progress toward Musti Group's long-term Scope 1 and Scope 2 climate targets for 2035 and 2040 will be supported by a transition plan to be completed in 2026. Emission reduction potentials for Scope 3 will also be assessed.

### Accounting policies

Musti Group has prepared its greenhouse gas emission inventory in accordance with the Greenhouse Gas Protocol (GHG Protocol) and reports direct and indirect greenhouse gas emissions (Scope 1, Scope 2, Scope 3) in line with its standards (Protocol Corporate Accounting and Reporting Standard and Corporate Value Chain Accounting and Reporting Standard) for its own operations as well as upstream and downstream parts of the value chain.

The reporting boundaries are based on the principle of financial control. Reporting covers all subsidiaries included in the Musti Group consolidated financial statements in Finland, Sweden, Norway, the Baltic countries, and Portugal. The reported data is not yet fully comprehensive, as the integration of the Baltic countries and Portugal into Musti Group's systems was still ongoing during the reporting period.

The base year for reporting is 2024. Emission factors used in the calculations are primarily sourced from the Ecoinvent 3.12 database and DEFRA GHG conversion factors (2025). If emission data has been provided by service suppliers, these emissions have been included as such in Musti Group's emission calculations.

All emissions are reported as absolute carbon dioxide equivalents (CO<sub>2</sub>e). Assumptions or estimates have been used in cases where primary data has not been available. Greenhouse gas intensity is calculated by dividing total greenhouse gas emissions by the revenue reported in the consolidated financial statements. Musti Group will continue to develop and refine its calculation methods in the future.

The information presented in this section has not been validated by an external third party other than the assurer of the sustainability report.

The emission calculations reported in the 2024 Sustainability Review are not directly comparable with the 2025 emission calculations, as the methodology has been further developed and different calculation approaches have been used.

### Scope 1 – Direct Greenhouse Gas Emissions

Direct emissions from Musti Group's own operations include refrigerant leaks from refrigeration equipment, cooling systems, and heat pumps, as well as emissions from company cars and employee business travel using private vehicles.

The store network (Finland, Sweden) includes small quantities of equipment containing refrigerants, and leak information is obtained during maintenance activities. Annual refill amounts are not fully available. An estimate has been made compared to the previous year, as the significance of these emissions is considered low and the share of this data is not material. Refrigerant leaks from Musti Group's own pet food factory are included based on actual measured data. Emissions from refrigerant leaks are calculated using the refrigerant refill volume and the Global Warming Potential (GWP) values of the respective refrigerants. The development of refrigerant leak data collection in stores will be evaluated.

Emission calculation for company cars and employees' private cars used for work travel is based on kilometers driven and the average emissions per kilometer by fuel type in Finland, Sweden, and Norway. Primary data on kilometers driven with private cars is sourced from the company's travel expense system, and kilometers for company cars are obtained from the leasing partner in Sweden. In Finland, data provided by the leasing partner is based on an estimate. Data collection for the remaining countries will be further developed.

### Scope 2 – Indirect Greenhouse Gas Emissions from Energy Consumption

Indirect emissions from Musti Group's operations include emissions from purchased energy. This includes purchased electricity, district heating, and steam used in Musti Group's operations in Finland,

Sweden, Norway, the Baltic countries, and Portugal. The calculation includes data from the travel expense system on kilometers driven with electric cars (Finland, Sweden, Norway). Conversion to emissions is done by applying an emission factor based on average emissions per kilometer.

Electricity consumption data is primarily obtained via automated integrations from suppliers' portals (Finland, Sweden, Norway). For stores without their own metered data, monthly electricity consumption is estimated based on their total floor area, as electricity is included in their rental agreements. For Portugal, data covers November and December 2025. No electricity consumption data is available for the Baltic countries for 2025. Systematic data collection will begin in 2026.

Both market based and location based emissions are calculated for purchased electricity. Market based values are calculated according to the type of Musti Group's electricity contracts. Purchased electricity with guarantees of origin is counted as zero emission. Other market based electricity is calculated using supplier specific emission factors. Location based emissions are calculated using national average residual mix emission factors.

The central warehouse in Sweden uses district heating, and Musti Group's pet food factory in Finland uses steam as an energy source. Their emission factors are obtained directly from the respective suppliers.

### Scope 3 – Indirect Greenhouse Gas Emissions in the Value Chain

Musti Group reports Scope 3 emissions for categories 1, 3, 4, 5, 6, and 7. Omitted categories have been assessed as immaterial for Musti Group's Scope 3 emissions, or the Group does not engage in the activities described by those categories.

The key limitations of the calculation methods for each Scope 3 category are described in detail in the respective calculation method text. The results should therefore be considered high level approximations of the actual climate impacts.

#### Purchased Goods and Services (Category 1)

Musti Group is utilizing the transitional provision for category 3.1 and will not report numerical data in the 2025 sustainability report. The Group has started calculating emissions for this category, but due to its scope, it was unable to achieve sufficient coverage of the results during 2025, and the data to be reported would not have met the requirements of the GHG Protocol.

#### Fuel- and Energy Related Activities (Category 3)

Upstream energy emissions related to energy production, fuel supply chain emissions, and electricity transmission losses have been calculated using Defra and Ecoinvent emission factors (WTT and TD), based on Musti Group's total energy consumption as calculated in Scope 1 and Scope 2.

#### Upstream Transport and Distribution (Category 4)

Inbound logistics emission data has been collected from transport service partners. The partners calculate emissions data based on the product quantities, delivery routes and mode of transport delivered to Musti Group.

Emissions from transport and distribution also include emissions from warehouses to stores and from online orders to consumers. Emissions data is collected from transport service partners in the Nordic countries. The partners calculate emissions from the transportation of delivered products based on delivery routes and mode of transport. The category also includes emissions from outsourced warehouse operations in Finland, Sweden and Norway.

The data quality check and determination will take place in 2026. Therefore, the results in this report are indicative.

#### Waste Generated in Operations (Category 5)

Waste related emissions are reported only for sites with a direct waste management agreement with waste management companies in Finland and Sweden. Thus, the results reflect only a portion of waste generated by Musti Group's operations and are indicative rather than comprehensive.

In Finland, approximately 30% and in Sweden approximately 10% of stores have a direct waste management agreement. Data also includes waste generated at Musti Group's pet food factory and at central warehouse in Sweden. Emission data is provided directly by the waste management partner.

Waste from stores located in shopping centers cannot be separated from waste generated by other businesses in the same centers and for this reason, no assessments have been made of them. No data is available from Norway or the Baltic countries. Data collection and coverage will be improved going forward.

**Business Travel (Category 6)**

Business travel emissions arise from air and rail travel and hotel stays. These trips are booked through a travel management partner, and data is available in their system. The service provider calculates CO<sub>2</sub>e values for each travel component using DEFRA based emission factors.

Employees are instructed to book all business travel through the service provider, so data coverage is considered high. A small uncertainty remains, as occasional bookings may occur elsewhere; however, such cases are expected to be rare and insignificant compared with the total volume.

**Employee Commuting (Category 7)**

Employee commuting emissions have been estimated using an online survey answered by approximately 200 employees in Musti Group's Nordic offices and a small pilot group of store employees. The survey collected information on commuting distances, frequency, transport modes, and remote work. Based on the responses, an average estimate was calculated and used to estimate total commuting emissions. Emission factors from Ecoinvent were applied.

As this method is based on a small, non representative sample, the results should be considered indicative. The calculation reflects commuting only in the Nordics and does not yet cover employees in the Baltic countries or Portugal. The method and coverage will be expanded.

## E5 Resource use and circular economy

### 🔍 Managing impacts, risks and opportunities

#### **ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities**

Musti Group has assessed the actual and potential impacts, risks and opportunities related to resource use and the circular economy for its own operations and the upstream and downstream value chain in a double materiality analysis in accordance with the sustainability reporting standard. No other methods, assumptions, or tools have been used. A more detailed description of the double materiality analysis can be found in section ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities in page 43. Material impacts, risks, and opportunities have been assessed in terms of both the inflow and outflow of product-related resources and the waste caused by the company's own operations. The assessment did not identify any significant risks related to the use of resources or the circular economy. As sustainability topics related to resource use and the circular economy was not identified as having a significant impact on the affected communities, the company did not hold consultations on them.

Based on the results of the double materiality analysis, Musti Group has estimated that the inflow of resources, including the use of resources, for example by utilizing recycled materials and food industry side streams in products, supports the circular economy and reduces environmental impacts. The development of packaging materials and reducing the use of packaging materials in products will also reduce environmental impact. Musti Group has identified the potential to utilize circular economy solutions in the development of products and packaging, and possibly in the development of new other circular economy solutions in the future.

In the outflow of resources related to products, Musti Group has identified the importance of recycling labels on used product packaging to guide consumers in different markets in sorting waste so that waste fractions are correctly reused. Musti Group operates in accordance with national packaging, recycling and sorting opportunities in compliance with both national and EU legislation.

The waste generated by Musti Group's operations causes negative environmental impacts, for example, from the transport and treatment of waste and preparation for recovery. With regard to these, the role of the company has been identified as promoting good sorting and enabling the reuse of materials in its own operations. The waste fractions generated are mainly cardboard or plastic, which is used in transport packaging when products are transported to stores.

#### **E5-1 Policies related to resource use and circular economy**

In the double materiality analysis carried out in 2024, Musti Group examined the impacts, risks and opportunities related to its own operations and from the value chain to the circular economy and resource use. The material themes that have an impact on the circular economy and the use of resources have been taken into account in the environmental policy approved by Musti Group's Management Team at the end of 2025, which it is responsible for implementing the policy. The Environmental Policy is described in more detail in section E1-2 Policies related to climate change mitigation and adaptation. The operating principles related to the use of resources and the circular economy are the promotion of material efficiency and circular economy thinking. This means, among other things, minimizing the use of packaging materials in product design, increasing the share of recycled material in products and packaging, making packaging materials recyclable and, where possible, increasing the use of other renewable materials in packaging and products, as well as complying with the waste hierarchy and recycling of waste.

The Environmental Policy is applied throughout the Musti Group in all its markets and geographical areas. Musti Group is committed to complying with the ISO 14001 environmental management standard in its corporate policy regarding the pet food factory in Finland.

Musti Group will implement the corresponding principles to its suppliers as part of the requirements set for suppliers. In addition, the suppliers undertake to act in accordance with Musti Group's separate Supplier Code of Conduct, which is described in more detail in section S2-1 Policies related to value chain workers in page 78.

The expectations of stakeholders (consumers, suppliers, employees, authorities, communities) are increasingly related to material efficiency, environmental responsibility, and product lifecycle management. The views of the stakeholders have served as the basis for the development of the company's operating principles.

#### **E5-2 Actions and resources related to resource use and circular economy**

During 2025, Musti Group has made action plans to develop the sustainability issues raised in the double materiality analysis. The circular economy and the use of resources to promote the sustainable use of natural resources is one of the themes in the function-specific plans in all the Group's business countries. The action plans include measures that are already underway and new development targets that need planning, the launch of which will be assessed in 2026. Since Musti Group has not identified any impacts from its operations that would have caused damage to the affected entities, no corrective actions have arisen.

In 2025, the circular economy and resource use development measures have focused on developing the collection of data on product-specific packaging materials so that the materials used in packaging can be divided into materials made from renewable and non-renewable sources on a material-by-material basis. This collection of information is carried out in cooperation with the manufacturers of the products and applies to all products in the product range. The aim of the data collection with suppliers is to enable the monitoring of the development of packaging materials in order to ensure that the development of materials is progressing towards recyclable materials in cooperation with suppliers. Increasing the use of recycled materials in packaging, taking into account the requirements related to the shelf life of products and the preservation of product properties, is also seen as an opportunity. At the end of 2025, about 45% of the product packaging material data had been collected. The work will continue in 2026.

Musti Group has also mapped out the development opportunities for the Group's private label product packaging to meet the requirements of recyclability, reusability, or compostability. In 2024, we conducted a study to replace the plastic used in the product packaging of our own pet food brands with recyclable monoplastic material, and during 2025 we prepared for the material change. The transition to monomaterials will take place in stages, especially in 2026. In addition, to find out possibilities of reducing the use of packaging materials in different categories of products has been an ongoing activity. At the moment, it is not possible to monitor the decrease in the use of materials for these, but the possibilities of measuring the effectiveness of the measures taken will be investigated.

Investments in new packaging lines at Musti Group's warehouses will enable a reduction in the use of packaging materials when packaging customers' online orders. There is an opportunity to completely eliminate the use of plastic filling inside the transport packaging. These effects will be reflected in the 2026 material consumption results.

Musti Group reports the packaging materials it places on the market in all its business countries to the producer responsibility company and pays the waste management costs arising from them as part of the implementation of producer responsibility.

In circular economy product design, we can influence the sustainable use of natural resources, for example through material choices. Our product range includes products made from recycled materials, such as dog clothes and harnesses. Materials include fabric made from recycled PET bottles or oyster shell waste. We are constantly looking for new opportunities to offer our customers sustainably produced pet products, for example by increasing the use of recycled materials or minimizing the use of primary raw materials.

The raw materials used in pet food serve as an example of the circular economy and the efficient use of resources, as the raw materials are by-products of the food industry. In our own pet food factory, we try to use as many local ingredients as possible.

Musti Group is able to influence the environmental impacts of the value chain through product and supplier choices and agreements with suppliers.

In our operations, we pay attention to reducing the generation of waste and sorting. We operate in accordance with the waste hierarchy and the impacts of our operations are focused on the prevention of waste generation and the preparation of waste fractions for recycling or energy, depending on the national waste sorting and recycling systems in use in our operating countries.

A large part of the waste generated by our operations comes from the packaging materials of products arriving at the central warehouse. In addition, transporting products from warehouses to stores or from an online store directly to consumers causes packaging waste. The sorting instructions on product packaging are used to guide consumers to sort the waste fractions generated from packaging materials correctly.

During 2025, Musti Group has made a significant investment affecting the use of resources at its central warehouse in Sweden. The company is investing in a packaging line for e-commerce orders, which can be used to reduce the amount of packaging materials and make them more efficient. The investment is included in fixed assets in the financial statements. The company has not assessed the capital and operating expenses required for the circular economy in the long term.

## ✔ Metrics and targets

### E5-3 Targets related to resource use and circular economy

In 2025, Musti Group's Management Team has approved two indicators related to the use of resources and the circular economy, one of which is an indicator related to the recyclability or reuse of plastic packaging from our own product brands. The target for this indicator was set at 100% by 2030 compared to 2024. This target is in line with the EU Packaging and Packaging Waste Act (EU2025/40). The expectation for the coming years is that the amount of recyclable plastic packaging of own brands should increase as their availability from material suppliers increases and the quality meets the requirements set for the products, such as sufficient shelf life. The indicator guides packaging development towards solutions that are compatible with existing recycling streams and support the materials to remain in circulation for as long as possible and reduces the number of packaging solutions that are difficult to recycle. The packaging material indicator serves as a key part of Musti's goal to increase circular economy-based product design and reduce the environmental impact of packaging waste.

The second indicator is the percentage of non-recyclable waste in those Musti Group operations where the company has a contract with a waste management provider. No target was set for this indicator in 2025, as the collection of waste volume data from different operating countries is still in progress. The aim is to complete the data collection process during 2026, which will enable the definition of a baseline year and a target for the indicator.

The goal of the waste meter is to guide Musti's own operations towards the reuse of waste primarily through recycling. When the share of non-recyclable waste decreases, a larger part of the waste streams is directed back into the material cycle. In this case, the material flows are increasingly based on raw materials in circulation instead of being based on virgin raw materials.

Waste management practices that follow the waste hierarchy starting with waste prevention, then reuse and recycling, reduce the generation of mixed waste and ensure that valuable materials are recovered back into circulation.

Musti Group's targets related to the use of resources and the circular economy are voluntary in nature and are not based on reliable scientific evidence. Stakeholders have not been involved in defining the targets, as the aim is to achieve compliance in line with the long-term objectives of the regulations.

#### **E5-4 – Resource inflows**

The resources used in the production of pet food, packaging materials and pet accessories form a diverse set of material inputs, combining both virgin raw materials and, to varying degrees, materials produced through the circular economy. Plastic-based laminates are used in pet food packaging, where polyethylene, polypropylene, and polyethylene terephthalate form the basic components of the structure. These plastics are used in multi-layer structures that provide good moisture and aroma barrier, but at the same time limit recyclability. The use of mono-materials, such as bags made of polyethylene or polypropylene alone, is likely to increase the recycling of plastic packaging fractions. Paper-based laminates are also used with a thin plastic layer for protective properties.

In wet food packaging, the structure of the material inflows is different, as metal packaging such as cans and boxes made of steel or aluminum are still a key solution. Steel and aluminum usually contain varying amounts of recycled material, but their exact composition depends on the manufacturer. The material composition of the pouches is multi-layered: polyester, aluminum foil and polyethylene form a combination that achieves good moisture and aroma barrier level, but which is not easy to recycle. Other inflows used in packaging are related to adhesives and printing inks.

The material solutions of pet supplies vary depending on the product group. Plastics still make up a significant part of the inflows: polypropylene is used in transport boxes and food bowls, polyethylene in dog poop bags and carriers, and PET plastic in various toys and water bottles. Some manufacturers use recycled PET especially in textile-like products, such as dog bed fillings and leashes, in which case the materials include both virgin and recycled-based plastic fractions. Products based on biodegradable plastics are being developed, but their material flows are still limited, and composting options vary depending on local solutions.

In textile products, the materials are mainly polyester and cotton. Some beds can be filled with recycled polyester fiber, which is most often made from recycled PET plastic. Natural fibers such as cotton, jute and hemp are also used in textiles, and in some cases, industrial surplus fibers can be used, so material inflows can partly be based on side streams. Polyurethane foams are used in upholstery, which are fossil-based and rarely recyclable.

In accessories based on natural materials, the structure of the material inflows is different. Chew toys and climbing trees made of wood, ropes made of natural fibers and cork materials are mainly virgin. Metals such as stainless steel and aluminum are used in food bowls, cages, and gates. In metals, the recycled content can be significant, but its amount varies.

Side streams from the food industry form an important inflow, especially in the production of pet food. Animal by-products, such as liver, heart, cartilage and blood products, as well as side streams of plant and grain processes, such as bran and plant fiber fractions, are well-established raw materials. They are called class 3 side streams, which cannot be used for human nutrition. The raw materials used must meet the requirements of feed legislation. Musti Group's pet food factory in Finland utilizes these side streams when producing dry and wet food for dogs and cats.

The use of resources and the circular economy is a new sustainability theme for Musti Group, so there is no existing data on, for example, the weight of the technical and biological materials used in products or the certifications of materials. There is also no data available on the reused or recycled raw materials of the products. Musti Group will evaluate the possibilities of data collection related to relevant product groups during 2026.

The Group has set an indicator related to the recyclability or reuse of plastic packaging under its own product brands, and the related collection of material data has started in 2025 and will continue in 2026.

#### **E5-5 – Resource outflows**

Outflows from Musti Group's production and supply chain consist of finished products and packaging, as well as transport packaging, for example, in online store orders.

The main outflow is related to Musti's own pet food products, which are based on side streams from the food industry, and which could otherwise be part of the waste or energy stream. Thus, the side streams are redirected back to economic and nutritional use. This outflow reduces waste throughout the food chain and increases the utilization of biological materials.

The packaging of Musti's own product brands, such as bags based on monomaterials or PE and PP structures or fiber-based materials, is designed so that consumers can direct them to the recycling system after use, depending on the national recycling systems and their sophistication. This means that with Musti's outflows, materials with post-recycling value end up with the consumer. In addition, some

packaging, such as consumer plastic bags, uses recycled plastic, which means that the outflow already contains materials created through recycling.

In terms of accessories, Musti's outflow includes products made from recycled materials, such as dog beds and leashes containing rPET fibers from recycled PET bottles, as well as products made from natural fibers and renewable raw materials. These products represent an outflow of resources, where materials whose environmental impacts could have been influenced end up on the market.

The use of resources and the circular economy is a new sustainability theme for Musti Group, so there is no existing data, and it is not possible to report the expected sustainability of the products placed on the market by the company in terms of outflows in relation to the industry average. There is also no data available on the reparability of products or the share of recyclable raw materials. Musti Group will evaluate the possibilities of data collection related to relevant product groups during 2026. The collection of packaging material data started in the Group in 2025, so the share of recyclable materials will provide an understanding of how suppliers are able to report information to Musti Group.

#### Waste

The waste generated by Musti Group's operations causes negative environmental impacts, for example, from the transport and treatment of waste and preparation for recovery. The company's role is to promote good sorting and enable the reuse of materials in its own operations. The quantities of waste fractions for which Musti Group receives primary data are reported in the table E5-5.

In the outflow of resources related to products, Musti Group has identified the importance of recycling labels on used product packaging in guiding consumers in different markets in sorting waste so that waste fractions would be properly reused. Musti Group operates in accordance with national packaging, recycling and sorting opportunities in compliance with both national and EU legislation. The collection of quantities of packaging materials placed on the market began in 2025 and will continue until 2026.

#### E5-5 Tonnes of waste generated from Musti Group's business operations

<b>Total waste generated</b>	<b>1,281.58</b>
Hazardous waste diverted from disposal	0.57
Hazardous waste diverted from disposal due to preparation for reuse	0
Hazardous waste diverted from disposal due to recycling	0.57
Hazardous waste diverted from disposal due to other recovery measures	0
<b>Non-hazardous waste diverted from disposal</b>	<b>1,199.08</b>
Non-hazardous waste diverted from disposal due to preparation for re-use	0
Non-hazardous waste diverted from disposal due to recycling	577.21
Non-hazardous waste diverted from disposal due to other recovery operations	621.87
<b>Hazardous waste sent for disposal</b>	<b>0</b>
Hazardous waste diverted to disposal by incineration	0
Hazardous waste that has been sent to a landfill for final treatment	0
Hazardous waste that has been sent to disposal by other treatment method	0
<b>Non-hazardous waste sent for disposal</b>	<b>81.24</b>
Non-hazardous waste sent for incineration for disposal	0
Non-hazardous waste sent to landfill for disposal	81.24
Non-hazardous waste that has been sent to disposal by another treatment method	0
Non-recycled waste	703.11
<b>Percentage of non-recycled waste</b>	<b>54.86</b>
<b>Total hazardous waste</b>	<b>0.57</b>

The waste generated by Musti Group's business operations is mainly non-hazardous waste, which is mainly generated from the packaging materials used in the transport of products, such as cardboard and plastic. There is 0.57 tonnes of hazardous recyclable waste, which is 0.04% of the total waste. Other fractions and amounts such as metal, paper and biowaste. The data is based on actual data reported by waste management companies in Finland and Sweden. They have not been verified in a sustainability report by a third party. The reported waste volumes should be interpreted as partial and should not be considered to cover the entire Group's operations.

Most of the stores are located in shopping centers where waste management is included in the rent and several operators use the same waste containers. For this reason, waste generated in shopping centers has been excluded, as the Group does not have access to waste stream data or the possibility to separate its own share of waste. No assessment has been applied to the missing stores to avoid speculative data.

The reporting of waste volumes covers stores with which Musti Group has concluded its own waste agreement in Finland (approximately 30%) and Sweden (approximately 10%). The figures also include waste generated in the Group's own pet food factory and central warehouse in Sweden. Waste data collection will be further developed to ensure more comprehensive reporting in the future.

### 3. Social information

#### S1 – Own workforce

##### ☆ Strategy

##### ESRS 2 SBM-2 Interests and views of stakeholders

From the employees' perspective, key benefits include safe, healthy, and well managed working conditions that enable smooth daily work and reduce workload. They consider it important that compensation is fair, transparent, and aligned with the demands of the role, and that the company actively monitors pay equity. Employees also value that the organization supports their development of competence by offering training, career advancement opportunities, and time for learning, as this strengthens motivation and reinforces the feeling that the company is committed to investing in them.

Equality and non-discrimination are central values for employees. They expect the employer to intervene in inappropriate behavior and ensure that everyone has equal opportunities to succeed, regardless of background. Practices that support work-life balance—such as flexible working hours, remote work opportunities, and predictable work shifts—are seen as significant contributors to wellbeing. Employees also emphasize the importance of stable employment relationships and clear ways of working, as these create a sense of security and predictability.

Employees further expect open, honest, and regular communication, especially during times of change. The opportunity to be heard and to influence one's own work or working environment is considered important, and employees appreciate it when leadership takes their views into account in decision-making. When these factors are in place, employees perceive the employer as genuinely responsible, which increases motivation, trust, and commitment to the organization.

Employees are a key resource, as their competence, engagement, and wellbeing directly influence business quality and the achievement of sustainability goals. HR measures focus on creating positive employee experience, beginning with recruitment and continuing throughout the entire employment relationship. A committed and well-being workforce supports the company's growth and customer strategy. Growth in line with the strategy requires effective competence management and the availability of skilled labor, which depends on respecting employees' interests and perspectives as well as respecting human rights.

##### ESRS 2 SBM-3 Material impacts, risks and opportunities related to own workforce and their interaction with the strategy and business model

Material impacts related to the own workforce can be divided into three topics based on the double materiality assessment: working conditions, equal treatment and opportunities for all, and work-related rights. Musti Group runs pet retail operations in which the workforce is mainly dominated by females, which may pose a challenge to diversity and inclusion. As in the heart of the retail business is the own workforce, personnel, Musti considers that working conditions in terms of working time, wages, health and safety issues are crucial matters for the business to be successful. Therefore, the identified impacts contribute to the strategy and business model of Musti. As an example, employee satisfaction is one priority that ultimately ensures the continuance and the success of the business.

The company's own workforce includes the company's own employees who are under the control of the company. As part of Musti's operations, non-employee persons, such as external consultants and self-employed professionals, also work either part-time or full-time.

Based on the double-materiality assessment, both actual and potential negative impacts have been discovered. These impacts were mainly related to shortcomings in training and skills development, which can have a negative impact on employees and work motivation. Negative impacts can also be reflected in risks if employees' trust in the employer weakens and this can have an impact on staff retention. In addition, a negative impact on employees can be caused by risks to the confidentiality of employees' personal data caused by weaknesses in information security, which can also be reflected as a risk to the company's operations. These negative impacts can be directed at individual employees or, in the worst case, affect the entire personnel.

However, the results showed that the identified positive impacts were more significant. The positive impacts included, among others, promoting work-life balance through, for example, flexible working time arrangements, increasing team job satisfaction and employee well-being through good management and performance management, increasing staff satisfaction through equal treatment, and promoting a diverse workforce.

The positive impacts we have identified may create significant strategic opportunities for Musti Group. For instance, improved employee wellbeing driven by flexible working arrangements and high-quality leadership not only enhances individual quality of life but also enables the Group to benefit from lower sick leave absence costs and improved operational efficiency.

Similarly, promoting diversity is a business opportunity for us: it expands our recruitment pool and strengthens our ability to serve a diverse customer base, which can lead to increased market share and deeper customer insight.

Risks identified through the process indicate reputational damage and influence employer attractiveness. These may result from poor health and safety conditions, unequal treatment of employees and inadequate training and development of employees for instance. Although the impact of the identified risks is high, Musti considers them unlikely. However, the opportunities are considered to increase e.g. the employer brand, employee well-being, satisfaction and productivity that are also defined in the Musti's Employee Policy which forms the fundamental principles and practices in relation to the own workforce.

Risks related to forced, compulsory or child labor were not identified as significant based on the double materiality assessment. As Musti operates in the Nordics, the Baltics, and recently in Portugal, it is deemed highly unlikely for such matters to take place. In addition, Musti's Employee Policy determines a framework for recruitment policy, applicable for the entire group, that ensures a working environment that is open, equal and non-discriminating.

Musti Group has not identified any impacts on its own workforce that could arise from the company's plans and measures to reduce carbon emissions in accordance with international agreements.

Musti Group has also not identified any negative impacts on its own workforce that could arise from the specific characteristics of employees or the performance of certain tasks.

Musti Group has not identified any material risks or opportunities arising from the impacts and dependencies of its own workforce on people that are related to certain groups of people.

## **Impacts, risks and opportunities management**

### **S1-1 Policies related to own workforce**

The key policies related to Musti's own workforce are Code of Conduct and Employee Policy drawn up in 2025, which cover all own workforce in all operating areas. Additionally, Musti has several internal policies and frameworks available that give more practical guidelines to the ways of working in the Group.

Musti Group's Code of Conduct sets the principles which are based on the ten principles of the UN Global Compact. The company has committed to include these principles in all its operations, company culture and strategy. In addition, Musti has committed to communicating the principles to our employees, owners, suppliers and other partners. Musti's Code of Conduct is aimed at helping all employees to act responsibly in their job. The ethical principles cover laws and regulations, human rights, business integrity and cooperation with stakeholders. There have been no changes to the Code of Conduct during 2025. The Code of Conduct will be updated during 2026, when the principles will be supplemented by international conventions that create the basis for respecting human rights, such as the UN Guiding Principles on Human Rights, the Convention on the Rights of the Child, the ILO

Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business Responsibility for Human Rights (UNGPR).

The Employee Policy describes the principles and management practices that guide our actions in employee matters towards consistency, fairness, and transparency. It directs both management and employees in all matters related to personnel. At the end of 2025, the Musti Group management team approved the People policy, which it is responsible for implementing.

Work safety and accident prevention are part of the People policy and are based on everyone's responsibility towards themselves and other employees. The goal is to create a safe and healthy working environment. Risk assessment, safety instructions and continuous improvement are part of the operation.

Musti's Code of Conduct and the Employee Policy provide the main guiding principles in eliminating discrimination and promoting equality of opportunities, diversity and inclusion. The Code of Conduct strives to operate sustainably and ethically with respect to the environment, people and society. These principles form the ground for Group's culture that aims to provide an environment where discrimination is not tolerated. The Code of Conduct specifically states that our principle is that we do not accept any form of child labor, discrimination, breach of human rights, harassment or bullying.

The grounds for discrimination will be defined in more detail in the Code of Conduct to be updated in 2026.

Musti Group has not identified any particularly vulnerable employee groups within its workforce, and therefore has no specific commitments related to its operating principles.

The Employee Policy complements our commitment to sustaining an equal working environment where no one is discriminated. In addition to the policies described, Musti has created ways to put the operating principles into practice, for example through orientation and training, and to obtain feedback and views from its own workforce. These include formal and informal interactions, people surveys and more frequent pulse surveys where the recent results indicate that the working environment is considered equal, diverse and inclusive.

Suppliers commit to respecting labor rights in accordance with the International Labor Organization (ILO) conventions by signing the Musti Group Supplier Code of Conduct. Suppliers commit, among other things, to act as employers who ensure employment relationships through written contracts and safe working conditions, and to prevent forced or child labor.

**S1-2 Processes for engaging with own workforce and workers' representatives about impacts**

Musti includes regular and structured and direct engagement with employees to identify and address material, actual and potential impacts on own workforce. This engagement aims to ensure that the perspectives of employees can be meaningfully integrated into decision-making processes and that the company understands how its operations, policies, and strategic changes affect different groups of employees. Employee representatives are also involved in the dialogue. Communication takes place during daily work, in weekly or monthly team meetings, and in information and training events organized by the company several times a year.

Musti collects information on workforce impacts and concerns through multiple channels, including employee surveys, performance and wellbeing discussions, store visits, team meetings, and direct feedback mechanisms. Employees are encouraged to raise concerns confidentially, and the company monitors recurring themes related to working conditions, health and safety, workload, and professional development.

The insights gathered through engagement inform management decisions in several ways. Findings from people surveys are reviewed at management level and incorporated into action plans addressing issues such as employee wellbeing, training, work-life balance and leadership development. The Group's Head of Human Resources responsible for liaising with employees to ensure that the information and results generated are taken into account in the company's operating methods in cooperation with the management team. The aim is to ensure that employee views are genuinely integrated into decision-making and that the company understands how its operations, policies and strategic changes affect different employee groups. Musti has not identified any employee groups or vulnerable individuals within its workforce who are particularly at risk of impacts or marginalized. The management team regularly monitors the effectiveness of the dialogue with employees and the results achieved, primarily through employee surveys. Regular communication between local representatives and management also enables the exchange of real-time information.

Musti Group adheres to local collective agreements, which are regularly negotiated between the employers' and employees' unions when agreeing on key working conditions. Local representatives are also involved in the cooperation between the employer and employees, and in addition, local occupational health and safety committees operate, in which local occupational health and safety representatives are represented. Musti Group is a member of the Global Compact and is committed to respecting human rights.

**S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns**

Musti has created processes to create opportunities to remedy negative impacts and collaborate to address them within its own workforce. These processes aim to ensure that actual and potential impacts are identified promptly, addressed effectively, and prevented from recurring.

Company employees and employee representatives can use Musti Group's Whistleblowing channel to report concerns and negative impacts, or work with managers, employer representatives or trade unions to explain issues.

**Processes for Remediation**

When negative impacts on employees are identified, e.g. workplace safety incidents, inappropriate behavior or discrimination concerns, Musti follows a structured remediation process. This includes:

- Investigation and assessment: Supervisors and HR personnel conduct an initial review to understand the issue and the severity of the impact.
- Corrective actions: Depending on the nature of the impact, actions may include adjustments to working practices, enhanced safety measures, additional training, conflict resolution steps or targeted wellbeing support.
- Follow-up and monitoring: Musti monitors the effectiveness of corrective actions and follows up with affected employees to ensure that concerns have been resolved and that preventative measures have been implemented.

Musti provides its workforce with accessible channels to raise concerns, report misconduct or highlight risks without fear of retaliation. These include direct reporting to the supervisors or store managers about day-to-day matters, as well as a formal third party hosted whistleblowing channel where every stakeholder has a possibility to raise concern. All concerns raised through the Whistleblowing channel are documented, assessed, and handled according to defined procedures to ensure timely resolution. The group HR oversees the channel and the remediation process overall.

Employees are informed about the use and purpose of these channels, for example during orientation and through internal communications, including by introducing them to the inappropriate treatment policy. The effectiveness of the channels is also ensured by reviewing the policy in various meetings and with input from personnel surveys or workplace surveys. Ensuring effectiveness also enables the assessment of personnel awareness and trust regarding Musti's reporting channels and the functionality of the reporting process. By maintaining structured remediation processes and robust reporting

channels, the Group aims to ensure that all employees have a safe and trusted environment in which to voice concerns and that negative impacts on the workforce are addressed promptly and effectively. Concerns raised through reporting channels will be handled confidentially without fear of retaliation.

While Musti does not have a formal non-retaliation policy, we are fully committed to protecting whistleblowers and ensuring that reporting concerns results in no adverse consequences for the individual. We are currently evaluating the need for formal documentation of these processes.

#### **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**

The material sustainability topics related to Musti's own employees include working conditions, equal treatment and opportunities for all, and work-related rights. These themes include working hours, health and safety, gender equality and equal pay, training and skills development, and privacy. Therefore, the key actions taken are focused on these material topics. During 2025, the integration of the Baltic countries into the Musti Group and its operating methods was carried out, so the measures described in this regard to reduce material risks related to the workforce and exploit material opportunities do not extend in depth to these new business countries in this report.

Musti Group regularly monitors employees' experience of well-being at work and work engagement. A comprehensive Musti View survey is carried out annually, and a short eNPS pulse survey is carried out twice a year.

Musti Group reports on both the measures taken and their actual impacts on its own workforce. We make a clear distinction between activities carried out, such as organized training or the implementation of new guidelines, and the actual outcomes for people, such as improved occupational safety or increased job satisfaction. Currently, we monitor effectiveness primarily through employee surveys and grievance channels to ensure that the measures taken lead to the intended improvements among employees.

#### **Working conditions - working hours as a factor in promoting work-life balance**

Musti implements targeted measures to mitigate the negative effects associated with excessive or irregular working hours. These actions focus on monitoring actual working hours and assessing workloads to ensure employees have a sufficient balance between work and free time, which is a key element of overall well-being. Employee well-being is regularly monitored through both the Musti View and eNPS surveys. The results of these continuous monitoring tools make it possible to assess employees' work-life balance and identify areas for improvement.

The results are reviewed in team-specific workshops, where development plans and related follow-up measures are created. Regular employee surveys provide important insights into well-being, but they also create opportunities to strengthen employee engagement and motivation, which in turn can enhance employer attractiveness and support recruitment. Additionally, HR organizes a supervisor forum every second month, offering a space for discussion, knowledge sharing, and peer support on various leadership topics.

#### **Working conditions - health and safety**

Musti's goal as an employer is to provide all its employees with safe working conditions and to invest in employee well-being, occupational health and work ability management. These principles apply to all people working in all Musti Group's locations in all countries.

At Musti Group, the health, well-being and safety of employees is promoted comprehensively through several mutually supportive practices, in compliance with local regulations and collective agreements. The measures vary from country to country.

Health and well-being form an important whole. Musti leads active network cooperation with both the occupational health service partner and pension insurance companies and employee insurance companies. This cooperation is managed through jointly agreed goals and KPIs. Special attention is paid to proactive and preventive working methods in work ability management, where occupational health care plays a central role. To support and strengthen psychosocial well-being, an early support model is utilized, which allows for constructive and timely intervention in absenteeism, workload and work flow. Workload is monitored and balanced, and supervisors are offered training in identifying mental workload and interaction challenges in the work community.

Supervisor work and management are seen as an important means of ensuring employee well-being. Good management is fair, goal-oriented and humane. Supervisors' task is to support employee development, well-being and motivation. The feedback culture is based on openness and constructive interaction. Supervisors are offered support in developing leadership skills. These issues are also discussed in supervisor forums. By investing in high-quality leadership and performance management, we aim to foster high job satisfaction and well-being. These investments are expected to have a positive impact on our workforce and reinforce the positive social impacts of our operations.

In Musti Group's operating countries, work safety, its development and the continuous development of employees' competence are part of risk management. Work safety is a collaboration between the employer and employees. It ensures that the workplace is safe and healthy to work in. The aim is to prevent and reduce accidents at work, occupational diseases and physical and mental stress through occupational safety that are harmful to health. Promoting work safety is the continuous development of operations in accordance with the regulations and rules of each business area.

Work safety is based on site-specific risk assessments. They are carried out when new operations begin, for example when a new store is opened, whenever operations or working conditions change, after accidents occur or if safety deficiencies are detected, but also regularly to keep the risk assessment up to date. The employer is obliged to systematically investigate and identify the harmful and hazardous factors arising from work, working hours, working space, other working environment and working conditions and, if they cannot be eliminated, to assess their significance for the safety and health of employees. For example, based on the risk assessment of stores carried out in 2025, measures identified in Finland for 2026 include the prevention of psychosocial stress, bites during dog and cat care procedures and musculoskeletal disorders.

Achieving a good level of occupational safety is ensured through training and by encouraging employees to actively promote occupational safety. Training is organized in all our countries, focusing on work ability, occupational health and safety. Training can also include first aid training, fire safety drills, evacuation drills and task-specific HSE training. Management training is also organized to support store managers in their role as occupational health and safety managers. From a management perspective, the safety culture is developed in accordance with the principles of openness and continuous improvement. Workplaces are continuously developed to be safer by investing, for example, in ergonomic workstations, clearly marked emergency exits and protective equipment appropriate to the job.

Musti Group's business locations, such as stores and offices, undergo regular occupational health and safety inspections, and development measures are taken to manage any deviations and negative impacts. The central warehouse in Sweden and the pet food factory in Finland are also subject to these measures.

#### **Equal treatment and equal opportunities for all - gender equality and equal pay for work of equal value**

Equal treatment of personnel, for example in equal treatment of genders at work and in matters related to employment and remuneration, has a positive impact on the employee by increasing job satisfaction, commitment and motivation to work. Musti encourages all genders to seek opportunities equally at all levels of the organization.

Musti considers equal treatment as one of the fundamental principles in relation to the own workforce. It is a high matter that is also emphasized in the Code of Conduct: Musti values each employee as an individual. Musti respects the employees' freedom of speech and always strives to promote equality. Each employee has the right to fair treatment, good leadership and a safe workplace. Musti is committed to equality and non-discrimination.

The Employee Policy states that all employees are offered equal opportunities for work, career development and rewards. Gender equality and pay equity are monitored regularly, and harassment or inappropriate behavior is addressed immediately. Diverse workforce is seen as a strength that enriches the work community and improves performance.

In addition to relevant policies, Musti maintains standardized HR processes for recruitment, promotion, performance management and salary review to reduce bias and ensure equitable treatment across all employee groups. Musti monitors key indicators such as pay equity, promotion patterns, training progress and turnover to identify potential inequalities. Employees are provided with a Whistleblowing channel to raise concerns.

Pet retail is a specialized trade sector that is known to be dominated by women. In Finland and Norway, women account for over 90% of store staff, and in Sweden, the proportion is around 80%. The female dominance of pet retail is usually explained by a combination of several factors rather than a single cause. Work related to animals is often culturally perceived as care and service: it includes caring for the welfare of animals, feeding skills, customer service and advice. In addition, statistically more women apply for training and hobbies in the animal sector, and pet trade appears to many, especially young people and people at the beginning of their careers, as a natural workplace based on interest and competence. When filling open positions, eligibility requirements and selection criteria are set in such a way that they are fair and equal and correspond to the actual requirements of the job. Musti Group's basic principle of recruitment is to select the most suitable employee for each job.

During 2025, Musti Group has developed a job architecture utilizing the international competency profile system. The goal is to create a requirement classification for each job in accordance with the job descriptions, which can also help ensure equality in pay.

#### **Equal treatment and equal opportunities for all - education and skills development**

Musti Group offers employees many opportunities for professional and personal development, enabling them to serve customers better and, depending on their role, to lead their team and business better. The development of job satisfaction and the Musti culture aims to provide a good employee experience, increase competence and have positive employee impacts. At Musti, everyone has equal opportunities for training, personal development and career advancement.

Musti Pawcademy is the Group's learning framework, which consists of three main areas of competence development: e-learning, on-the-job training and community learning. All training and recordings are available on an online platform, accessible to our employees at any time. E-learning forms the basis of Musti Pawcademy. They include mandatory training on topics such as Musti's Code of Conduct, work environment, product knowledge and sustainability, as well as a tailored, employee

specific learning path based on their role. In addition, there are various training programs and other development opportunities for different personnel groups, such as store customer service personnel, logistics center and pet food factory personnel, as well as supervisors and office personnel. The Group's operating countries also independently organized their own training as needed, however, in such a way that the same topics are implemented in all countries.

We organize regular training sessions for our store staff on how to deal with different customer service situations. An induction programme and related training is mandatory for every Musti employee. Internal training topics have included:

- Pet care - Claw clipping
- Pet care - Teeth health and brushing
- Grooming of cat and dog
- Sales training for the products within the Service area
- Puppy dates & Puppy instructor
- Dog trainers

Training will be complemented by on-the-job learning and sharing, job rotation and networking solutions to enhance different ways of developing knowledge and skills. In FY 2025, Musti Group organized monthly live training sessions "Finally Wednesday" to share knowledge, tips and inspiration on current topics. These trainings for sales personnel attracted around 300-400 participants during each training session. In addition to promoting interactive learning, the training also provided good opportunities to introduce new products and product knowledge.

We also aim to increase interaction and learning situations between office and shop employees. The "Musti Office Goes Stores" concept aims to get Musti's employees to get to know each other better. This will increase mutual understanding of how office work affects the stores and vice versa. Making new contacts will also facilitate future communication. The Must office employees, including senior management, got to know the shop floor during a four-hour shift. The concept was implemented for the third time in 2025.

The Nordic Musti Group's training concept "My Musti Development", which began in 2023 and was aimed at employees and managers, ended in March 2025. The training was implemented as interactive distance learning and provided tools for stress management and maintaining motivation.

### **Equal treatment and equal opportunities for all – diversity**

Musti Group's principle is to treat every employee equally, fostering diversity. A diverse workforce, including employees from different age groups and cultural backgrounds, brings perspective and expertise in the development of operations. This is seen as an opportunity to increase the company's ability to innovate and better understand the needs of its customers. A diverse workforce has a positive impact on employees and on their own expertise and broaden their own perspectives.

According to Musti Group's internal personnel principles, diversity is fostered by preventing discrimination based on, for example, age, ethnic origin, nationality, language, skin color, religion, opinion, disability, sexual orientation, gender or any other personal characteristic. These elements of discrimination is prohibited in Musti Group under all circumstances. Musti Group will update these forms of discrimination in the 2026 public ethical guidelines document, as Musti Group recognizes and respects the contents of international human and labor rights conventions.

### **Other work-related rights -employee privacy**

Musti recognizes employee privacy as a material topic and has established policies and controls to safeguard these areas. The processing of personal data complies with data protection legislation (GDPR) and Musti Group's own data protection guidelines to ensure that personnel's privacy and data are protected.

Code of Conduct and Information Security Policy provides the guidelines, while Group IT maintains data protection measures to prevent privacy risks arising from a weakness in information security, such as inadequate access controls or cyber vulnerabilities. Compliance with GDPR and labor regulations are supported by HR and IT processes. The effectiveness of these actions is monitored through audits, incident reviews and employee feedback, enabling continuous improvement and supporting secure and compliant working environment.

Several developments related to employee security and privacy were made during 2025. Security and privacy training programs have been updated in the Group's online learning environment, and the orientation of new store employees includes the main principles of secure operations. In addition, a phishing attack simulation campaign was implemented to train employees in identifying and responding to cyber risks, promoting a security-conscious culture, and protecting their own privacy.

**Preventing, mitigating or remediating material negative impacts**

Musti is taking action to prevent negative outcomes related to the material sustainability topics that the own workforce could be exposed to. To support equal treatment, Musti applies standardized and bias-reducing HR processes for recruitment, performance reviews and salary setting, complemented by Code of Conduct and other relevant policies and guidelines. Working time risks are addressed through clear scheduling guidelines, monitoring overtime and procedures to ensure compliance with laws and internal work-time policies. To mitigate privacy risks, Group IT maintains strong information security controls and ensures that all employees receive appropriate training in data protection and secure handling of personal information.

Where actual impacts occur, actions are taken in a required manner with proper remediation plans through confidential reporting channels. Corrective actions are overseen by HR and Group IT.

The effectiveness of these actions is monitored mainly through people surveys but privacy issues might raise deeper concern. Thus, Group IT monitors strictly information security threats and all incidents are handled in a serious manner. Insights from these actions inform further improvements and ensure that actions taken deliver meaningful and measurable outcomes for the own workforce.

**Actions related to risks and opportunities**

The actions taken to address material risks concerning the own workforce correspond to the measures already outlined in this section to prevent, mitigate or remediate material negative impacts. Likewise, the actions taken to pursue material opportunities align with the actions described earlier that are intended to create positive impacts for employees.

**Avoiding negative impacts**

We assess our operational practices to ensure they do not cause or contribute to material negative impacts on our own workforce. This includes reviewing our procedures in relevant functions to identify potential risks related to, for example, working conditions, equal treatment, security, employee wellbeing and data protection.

Our approach combines internal policies, training, and continuous monitoring of workforce indicators e.g. via employee surveys.

Musti Group considers the actual and potential impacts on its own workforce on a case-by-case basis when making decisions to terminate business relationships. Currently, the Group has not identified any instances where such terminations would have had significant adverse impacts on its workforce, and therefore, no specific formalized policy for this purpose has been implemented to date.

**Resource allocation to manage material impacts**

Musti allocates both financial and non-financial resources to the management of material impacts on its own workforce. Financial investments include training programs, investments in data and security safeguarding as well as the overall technology and people who manage these matters. Non-financial resources include, for example, enabling regular employee surveys to obtain relevant information on the subjects that need further development to improve substance, processes and leadership skills.

Musti Group has not estimated any short-term or long-term capital or operating expenses that have been or will be used in relation to the material impact on its own workforce or to mitigate material risks related to its own workforce or to exploit material opportunities.

**✔ Metrics and targets****S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

Musti Group's goal is to have a well-being, competent and motivated workforce. The Employee Policy defines the principles for ensuring good and effective personnel practices. To support these principles, the Group has defined three indicators for its own workforce in 2025, for which targets have been set. They are used to managing the material impacts, risks and opportunities affecting its own workforce. The Group's objectives have been defined based on the results of previous years and taking into account sufficient target setting.

Indicators that generally indicate working conditions:

- eNPS number: target +15 by 2030 (base year 2024: eNPS result June +6 and October +4)
- Employee satisfaction index: 85% by 2030 (base year 2024 no survey, baseline 83% from 2023 survey)

**Gender equality indicator:**

- At management level (management team + 1 level down) share of women 46% annually (Sonae target). Base year 2024: share of women was 57% on average including the management team and one organizational level below.

Musti Group will develop indicators and targets related to its own workforce. During 2026, the possibility of setting a target for the percentage of employees' sick leave will be evaluated and the possibility of setting a uniform group-wide lost time injury rate (LTIR) will be evaluated.

Musti Group has not utilized direct communication with its own personnel and personnel representatives in setting or tracking the performance of the targets.

**General working conditions indicator: eNPS pulse**

The eNPS pulse is conducted twice a year in June and October. The results of 2025 were eNPS +7 in June and eNPS +8 in October. The survey is conducted using the same method year after year. In the year 2025 eNPS was conducted in Finland, Sweden and Norway.

The results of the eNPS pulse show how employees feel about the organization and in particular whether they would recommend the workplace to others. It provides a signal about the work atmosphere, commitment and trust in management. Employees are divided into three groups based on how they answer the question: "How likely would you recommend your workplace to a friend or colleague?" Promoters: very satisfied, committed employees give ratings of 9-10, Passives: neutral 7-8 and Detractors: dissatisfied or disengaged 0-6. The eNPS figure is calculated as Promoters % – Detractors % and the result can be between –100 ... +100.

A high number >30 indicates that the company has a good working atmosphere and trust in management, employees feel their work is meaningful, feedback and career opportunities are effective, and there is a good work-life balance. Musti Group's result of +8 indicates that there are no major problems right now, but it is good to invest in development. For this reason, each team has made an action plan and defined development targets, the implementation of which is monitored.

**General working conditions indicator; Employee satisfaction index**

Musti Group conducts the Musti View employee survey every two years, the questions of which form the employee satisfaction index. In 2025, the satisfaction index was calculated in Finland, Sweden and Norway. The response scale is four-level: completely agree – agree – disagree – completely disagree. In addition, the respondent has the option to select "Not applicable".

The employee satisfaction index is calculated by adding up the positive responses (3-4 on a scale of 1-4) to all questions (28) and dividing them by the total number of responses. This gives the average percentage of satisfaction across all questions. The result for 2025 was 83% (83% in 2023). The result has remained at the same level as the previous survey and is excellent.

**Working conditions - working hours as a factor in promoting work-life balance**

The relationship between work-life balance can be examined based on a single question in the eNPS survey: "I am satisfied with my work-life balance". In the eNPS surveys conducted in June and October 2025, satisfaction with work-life balance for the Group countries was 3.03 and 2.96. The results have remained at the same level on average since 2023 with small variations. The survey results are classified as follows: <2.5 development needs, 2.5 - 2.99 satisfactory level, 3.00 - 2.49 good level, >3.5 excellent level.

**Gender equality indicator**

Musti Group aims to achieve 46% female representation both in its management team and at the one organizational level below. This goal is based on a target set by Musti Group's parent company, Sonae, to promote gender equality. The monitoring of the proportion of women at these organizational levels is based on Musti's employee data.

**S1-6 Characteristics of the undertaking's employees**

At the end of the financial year 2025, Musti had 3,954 employees in total. The following tables present the breakdowns of Musti's employees by gender, country and the type of employment contract. The figures are consistent with the figures reported in the financial statements.

**Table 1. Employee headcount by gender**

Gender	Number of employees
Female	3,476
Male	470
Other	8

**Table 2. Employee headcount in countries with at least 50 employees, representing more than 10% of the total headcount**

Country	Number of employees
Finland	1,271
Sweden	1,139
Norway	710
Estonia	215
Latvia	140
Lithuania	131
Portugal	348

During 2025, 252 employees transferred to other positions outside Musti Group and the turnover rate of employees during the reporting period was 10.8%.

**Table 3. Employee headcount by contract type and gender****Head count by contract type****Total head count**

Female	Male	Other	Total
3,476	470	8	3,954

**Permanent**

Female	Male	Other	Total
2,739	402	7	3,148

**Temporary/fixed term**

Female	Male	Other	Total
737	68	1	806
			<b>3,954</b>

**Number of non-guaranteed hours employees**

Female	Male	Other	Total
341	13	1	355

**Number of full-time employees**

Female	Male	Other	Total
1,169	304	1	1,474

**Number of part-time employees**

Female	Male	Other	Total
1,966	153	6	2,125
			<b>3,954</b>

Temporary employees account for approximately 20% of the total workforce. Retail as a whole relies heavily on seasonal work, especially during the holidays and vacation periods, when customer flows and sales volumes increase rapidly. This phenomenon also applies to the sale of pet supplies and food, as demand increases, for example, during the Christmas season and during the spring and summer outdoor and hobby seasons. In pet retail, additional labor is needed, for example, during campaigns, offers, store changes or inventory checks. This is also a way to optimize the use of resources and control costs at different stages of the year. From a customer perspective, this enables the maintenance of service levels during busy periods.

Part-time employees account for approximately 54% of the workforce. The role of young part-time employees in the pet retail sector is significant. Young people often start their working lives in part-time positions because they offer a low-threshold opportunity to get to know the rules of the game, customer service and working in a store environment without the commitment of a full-time job. Part-time work gives them the space to study, try out different work tasks and figure out what kind of roles they enjoy and where they have natural strengths. The industry often attracts employees motivated by a love of animals, and for many young people this is the first opportunity to combine their interest in animals with customer service and sales. Pet retail is an industry where, in addition to sales, the nature of advisory work and building customer trust are emphasized. This offers young people the opportunity to gradually grow into an expert role and find their own interests in areas such as dog supplies, small animal care or nutrition. Many young people can later progress to responsible shifts, supervisory positions or roles requiring specialized expertise, which makes a part-time starting position an important springboard for the entire career path.

**Table 4. Head count by contract type by region**

**Total head count**

Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Portugal	Total
1,271	710	1,139	215	140	131	348	<b>3,954</b>

**Permanent**

Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Portugal	Total
936	586	908	198	140	131	232	3,131

**Temporary/fixed term**

Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Portugal	Total
335	124	231	17	0	0	116	823
							<b>3,954</b>

**Number of non-guaranteed hours employees**

Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Portugal	Total
249	11	95	0	0	0	0	355

**Number of full-time employees**

Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Portugal	Total
321	154	411	140	131	99	218	1,474

**Number of part-time employees**

Finland	Norway	Sweden	Estonia	Latvia	Lithuania	Portugal	Total
701	545	633	75	9	32	130	2,125
							<b>3,954</b>

The data above has been obtained from Musti Group's HR system, which provides granular employee information for reporting purposes. The metrics are not subject to significant assumptions. As employee data for the Baltic and Portuguese subsidiaries is not yet fully integrated into Musti's system, the data was collected through traditional methods from separate reports and consolidated with the data from the Musti's HR system. The headcount at the end of the financial year and the average headcount during the financial year are consistent with Musti's financial statements.

**S1-9 Diversity metrics**

**Table 5. Gender diversity of the Management Team**

Gender	Female	Male	Other	Total
Number of people	5	4	0	9
Distribution, %	56	44	0	100

Musti Group includes the management team and one level down in its own management gender balance indicator. The proportion of women in 2025 was 57%, with the target being 46%.

**Table 6. Distribution of employees by age group**

Age group	Under 30 years	30-50 years	Over 50 years	Total
Number of employees	1,879	1,740	335	<b>3,954</b>
Distribution, %	48	44	8	100

The data above has been obtained from Musti Group's HR system, which provides granular employee information for reporting purposes. The metrics are not subject to significant assumptions. As employee data for the Baltic and Portuguese subsidiaries is not yet fully integrated into Musti's system, the data was collected through traditional methods from separate reports and consolidated with the data from the Musti's HR system.

**S1-13 Training and skills development metrics**

Musti Group is taking advantage of the transitional provision and will not report on training and skills development metrics from its first reporting year, 2025.

**S1-14 Health and safety metrics**

Musti Group works in collaboration with occupational health services and the pension insurance companies to solve work capacity problems. The aim of close cooperation is to find the best possible solution for each employee to maintain and restore work capacity, for example through part-time work, vocational rehabilitation or work trial. 100% of the Group's employees are covered by occupational health services. The Group complies with local legislation regarding occupational health and safety. The Group does not have a certified occupational safety management system.

During 2025, there were no deaths due to work-related injuries or work-related health problems amongst Musti's own workforce including non-employee people. The number of cases related to work-related injuries and health problems in the workforce was 40. Most injuries are minor wounds, caused by dog bites or leg injuries from objects falling from pallets or shelves. The information collected on workplace accidents and accident classification will be developed in the future.

Musti Group will develop indicators related to its own workforce. During 2026, the possibility of setting a uniform Group-wide accident frequency indicator (LTIR Lost Time Injury Rate) will be assessed. For system reasons, it is not possible to provide an estimate for 2025.

The data above has been collected from Musti Group's HR system, which provides granular employee information for the purpose of reporting this data. The metrics do not involve significant assumptions or uncertainty. As the employee data for both the Baltic and Portuguese subsidiaries is not yet fully integrated into Musti's system, the data was collected through traditional methods from separate reports and consolidated with the data from the HR system. The reported data has not been audited by other external auditors.

Estimation of numbers of hours worked based on standard hours of work was approximately 6 million hours in 2025. The estimated figure include both contract type employee groups: permanent and temporary. The assumptions used were 251 working days during 2025, standard working hours for permanent employees, 7.5 hours per day, and estimated average working hours, 2 hours per day, for temporary employees.

**S1-16 Compensation metrics (pay gap and total compensation)**

Data regarding pay gap and total remuneration metrics are not available and therefore not reported in 2025. In December 2025, a new feature was created in the HR system, which will be completed in 2026, enabling reporting of pay gap and total remuneration.

**S1-17 Incidents, complaints and severe human rights impacts**

Musti Group monitors work-related incidents, complaints, and severe human rights impacts concerning its own workforce. The Group has an established and functional whistleblowing channel through which employees can report potential misconduct or concerns anonymously and without fear of retaliation. Although a fully unified and formal Group-level process for the centralized coordination of all such data is not yet in place, the process will be actively developed during 2026. The objective of this development is to strengthen data collection and the management of grievance mechanisms across all operating countries in accordance with the Corporate Sustainability Reporting Directive.

During 2025, one complaint regarding potential discrimination was raised by a retail employee through Musti's official whistleblowing channel. To ensure a fair and objective assessment, we engaged independent external legal counsel to conduct a formal investigation. The investigation concluded that no breach of policy or discriminatory conduct had occurred, and as a result, no further formal disciplinary actions were required. There were no further complaints or concerns that were reported through other channels, such as directly to HR or supervisors. Also, there were no other cases reported regarding, for example, discrimination or severe human rights violations, which came to Musti's attention during 2025. Furthermore, Musti is not aware of any fines, penalties, or compensation for damages resulting from violations related to work-related discrimination or harassment.

## S2 Workers in the value chain

### ☆ Strategy

#### ESRS 2 SBM-2 Interests and views of stakeholders

Employees in the value chain are a key stakeholder group that is impacted. Employee expectations and benefits vary at different stages of the value chain, but they are united by the need for safe and healthy working conditions, fair working conditions and meaningful work. Combating child labor and eliminating the risks of forced labor are linked to respect for human rights and the rights of workers in the value chain. An equal salary that is sufficient for subsistence, social benefits and the meaningfulness of work increase the stability of work and trust in the employer. Taking local communities into account and long-term supply contracts are seen as important factors that strengthen the sustainability of the entire value chain.

Workers in the supply chain are subject to both negative and positive human rights impacts, and Musti Group's double materiality assessment identified this as a significant impact on workers in the value chain. Supplier cooperation aims to ensure positive and human rights-based treatment of workers and to prevent negative impacts.

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Musti Group's growth and profitability strategy is closely linked to sustainability topics related to supply chain sustainability and value chain employees, which have been identified in the double materiality analysis. The company's strategic goal is to grow in Europe, to expand the store and service network and to strengthen the e-commerce business requires reliability, scalability and a high level of ethics in the supply chain. The impacts related to the employees of the value chain are particularly pronounced in the early stages of procurement and production, which is why Musti Group's opportunity and responsibility to influence these themes is realised primarily through supplier cooperation. The double materiality assessment identified impacts related to employees in the value chain that Musti Group can influence in cooperation with suppliers. Based on the double materiality assessment, the material impacts related to employees in the value chain arise from many aspects related to working conditions. Respect for human rights in the supply chain supports the implementation of the strategy by mitigating operational and reputational risks that could jeopardise growth and strengthening of market position. Significant risks and opportunities directly affecting Musti's business were not identified in this first round of double materiality assessment.

The strategy's key focus on growing its own and exclusive product portfolio will further strengthen the link to sustainability in the supply chain. When Musti Group increases its own influence in the design, sourcing and production of products, the responsibility for ensuring that products are manufactured with respect for human rights and safeguarding workers' rights throughout the value chain increases. The company's zero-tolerance policy for human rights violations guides supplier selections, contracts and control practices, ensuring that improving profitability and increasing margins are not based on unsustainable working conditions or poor social practices. In this way, responsible supply chain management serves as a strategic prerequisite for achieving profitability targets in the long term.

In addition, Musti Group's strategic focus on customer loyalty, trust and a strong brand is directly linked to taking human rights into account in the supply chain. Consumers' expectations of responsibility are increasingly related to the origin of products and the working conditions behind them. Supplier cooperation, which aims to strengthen positive and human-rights-respecting treatment of employees, supports Musti Group's brand promise. At the same time, the collaborative approach enables continuous improvement and strengthening of positive impacts in the value chain, which supports both the company's sustainability goals and its long-term growth and competitiveness.

### 🔍 Managing impacts, risks and opportunities

A responsible supply chain is an important part of Musti Group's strategy and business model. We cooperate with suppliers who are committed to complying with Musti Group's Supplier Code of Conduct and comply with applicable legislation in all their business operations, including the management of impacts on employees. In our Supplier Code of Conduct, suppliers commit to ethical business practices, respect international human rights commitments, and be aware of the impact of their business on the environment, as well as to manage and reduce negative environmental impacts. The Supplier Code of Conduct is included in the supplier agreement.

A responsible supply chain is based on the selection process of new suppliers and the related supplier assessment, long-term cooperation with suppliers, and self-assessment and audits of their own operations.

In addition, amfori BSCI audits are carried out by an independent third party for Musti Group's suppliers located in high-risk countries. Amfori BSCI audits map suppliers' operating methods and business processes related to, among other things, negative human rights impacts like occupational safety, terms of employment, such as working hours, and the implementation of the ban on child and forced labour.

The audit results particularly highlighted deviations in working hours, such as excessive overtime, shortcomings in working time records or compliance with weekly rest periods. Several suppliers were found to need to improve systematic working time monitoring and ensure that actual working hours comply with local legislation and amfori BSCI requirements. Depending on the audit result, a follow-up amfori BSCI audit will be carried out in a year or less frequently.

Our product range includes pet food, pet care and well-being products and accessories. We require our suppliers to ensure product safety even before making a purchase decision and to have a product traceability system in place so that we can ensure product safety in advance and act quickly in the event of any suspected product defects.

### **Employee groups in the value chain**

Employee groups in the value chain include employees of production plants that manufacture products, employees of production plants that manufacture raw materials and packaging materials used in products, employees of subcontractors who work in Musti's own production facilities that manufacture pet food, and employees of companies that are responsible for the storage, transport and sales of raw materials used in products and manufactured products.

### **S2-1 Policies related to value chain workers**

Musti Group respects human rights and requires suppliers operating in the value chain commit to operate in accordance with the Supplier Code of Conduct in all their operations, covering all employee groups in the value chain in all geographical areas. The Musti Group management team is responsible for implementing the operating principle. The Supplier Code of Conduct is based on principles defined in international conventions, so stakeholder representatives have not been involved in its development.

Suppliers are expected to respect human rights. Employees must be treated fairly, and suppliers must not tolerate any form of discrimination or harassment when selecting employees or in the workplace. and that all employees are offered equal opportunities to perform their work in accordance with what is written in the employment contract written in the language that the employee understands. All forms of forced labor, such as the payment of security deposits or the withholding of identity documents from staff at the start of employment, are prohibited. Employees in the value chain have the right to leave the workplace at the end of a normal working day and terminate their employment.

Suppliers have to pay all employees a salary that is enough to live on. Employees' working hours must comply with national legislation and they must be entitled to all statutory holidays.

The use of child labor is prohibited and the employment of young people must not hinder the completion of compulsory education. Young workers must also not be hired for dangerous work tasks. Suppliers must provide safe and healthy working conditions for all employees.

Employees in the value chain must have the right to organize freely and to collective bargaining on collective agreements.

The Supplier Code of Conduct is based on the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The Supplier Code of Conduct is part of supplier agreements, where signatures confirm commitment with these principles. The document can be found on the Musti Group website, where they are available to all stakeholders.

Musti Group has a Whistleblowin channel for making anonymous reports in situations where there is a possible suspicion of a human rights violation.

### **S2-2 Processes for engaging with value chain workers about impacts**

Musti Group's goal is a good and mutually beneficial supplier relationship. This work is carried out starting from the selection of suppliers and through cooperation meetings with them after the establishment of a supplier relationship. Supplier cooperation includes conducting audits either by Musti Group or, in high-risk countries, through the amfori BSCI system. In these situations, there is an opportunity for direct discussion with employees.

Musti Group has not carried out a due diligence process in accordance with human rights due diligence in its value chain. The implementation and timing of this will be assessed in the next few years.

### **S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns**

Musti Group recognizes its responsibility to act in good cooperation with suppliers and partners operating in the value chain so that negative impacts on employees operating in the value chain can be prevented, mitigated and corrected. Musti Group requires suppliers operating in all risk countries to commit to improving the amfori BSCI audit system and the resulting audit results.

Employees in the value chain can express their concerns anonymously through Musti Group's Whistleblowing channel.

#### **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 action**

Risk management is an integral part of Musti Group's operations and operational development. We identify and assess supply chain impacts, risks and opportunities. The risk management process includes the mapping, prioritization and definition of management measures for risks. Suppliers are subject to clear requirements and their performance is assessed through audits and contract terms. Musti Group is a member of the amfori BSCI organization and uses the organization's audit system for risk management.

To identify the impact of workers in the value chain, amfori BSCI focuses on human rights, occupational health and well-being risks, such as excessive working hours, occupational safety practices and weak employee empowerment.

In addition, we develop supplier meetings with suppliers by organizing rules, and the intention is to build long-term partnerships. A business relationship that utilizes both actions is currently working to improve the rights and working conditions of workers in the value chain in the long term and that they work in practice with the ethical safeguards of Musti Group.

#### **✔ Metrics and targets**

##### **S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

Musti Group has set the following value chain sustainability metrics and targets, which were approved by the Management Team in 2025:

- Adoption of Supplier Code of Conduct (Musti or amfori BSCI), where the target is 100% of suppliers have adopted and signed the code of conduct by 2027. Where the base year 2024 result was 99.2%
- amfori BSCI audits for suppliers in high-risk countries, where the target is to audit 100% of suppliers operating in high-risk countries annually. Where the base year 2024 result was 100%

Results achieved in 2025:

- 94.6% of suppliers have signed the Supplier Code of Conduct
- 86% of suppliers amforiBSCI audited

These indicators and targets are an essential part of Musti Group's management of the impacts, risks and opportunities on workers in its value chain. They create a concrete mechanism for monitoring the requirements of the Code of Conduct and promote continuous improvement of workers' rights and working conditions in the supplier network.

The targets set are in line with Musti Group's Supplier Code of Conduct. The Supplier Code of Conduct aims to ensure that all suppliers' operations are based on ethical principles covering human rights, workers' rights, occupational safety, and responsible business practices. The signature rate serves as a measure of the implementation of the Supplier Code of Conduct in the value chain.

The implementation of the human rights and responsible sourcing principles in practice is monitored through amfori BSCI audits. The audit coverage target supports the implementation of the Code of Conduct by ensuring that the working conditions and processes of suppliers operating in high-risk countries are assessed by an independent third party.

The goals have been defined according to the zero principle: all suppliers must commit to and act in accordance with the Musti Group principles. And they are based on the 10 principles of the Global Compact, as part of Musti Group's membership in the organization. The goals have not been defined using the views of stakeholders, as the realization of human rights is a fundamental basis for fair action towards people.

## S4 Consumers and end-users

### ☆ Strategy

#### ESRS 2 SBM-2 Stakeholders' interests and views

Consumers in the pet business form a diverse group whose purchasing behavior is influenced by both emotional and rational factors. The customer base covers a wide range of ages and incomes, but city dwellers and young adults in particular are a growing segment. Consumers are digitally active, they search for information online, compare products and appreciate easy online shopping. Consumers and pets are a key affected stakeholder group.

Consumers' interests and views are primarily related to the well-being and safety of pets. Customers expect products and services to support their pet's health and comfort. Responsibility and sustainability are important values. Digital services, e-commerce and home delivery also increase customer satisfaction and a good customer experience. Tailored diets and high-quality products are seen as added value, and some consumers are prepared to pay a premium price for quality. Consumers' views are heard in customer encounters in stores, through contacts through customer service channels and customer satisfaction surveys. Interaction also takes place on social media and through marketing communications.

Consumers increasingly view pets as family members, and this influences the products they purchase, such as food, accessories, and services. The "pet parenting" trend guides the development of Musti's offering. This trend has driven demand for premium foods and various services, to which Musti has responded by expanding its range to include wellness-related products as well-being services such as grooming, training, and veterinary services.

Musti's idea that "Musti has everything you need" reflects consumers' expectations for convenience and comprehensive service. With the help of data, Musti aims to provide customer-specific solutions, demonstrating that consumers' individual preferences and purchasing behavior also steer the development of digital services. Omnichannel operations are a key part of Musti's business model, responding to consumers' evolving ways of shopping. Consumers expect a seamless experience both online and in stores, which is reflected in Musti's strategy of having the largest store network in the Nordics combined with a strongly growing e-commerce presence.

Musti's business model and strategy are firmly built around the needs and behaviors of pet owners. The company's operations are based on continuous improvement to better serve existing customers and attract new ones, especially at the early stages of a pet's life cycle when long-term customer relationships can be formed. The brand promise, omnichannel service, focus on quality, and flexible pricing solutions create a holistic approach grounded in understanding consumer interests and

viewpoints. Consumers' expectations for convenience, comprehensive solutions, and reliable service guide Musti's strategic priorities and overall business operations.

#### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Musti Group's growth and profitability strategy is linked to several material sustainability topics that have been identified in the double materiality assessment. The assessment identified both positive and negative impacts on consumers and pets, as well as risks and opportunities that can affect Musti's business.

Based on the double materiality assessment, material impacts related to consumers and end users are created through the quality and accuracy of product information, through the advice and information provided in customer service situations, in the management of the consumer's personal data, and through responsible marketing practices. The quality and safety of the products affect both the pet and the pet's family members. Product safety risks may have an impact on Musti Group's reputation and business profitability. Services and high-quality products related to the well-being of pets strengthen trust in the company and are associated with opportunities to strengthen customer loyalty.

The Business Conduct (G1) reporting standard includes impacts on animal welfare. This part of the perspective of pet well-being emerged as an essential sustainability topic in Musti Group's double materiality assessment. The topic has been moved to the reporting standard Consumers and end-users (S4) and therefore this perspective is discussed in this context.

#### Material adverse impacts and business risks

Musti Group's product range includes pet food, products and supplies related to pet care and well-being, as well as services. Services include e.g. grooming, training and massage services, as well as dietary services, and veterinary services in certain stores.

Incorrect product and packaging labelling can mislead the consumer, which can lead to the wrong use of the product and negative effects on the pet's well-being and health. Product defects, such as electrical equipment failures, can endanger the health of the pet and cause property damage to the consumer. The poor quality of pet food can impair the pet's well-being and health, which can lead to a loss of confidence and a decrease in sales volumes.

Failure to provide customer service or process customer feedback can create a negative customer experience and increase the risk of a customer sharing their experience on social media, which can damage the company's reputation. Data breaches of consumers' personal data can cause serious privacy violations and increase the risk of identity theft. Additionally, cybercrime targeting e-commerce can lead to financial losses and undermine brand credibility.

### Material positive impacts and business opportunities

Advice provided by skilled store personnel in customer service situations and Musti's pet training services increase the level of competence of pet owners. This affects the well-being and health of pets, which has an impact on customer satisfaction and trust per company. To ensure a positive impact, the company invests in continuous personnel training, the quality of customer service and the sharing of up-to-date information.

Musti's care and health services offer consumers the opportunity to get help to promote the well-being of their pets. A diverse range of services creates an opportunity to stand out from the competition and strengthens the brand's position as a professional operator. In order to take advantage of this opportunity, the range of services and training offered will be developed and the services will be actively communicated to customers.

In addition, expert advice and wellness services can reduce incorrect product choices and enable a good quality of life for pets.

### Managing impacts, risks and opportunities

The impacts, risks and opportunities on consumers and end users are managed in the pet retail trade as part of the company's business processes. Potential negative impacts include deviations related to product safety or incomplete product information. These are managed through product design to supplier selection and supplier agreements and with the help of their quality appendices. Feedback channels provide up-to-date information on product-related deficiencies.

Business risks related to consumers, such as a loss of trust or reputational damage, are prevented through open communication and the processing of customer complaints. Consumers will be able to provide feedback in stores or contact us through a centralized customer service center.

Consumers' growing interest in the well-being and sustainable consumption of pets is seen as an opportunity that is exploited with a comprehensive and value-added range of products and services at different stages of a pet's life cycle.

The company monitors the changing expectations of consumers and other key stakeholders. This includes developing the product range and services to reflect consumer trends. As consumer needs and values change, the business priorities are refined accordingly. This ensures that the company's operations remain customer-oriented and the business responds to changes in the operating environment.

### S4-1 Policies related to consumers and end-users

Musti Group's operations are based on a Quality and Product Safety Policy, which guides all processes to ensure the quality and safety of products and services. The goal is to create a reliable and sustainable business that takes into account the well-being of consumers and pets. The Quality and Product Safety Policy is followed throughout the Musti Group and its supply chain in all its markets and geographical areas. Musti Group implements similar principles for its suppliers as part of the requirements set for suppliers. Suppliers also undertake to act in accordance with Musti Group's separate Supplier Code of Conduct. Musti Group's management team is responsible for the implementation of this operating principle. The operating principle can be found on the Group's website.

We comply with legislation and official guidelines in all our operations to ensure the safety and quality of our products and services. The starting point for our operations is to identify customer needs and promote the well-being of pets, and customer feedback is a key part of continuous development. Pet foods produced in our own factory meet the requirements of the FSSC 22000 standard and are certified by a third party. Therefore, Musti Group is committed to complying with the FSSC 22000 product safety management standard in its corporate policy regarding the pet food factory in Finland.

In the development of pet foods, we take into account nutritional needs, species-appropriateness and palatability. The correctness, legality and open communication of product information as well as compliance with responsible marketing principles are the starting points of our operations. Product safety is taken into account throughout the supply chain, such as manufacturing, warehousing and logistics, to ensure that products are safe all the way to the end user. The products are traceable, and in exceptional situations, we work efficiently to minimize risks.

We are constantly developing our processes and engaging in open dialogue with customers, suppliers and authorities to ensure good business. With these principles, Musti Group ensures that consumers can trust the quality and safety of products and services, as part of the company's social responsibility and good governance.

Musti Group respects human rights and operates in accordance with its own Code of Conduct in all its operations, including when encountering customers. More information can be found from S1-1 Policies related to own workforce in page 67. The company has a Whistleblowing channel for making anonymous reports in situations where there is a possible suspicion of a human rights violation.

#### **S4-2 Processes for engaging with consumers and end-users about impacts**

Dialogue with customers takes place through multiple channels: in stores, digital marketplaces, events, through customer service, customer surveys, marketing communications, customer loyalty program, websites and social media. Understanding customer insights is crucial to ensuring that products and services meet their needs.

Customer feedback is a key channel for Musti Group to gain information about customers' views. Our customers can give us feedback via the online store's chat, by phone or email, and directly to our personnel in our stores.

In 2025, Musti Group's customer service unit had around 390,000 customer contacts. Customers are served, for example, by responding to product inquiries, booking appointments for well-being services and receiving customer feedback and complaints. About 40% of customer feedback was related to pet food or treats, about 10% to toys or supplies, about 30% to online store deliveries and about 20% to feedback on other matters. We continued the development of customer feedback and complaint processes and systems that began in 2024 to ensure that the processing and management of feedback received by customer service and the store would be uniform and enable a smooth customer experience.

In 2025, the Net Promoter Score (NPS) of Musti Group's customer loyalty index was 80.1 on a scale of -100 to +100 (2024: 76.7). Musti Group's Management Team monitors a monthly summary of the development of customer contacts, feedback and NPS.

In addition to commercial services, Musti also offers services and free events that aim to build a pet community for Musti Group's customers. At the events, Musti personnel give tips and connect animal owners in the same situation to share their experiences. Together with our customers, employees and partners, we want to work for good things that support the lives and well-being of pets and their families. For example in Finland, the number of puppy date participations in 2025 exceed 20,000 times. In addition, the very popular "Most Barked Run" challenge for a walk gathered over 9,000 pets with their owners in Finland, Sweden and Norway.

#### **S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

Musti Group recognizes its responsibility to ensure that its operations do not cause adverse effects on customers, pets or other stakeholders. To this end, we have processes in place to identify potential harm, act preventively, and take corrective measures.

Customer feedback and complaints are processed by the customer service unit and refunded according to the refund process. If a product safety or quality problem is detected, an investigation

process is initiated and the severity of the situation is assessed. Serious or high-impact product safety incidents are referred to legal services to ensure proper handling.

In situations where a product sold by Musti Group has caused or may cause negative effects on pets or consumers, the company's recall process is followed to remove defective products from the market. In 2025, the company's internal processes were developed in the recall process to ensure that operations and consumer information would be carried out quickly in an acute situation. The functionality of the recall process is tested at least once a year, the functionality of the testing is assessed and any development needs are drawn up. In 2025, Musti Group did not make any public recalls. After each recall case, an assessment of the development needs is made and the process is changed according to the findings.

In the event of product safety deviations, cooperation is carried out with the manufacturer of the product to ensure corrective and preventive measures. The supplier audit process was developed in 2025 to be risk-based, and the implementation of audits was started on the basis of this.

Musti Group's own pet food factory in Finland operates in accordance with the principles of HACCP (Hazard Analysis and Critical Control Points) risk assessment and prevention. The FSSC 22000 standard for product safety management is used to anticipate and manage risks and ensure the functionality of processes in situations where potential negative impacts on the end users of products are detected. The processes operate in accordance with the principle of continuous improvement, including corrective measures.

#### **S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

Product safety risk management is an integral part of Musti Group's operations and operational development. We identify and assess risks related to our operations, such as supply chain risks. Supply chain risk assessment includes assessment, prioritization, and definition of management measures. Suppliers are subject to clear requirements and their performance is assessed through audits and contract terms. In addition, we utilize customer feedback and complaint data to identify and anticipate risks. This ensures that any adverse effects are detected in time and reacted to effectively.

Advice provided by skilled store personnel in customer service situations and Musti's pet training services increase the level of competence of pet owners. This improves the well-being and health of pets, which strengthens customer satisfaction and trust in the company. To ensure a positive impact, the company invests in continuous staff training, the quality of customer service and the sharing of up-to-date information.

The care and health services offered by Musti promote the well-being of pets and support pet owners in caring for their pets. To take advantage of this opportunity, the range of services will be developed, the range of training will be expanded, and the benefits of the services will be actively communicated to customers.

Musti Group offers customers and end users several channels through which they can give feedback. These include customer service by phone, email and via the online store's chat, as well as store personnel to whom feedback can be given directly. The website has a separate feedback form and a complaint channel. We handle customer complaints in the customer service center and act in accordance with the responsibilities set for the seller of the products.

Customers' willingness to recommend a company, products and services, and thus their commitment and loyalty to it, is measured using the NPS (Net Promoter Score) survey. Customer surveys and NPS measurements support continuous monitoring of customer satisfaction, and events and community events provide an opportunity to discuss with experts face-to-face. Understanding our customers' views is crucial to ensuring that our products and services meet their needs and support their pets' well-being. Musti Group evaluates its success in key measures and meeting customer needs using the NPS survey.

During 2025, Musti Group has not made significant investments in the implementation of consumer and end-user-related action plans, and it has not estimated the capital and operating expenses required for this in the long term.

## ✔ Metrics and targets

### **S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

Musti Group has set the following indicators and targets, which have been approved by the Management Team in 2025:

Satisfied and loyal customers:

- NPS score annually > 70, result 2024 was 76.7

Ensuring product quality and safety level:

- Ensuring product safety for pet foods and edible products in Musti's own brands: Suppliers' product safety management systems must be GFSI approved or at GMP+ level – 100% of suppliers by 2030. This is a new metric, with 2025 as the baseline year.
- For Musti's own brands or products manufactured at Musti's own pet food factory: Zero public recalls annually. In the baseline year 2024, no public recalls were made.

The metrics have been set to be in line with the Quality and Product Safety Policy. Our goal is satisfied and well-being of consumers and pets, and our goal is to be a manufacturer, supplier and retailer of high-quality and safe products. Consumers and end users have not participated in the definition of the objectives.

#### **Satisfied and loyal customers NPS result**

Customer feedback shows that the service in Musti Group stores is widely perceived as friendly, expert and customer-oriented. The expertise of the staff, the service attitude and the positive atmosphere of the stores form a key factor for a positive shopping experience. The wide product range, especially products aimed at dogs and cats, supports the diverse needs of customers and promotes the well-being of pets, which is a key part of the company's responsibility promise.

However, the feedback highlights development needs that are important for the equality of the customer experience and the continuity of the quality of the service. During the busiest times, the service is perceived to be slow at times if there is a fluctuation in the adequacy of human resources. Some customers experience the company's price level as higher than competitors, but at the same time the quality of the products is perceived as good. Strengthening the consistency of the service,

availability management, the smoothness of the online store and the clarity of pricing are also areas for development.

Overall, customer feedback suggests that the measures taken to develop personnel skills, maintain service quality and offering a wide range of products are behind the good NPS survey result. The result achieved in 2025 was NPS 80.1.

Musti Group will continue to focus on these measures to promote the well-being of pets and customers and strengthen long-term customer loyalty.

#### **Ensuring product safety in pet food and accessories**

The product safety of pet food and accessories is continuously monitored. Monitoring and ensuring compliance with requirements includes e.g. taking various samples and documented product testing.

Supplier cooperation and ensuring the traceability process are part of normal quality control, which is supplemented by audits. In Musti's own and exclusive brands, monitoring of suppliers' product safety systems was introduced as a new indicator. The 2025 result for the existence of pet food product safety systems in suppliers' factories is 64%.

No public recalls were made in 2025.

## 4. Governance information

### G1 Business Conduct

#### 🔍 Managing impacts, risks and opportunities

##### G1-1 Business conduct policies and corporate culture

Musti Group's business is based on transparent and responsible operating practices as well as a strong ethical culture. The company's Board of Directors has approved a set of principles that apply to all employees and the company's management.

All our employees commit to our written Employee Code of Conduct. The principles of the Code are based on the ten fundamental principles of the UN Global Compact. We are committed to integrating them into our operations, corporate culture, and strategy. The company communicates these principles to employees on the company's intranet and in trainings. To shareholders, suppliers, and other stakeholders the principles are communicated via the company's webpage. The key principles of Musti Group's ethical business conduct include compliance with laws and regulations, ethical and sustainable business practices, respect for human rights, business integrity, and stakeholder relations. The online training (approximately 30 minutes) regarding the Code of Conduct is mandatory for all employees. Code of Conduct training has a positive impact on employees and management. Their knowledge and vigilance can help prevent the risk of bribery and detect potential corruption cases. The target is that 100% of employees complete the training. The Group's management team and the Head of HR in particular is the most senior level in organization responsible for achieving the target.

In addition to the Code of Conduct, Musti Group's Environmental Policy outlines the principles guiding our operations and our efforts to reduce the environmental impact of our products and services, forming the basis for reliable and sustainable business. Our Employee Policy defines Musti Group's practices and principles as an employer. The Information Security and Privacy Policy outlines principles related to privacy and data protection. The Product Safety and Quality Principles set the framework for product safety and quality. As the welfare of the pets is in the core of the company's business, Musti Group has presented the operating procedures regarding animal welfare above in the chapter S4.

Our company follows a strict zero-tolerance policy regarding corruption, bribery, and breaches of competition law. All decision-making and business dealings are based on transparent practices, and the company does not accept bribes, cash payments, excessive corporate gifts, or any other financial advantages that could influence business relationships or decision-making. Clear guidelines are defined for employees on practices related to hospitality, business gifts, and conflicts of interest as part of Code of Conduct.

Corporate culture is an integral part of the company's good governance and responsible business conduct. The culture is guided by the Employee Code of Conduct, the company's values and leadership principles, which define ethical ways of working, including the prevention of corruption and bribery. The culture is maintained and promoted through onboarding, training, leadership practices and open internal communication. The effectiveness of the corporate culture is regularly assessed through employee feedback, training coverage and insights from the whistleblowing channel, and the findings are used for continuous improvement of policies and practices.

##### G1-2 Management of relationships with suppliers

A responsible supply chain is an integral part of our sustainability work, which we continuously develop. The nature of Musti Group's industry involves a broad and multi-layered supplier network, making supply-chain ethics a key part of our company's risk management. One of the risk management tools is the Supplier Code of Conduct, which describes the ethical principles that Musti Group requires its suppliers to follow. The principles include commitments to lawful business conduct, the prevention of corruption and bribery, fair working conditions, respect for human rights, and environmental protection. The target is that 100% of suppliers sign the Supplier Code of Conduct. In 2025, 94.6% of our suppliers were committed to the Supplier Code of Conduct. The Group's management team and Chief Operating Officer in particular is the most senior level in the organization responsible for achieving this target.

Musti Group has been a member of amfori BSCI since 2016. Amfori BSCI helps companies trade responsibly by improving the social performance of their supply chains. In high-risk countries, Musti Group requires businesses to be part of amfori BSCI and its auditing system in order for us to cooperate with them. Coverage of amfori BSCI-audited suppliers in high-risk countries is 86%.

Before starting cooperation and throughout the partnership, we conduct due diligence assessments for suppliers and carry out monitoring and audits based on risk. We also request supplier self-assessments, which form part of the evaluation process. Any identified shortcomings are addressed, and suppliers are required to take corrective actions. Failure to comply may lead to the termination of cooperation.

In 2025, the monitoring and follow-up processes for suppliers located in China were strengthened. Long-term supplier cooperation to develop responsibility also continued during the year, based on long-standing, well-functioning business relationships. Responsibility is a permanent core element in Musti Group's supplier relationships.

### G1-3 Prevention and detection of corruption and bribery

Musti Group uses a whistleblowing channel designed to support compliance with laws and the company's internal guidelines, practices, and values. Employees and other stakeholders can report suspected misconduct or breaches of the company's operating principles through the whistleblowing procedure. The tool can also be accessed via an external website, enabling stakeholders outside the organization to use it. All reports submitted through the tool are handled anonymously and are protected under the Whistleblower Directive. This procedure is intended for cases involving suspected misconduct or breaches of company policies. For all normal work-related matters, the primary point of contact is always the employee's supervisor.

Musti Group has committed to investigating the cases without delay, independently and objectively. All reported information is handled confidentially by the whistleblowing procedure team, consisting of the company's Head of Human Resources and Chief Financial Officer. The team assesses the information provided and uses internal or, when necessary, external experts to investigate reports and evaluate required actions. All reports submitted through the channel are communicated to the Audit Committee of the Board of Directors.

The principles for preventing corruption and bribery are communicated to employees through mandatory Code of Conduct training and via the company intranet. Suppliers are informed of these principles through the Supplier Code of Conduct. The company's business conduct principles are communicated to owners, customers and other business partners through the company's website. The company does not provide separate training on this topic for management team or the Board of Directors.

Musti Group's management and Board regularly monitor the effectiveness of ethical business practices, misconduct prevention, and risk management through whistleblowing reports and internal reporting. The results are used to support the continuous improvement of processes and the strengthening of employee competencies. Through these practices, we ensure that our business is transparent, responsible, and ethically sound.

### ✔ Metrics and targets

#### G1-4 Incidents of corruption or bribery

In 2025, Musti Group was not made aware of any corruption-related incidents, investigations, or legal proceedings involving the company. In 2025, there were also no legal actions or judgments related to breaches of competition law, cartels, or abuse of a dominant market position. The company has identified that the company's sourcing department is most at risk in respect to attempts at corruption or bribery. The target of the Company is that the number of confirmed incidents of corruption or bribery is annually zero. The Group's Chief Operating Officer is responsible for achieving this target.



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# Musti Group Oyj

Financial Statements 31 December 2025

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# Group Financial Statements, IFRS

## Consolidated statement of income, IFRS

EUR thousand	Note	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
<b>Net sales</b>	2.1	<b>508,855</b>	<b>560,571</b>
Other operating income	2.2	6,030	5,602
Share of result in associated companies	3.4	-220	0
Materials and services	4.1	-285,080	-313,369
Employee benefit expenses	2.3	-103,932	-104,769
Other operating expenses	2.3	-70,748	-80,793
Depreciation, amortization and impairment	3.2, 3.3, 3.5, 3.6	-48,067	-51,023
<b>Operating profit</b>		<b>6,838</b>	<b>16,218</b>
Financial income	5.4	9,584	10,096
Financial expenses	5.4	-19,563	-18,161
<b>Financial income and expenses, net</b>		<b>-9,978</b>	<b>-8,066</b>
<b>Profit before taxes</b>		<b>-3,140</b>	<b>8,152</b>
Income tax expense	6.2	-577	-1,433
<b>Profit/loss for the period</b>		<b>-3,718</b>	<b>6,719</b>
<b>Attributable to:</b>			
Owners of the parent		-3,723	6,700
Non-controlling interest		6	19
<b>Earnings per share (EUR) for profit attributable to owners of the parent</b>			
Basic EPS (EUR)		-0.11	0.20
Diluted EPS (EUR)		-0.11	0.20

## Consolidated statement of comprehensive income, IFRS

EUR thousand	Note	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Profit/loss for the period		-3,718	6,719
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences		6,131	197
Tax on items that may be reclassified to profit or loss		-416	-17
<b>Total comprehensive income</b>		<b>1,997</b>	<b>6,899</b>
<b>Attributable to:</b>			
Owners of the parent		1,986	6,879
Non-controlling interest		11	19

## Consolidated statement of financial position, IFRS

EUR thousand	Note	31 Dec 2025	31 Dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3.1, 3.2, 3.3	210,600	195,157
Other intangible assets	3.2	25,268	20,229
Right-of-use assets	3.6	94,899	90,529
Property, plant and equipment	3.5	41,861	32,400
Investments in associates	1.4, 3.4	1,741	1,967
Deferred tax assets	6.2	6,100	4,697
Derivative financial instruments	5.2	118	0
Other non-current receivables		412	240
<b>Total non-current assets</b>		<b>380,998</b>	<b>345,220</b>
<b>Current assets</b>			
Inventories	4.1	77,817	66,455
Trade and other receivables	4.2, 5.1	15,432	14,705
Derivative financial instruments	5.2	773	1,076
Income tax receivables	6.2	3,525	4,028
Cash and cash equivalents	5.2	16,243	11,829
<b>Total current assets</b>		<b>113,788</b>	<b>98,092</b>
<b>TOTAL ASSETS</b>		<b>494,787</b>	<b>443,312</b>

EUR thousand	Note	31 Dec 2025	31 Dec 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	5.6	11,002	11,002
Other reserves	5.6	123,349	123,349
Own shares	5.6	-5,340	-5,340
Translation differences	5.6	-4,399	-10,524
Retained earnings		44,472	48,328
<b>Total equity attributable to owners of the parent</b>		<b>169,084</b>	<b>166,815</b>
Equity attributable to non-controlling interest		69	94
<b>Total equity</b>		<b>169,153</b>	<b>166,909</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans from credit institutions	5.2	109,675	94,668
Lease liability	3.6	69,337	66,889
Deferred tax liabilities	6.2	8,707	6,444
Derivative financial instruments	5.2	122	240
Non-current interest-free liabilities	5.2	0	2,215
Other non-current liabilities	5.2	80	15
<b>Total non-current liabilities</b>		<b>187,921</b>	<b>170,472</b>
<b>Current liabilities</b>			
Commercial papers	5.2	12,901	7,458
Lease liability	3.6	31,173	28,706
Trade and other payables	4.3	90,997	68,153
Derivative financial instruments	5.2	929	233
Income tax liabilities	6.2	1,600	1,381
Provisions		113	0
<b>Total current liabilities</b>		<b>137,712</b>	<b>105,931</b>
<b>Total liabilities</b>		<b>325,633</b>	<b>276,403</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>494,787</b>	<b>443,312</b>

## Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Treasury shares	Translation differences	Retained earnings	Total		
<b>Equity at 1 Jan 2025</b>	<b>11,002</b>	<b>123,349</b>	<b>-5,340</b>	<b>-10,524</b>	<b>48,328</b>	<b>166,815</b>	<b>94</b>	<b>166,909</b>
Profit/loss for the period					-3,723	-3,723	6	-3,718
Translation differences				6,126		6,126	5	6,131
Tax on other comprehensive income					-416	-416		-416
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,126</b>	<b>-4,139</b>	<b>1,986</b>	<b>11</b>	<b>1,997</b>
Dividends						0	-35	-35
Share-based incentive plan					277	277		277
Other changes					6	6		6
<b>Equity at 31 Dec 2025</b>	<b>11,002</b>	<b>123,349</b>	<b>-5,340</b>	<b>-4,399</b>	<b>44,472</b>	<b>169,084</b>	<b>69</b>	<b>169,153</b>

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Treasury shares	Translation differences	Retained earnings	Total		
<b>Equity at 1 Oct 2023</b>	<b>11,002</b>	<b>123,349</b>	<b>-5,340</b>	<b>-10,721</b>	<b>46,009</b>	<b>164,299</b>	<b>88</b>	<b>164,387</b>
Profit/loss for the period					6,700	6,700	19	6,719
Translation differences				196		196	0	197
Tax on other comprehensive income					-17	-17		-17
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>196</b>	<b>6,683</b>	<b>6,879</b>	<b>19</b>	<b>6,899</b>
Business combinations						0	40	40
Other changes					27	27	-27	0
Dividends						0	-26	-26
Share-based incentive plan					-4,391	-4,391		-4,391
<b>Equity at 31 Dec 2024</b>	<b>11,002</b>	<b>123,349</b>	<b>-5,340</b>	<b>-10,524</b>	<b>48,328</b>	<b>166,815</b>	<b>94</b>	<b>166,909</b>

## Consolidated statement of cash flows, IFRS

EUR thousand	Note	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
<b>Cash flows from operating activities</b>			
Profit before taxes		-3,140	8,152
Adjustments			
Depreciation, amortisation and impairment		48,067	51,023
Financial income and expenses, net		9,978	8,066
Other adjustments		497	-2,935
Cash flows before changes in working capital		55,402	64,306
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	4.2	274	227
Increase (-) / decrease (+) in inventories	4.1	-6,503	-5,239
Increase (+) / decrease (-) in trade and other payables	4.3	17,922	-7,579
Cash flows from operating activities before financial items and taxes		67,096	51,715
Income taxes paid		-506	-4,775
<b>Net cash from operating activities</b>		<b>66,590</b>	<b>46,940</b>

EUR thousand	Note	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
<b>Cash flows from investing activities</b>			
Investments in tangible and intangible assets	3.2, 3.5	-21,704	-19,200
Acquisition of subsidiaries and business acquisitions, net of cash acquired	3.1	-20,298	-19,404
Investments in associates	3.4	0	-1,993
Disposal of subsidiaries		0	52
<b>Net cash from investing activities</b>		<b>-42,002</b>	<b>-40,545</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-35	-26
Proceeds from non-current loans		15,079	95,000
Repayments of non-current loans		0	-70,525
Issuance of commercial papers	5.2	4,957	-1,955
Repayments of lease liabilities		-31,773	-33,157
Interest and other financial expenses paid		-10,661	-9,569
Interest and other finance income received		1,468	2,771
<b>Net cash flow from financing activities</b>		<b>-20,965</b>	<b>-17,460</b>
<b>Net change in cash and cash equivalents</b>		<b>3,622</b>	<b>-11,065</b>
Cash and cash equivalents at start of period	5.1, 5.2	11,829	21,954
Foreign exchange differences and cash of acquired subsidiary		792	940
<b>Cash and cash equivalents at end of period</b>		<b>16,243</b>	<b>11,829</b>

# Notes to Musti Group plc's financial statements

## 1. BASIS OF PREPARATION

This section presents the accounting principles applied by the Group for the part that they are not presented in other notes. These principles have been applied consistently for all the periods under review, unless otherwise stated. The notes contain the relevant financial information as well as a description of the accounting policies and key estimates and judgements applied for the topics of the individual note.

### How should I read the accounting principles of the Musti Group?

The accounting principles used for the financial statements of Musti Group are described at the beginning of each note to help understand each area of the financial statements. The following table summarizes the notes to each accounting policy and the relevant IFRS standard related to the note.

Accounting principle	Note	IFRS standard
Segment information and net sales	2.1 Segment information and net sales	IFRS 8, IFRS 15
Employee benefits and share-based payments	2.3 Operating expenses 2.4 Share-based payments	IAS 19, IFRS 2
Business combinations	3.1 Business combinations	IFRS 3
Intangible assets	3.2 Intangible assets, 3.3 Group goodwill and impairment testing	IAS 36, IAS 38
Associated companies	3.4 Associated companies	IAS 28
Property, plant and equipment	3.5 Property, plant and equipment	IAS 16, IAS 36
Leases	3.6 Leases	IFRS 16
Inventories	4.1 Inventories	IAS 2
Financial assets and liabilities	5.2 Financial assets and liabilities	IAS 32, IFRS 7, IFRS 9, IFRS 13
Financial risk management	5.1 Financial risk management	IAS 32, IFRS 7, IFRS 9, IFRS 13
Operating leases	5.3 Commitments and contingent liabilities	IAS 37
Equity	5.6 Shareholders' equity	IAS 1
Related party transactions	6.1 Related party transactions	IAS 24
Taxes	6.2 Taxes	IAS 12

## 1.1 General information

Musti Group plc's line of business is retail sales of pet products in Finland, Sweden, Norway, Baltics and Portugal. Furthermore, the Group provides pet wellbeing services as well as veterinary services. The Group's parent company is Musti Group plc, domiciled in Helsinki, Finland, and its registered address is Mäkitorpantie 3 B, FI-00620 Helsinki, Finland. The parent company's shares are listed on Nasdaq OMX Helsinki Stock Exchange. A copy of the consolidated financial statements is available at the Group's website [www.mustigroup.com](http://www.mustigroup.com) or at the company's headquarters Mäkitorpantie 3 B, FI-00620 Helsinki, Finland. Musti Group's ultimate parent company is Efanor Investimentos, SGPS, S.E, registered in Portugal.

The Board of Directors of Musti Group plc has approved the financial statements for publication on 30 March 2026. Under the Finnish Limited Liability Companies Act, the shareholders may accept or reject the financial statement in the shareholders' Annual General Meeting held after the publication. The Annual General Meeting is also entitled to amend the consolidated financial statements.

## 1.2 Accounting principles

These consolidated financial statements of Musti Group have been prepared on a going concern basis for the financial year 2025 covering the period from 1 January to 31 December 2025. Musti Group's financial year was changed to calendar year during 2024, and therefore the comparison period covers 15 months. Financial year was from 1 October to 30 September prior to the change. Due to the extended comparison period, the amounts presented in the financial statements are not entirely comparable.

Musti Group's consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) adopted in the European Union, including IAS and IFRS standards and their SIC and IFRIC interpretations in effect on 31 December 2025. In the Finnish Accounting Act and ordinances based on its provisions, IFRS refer to the standards and their interpretations adopted for application in the EU in accordance with the procedures as set in regulation (EC) No 1606/2002. The notes to the consolidated financial statements also satisfy the requirements of

the Finnish accounting and corporate legislation that complements the IFRS standards.

Consolidated financial statements are presented in thousand euros and figures have been rounded to the nearest thousand, and due to this, the total sum of the presented individual figures may differ from the presented total sum. The consolidated financial statements have been prepared based on initial acquisition costs, except for financial instruments described later that are measured at fair value through profit and loss.

The company's operating currency is euro, which is also the company's and the Group's reporting currency.

### Translation of items in foreign currencies

The items in the financial statements of the Group companies are valued in the currency of each company's main economical operating environment (operating currency). The figures presented in the consolidated financial statements are in thousand euros, unless stated otherwise.

Transactions conducted in foreign currencies are converted to the operating currency using exchange rates prevailing on the transaction date. Exchange rate gains and losses arising from payments related to these transactions and conversion of monetary assets and liabilities nominated in foreign currencies using the exchange rates prevailing at the end of the period are recognized through profit and loss.

In the consolidated financial statements, the profit and loss statements of the foreign subsidiaries have been converted into euros using the average rate of the financial year, and the balance sheet items have been translated using the exchange rates prevailing on the balance sheet date. The translation differences arising from subsidiary net investments and non-current subsidiary loans without agreed settlement dates are recognized through Other Comprehensive Income (OCI) to cumulative translation adjustments under equity.

### 1.3 Material accounting estimates and determinations based on the management's judgement

The Group's material accounting principles are mainly described in the note that relates to the matter in question. Preparation of Musti Group's consolidated financial statements require estimates, judgement and assumptions that may impact the application of the accounting principles and the amounts presented in the balance sheet as at its date. In addition, they impact on the amount of income and costs recognized for the financial year. The actual amounts may differ from previous estimates and determinations based on the management's judgement.

The estimates and determinations based on management's judgement are reviewed regularly. Changes in accounting estimates are recognized for the period when the estimate was adjusted, as well as for all subsequent periods.

Sources of uncertainty and determinations based on the management's judgement, which have been identified in the Group and are deemed to satisfy these criteria, are presented in connection with the items that are deemed to be affected by them. The table below sets forth the most significant situations where estimates or the management's judgement have been applied, as well as references to their descriptions.

Accounting estimates and management judgement	Note
Net sales and contractual liabilities	2.1 and 4.3
Business combinations	3.1
Goodwill impairment	3.3
Inventory valuation	4.1
Leases	3.6
Share-based payments	2.4
Deferred taxes	6.2

### 1.4 Group information

The following note summarizes the general accounting principles, as well as the principles and accompanying notes relating to the consolidation of a group. The consolidation package includes notes to help you understand the overall structure of the group and its computing environment. The notes provide information on the classification of holdings and the principles of consolidation.

The table below sets forth details of the parent company and the Group's subsidiaries as of 31 December 2025. Unless stated otherwise, their entire share capital consists of shares held directly by the Group, and the ownership share corresponds to the voting rights of the Group. The registration country of the companies is also their main operating area.

#### Subsidiaries

Companies controlled by the Group are subsidiaries. Control exists when the Group has more than half of the voting rights of a subsidiary or otherwise exerts control over the subsidiary. The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and can affect those returns through its power over the company. Subsidiaries are consolidated from the date on which the Group gains control.

Mutual shareholding is eliminated by using the acquisition cost method. The cost of assets acquired is determined based on the fair value of the acquired assets as at the acquisition date, the issued equity instruments and liabilities resulting from or assumed on the date of the exchange transaction. The identifiable assets, liabilities and contingent liabilities acquired are measured at the fair value at the acquisition date, gross of non-controlling interest.

Intragroup transactions, receivables and payables, unrealized profits and internal distributions of profits are eliminated. The financial statements of the subsidiaries are adjusted to comply with the accounting principles applied by the company, if necessary.

Financial year of the Group's subsidiaries is calendar year except for the Baltic, Pet City companies where the financial year for 2025 was 1 May – 31 December 2025 due to timing of the acquisition. Pet City companies have been consolidated as of December 2024. The financial years of the Baltic subsidiaries were changed to align with the Group's financial year, resulting in a shortened financial year for 2025. Prior to the change, the financial years were 1 May – 30 April.

## Subsidiaries

	Country of origin	Group ownership, %
Musti Group Nordic Oy	Finland	100.0
Musti ja Mirri Oy	Finland	100.0
Peten Koiratarvike Oy	Finland	100.0
Premium Pet Food Suomi Oy	Finland	100.0
Arken Zoo Syd AB	Sweden	100.0
Arken Zoo Holding AB	Sweden	100.0
Arken Zoo AB	Sweden	100.0
Zoo Support Scandinavia AB	Sweden	100.0
Djurfriskvård Falun AB	Sweden	70.0
Ninas Värld Arninge AB	Sweden	70.0
Musti Norge AS	Norway	100.0
Pet City OÜ	Estonia	100.0
Eesti Veterinaaria Kliinikum OÜ	Estonia	100.0
SIA Pet City	Latvia	100.0
UAB Pet City	Lithuania	100.0
UAB Pet City Klinika	Lithuania	100.0
Zu, Produtos e Serviços para Animais, S.A.	Portugal	100.0

## Associated companies

Associates are entities in which the Group has a significant influence but not control or joint control. A holding of 20% or more of the voting power (directly or through subsidiaries) will indicate significant influence unless it can be clearly demonstrated otherwise.

Investments in associates are accounted for using the equity method, and on initial recognition, they are recognized at cost. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group's share of profits or losses of the associate is recognized as a separate item.

Musti Group has one associated company, a Norwegian veterinary service provider Petrus Veterinærer AS, of which the Group holds 40% of the shares and voting rights. In addition, the Group has two seats in the Board of Directors. Due to these factors, Musti's influence in the company is significant.

## 1.5 New and amended IFRS standards and IFRIC interpretations

### Amendments and annual improvements to IFRS standards

Musti Group has applied amendments and annual improvements to IFRS standards effective from the beginning of January 2025. Amendments and annual improvements have not had a significant impact on the financial statements.

The Group will apply the new or amended standards as they become effective. Musti Group estimates that IFRS standards or IFRIC interpretations that are published at the time when these financial statements have been prepared and will become effective in the future, will not have a material impact on the Group's financial statements except for the new IFRS 18 standard which will be applied for reporting periods beginning on or after 1 January 2027. The new standard focuses on presentation and disclosure in financial statements, and it will replace IAS 1. IFRS 18 will have a material impact on Musti Group's financial statements, because it will change the classification of the financial items on the profit and loss statement which will impact the operating profit. The Company estimates that the impact will not be material.

## 2. OPERATING RESULTS

This section focuses on financial results of Musti Group. In the notes on the following pages, the operating profit of the group is explained by component.

Musti Group provides pet food products and accessories to its customers, as well as various welfare and veterinary services in its specialised stores and pet clinics. Pet food products and accessories are available in stores and online. Musti Group's chain included 497 stores on 31 December 2025 (31 December 2024: 416), of which own stores amounted to 495 (31 December 2024: 412).

### 2.1 Segment reporting and net sales

#### Reporting segment

Musti Group's reporting segments are primarily based on geographical regions where Finland, Sweden and Norway are separated to individual operating segments based on how the chief operating decision-maker monitors the business operations. In addition, the management monitors new market areas separately, for which the new operating and reporting segment, New Markets, was formed in the end of 2024. Currently the segment comprises of the Baltic countries and Portugal. In other items, Musti Group reports the Group functions, including the operations of the headquarters, the central warehouse and production.

Segment information is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's Management Team, including the CEO. The Management Team is responsible for allocation of resources and reviewing performance, considering its composition and active involvement in material strategic and operative decision-making. The net sales of the reporting segments are derived from retail sales, as well as franchising sales and wholesales in Finland, Sweden, Norway, Baltics and Portugal. Online sales of Vetzoo is reported fully under Sweden.

Country directors of the geographical regions are responsible for their business area, and they are members of the Group's Management Team. Decisions on the offering, product pricing and marketing measures are determined at the country level. The business needs vary among the countries, as their maturity is very different. Finland is a very stable and mature market; Sweden is growing, and Norway is still in growth phase, and as such, their investment needs and profitability differ significantly from each other. Musti Group entered the Baltic markets in the late 2024 and in Portugal in the late 2025.

The Group's Management Team reviews the results of the segments based on net sales, adjusted EBITDA and operating profit before amortisation of intangible assets (EBITA). Transactions outside the scope of the ordinary course of business is treated as items impacting comparability, and they are allocated to the segments. For other parts, the management monitors performance in accordance with IFRS. Financial income and expenses are not allocated to the segments, as the Group Treasury manages

the Group's cash and cash equivalents and financial liabilities. Similarly, share of profits in associated companies and income taxes are not allocated to the segments.

The Group does not allocate balance sheet items to the segments in the management reports, and as such, they are not allocated to segments on this note.

The geographical distribution of the Group's non-current assets:

EUR thousand	31 Dec 2025	31 Dec 2024
Finland	39,752	34,639
Sweden	50,593	44,043
Norway	8,736	8,603
Baltic countries	3,294	3,040
Portugal	6,218	-

### Segments 2025

EUR thousand	Finland	Sweden	Norway	New markets	Group functions	Group
<b>Net sales*</b>	<b>197,850</b>	<b>187,864</b>	<b>84,727</b>	<b>38,414</b>	<b>0</b>	<b>508,855</b>
% split of net sales between segment	39%	37%	17%	8%	0%	100%
<b>EBITDA</b>	<b>47,184</b>	<b>33,083</b>	<b>18,216</b>	<b>3,497</b>	<b>-47,075</b>	<b>54,905</b>
Adjustments	86	23	0	95	6,910	7,114
<b>Adjusted EBITDA</b>	<b>47,270</b>	<b>33,106</b>	<b>18,216</b>	<b>3,592</b>	<b>-40,165</b>	<b>62,019</b>
Depreciation and impairment of right-of use assets and tangible assets	-12,106	-13,016	-6,839	-4,756	-4,697	-41,413
<b>EBITA</b>	<b>35,079</b>	<b>20,067</b>	<b>11,377</b>	<b>-1,259</b>	<b>-51,773</b>	<b>13,491</b>
Adjustments	86	23	0	95	6,910	7,114
<b>Adjusted EBITA</b>	<b>35,164</b>	<b>20,090</b>	<b>11,377</b>	<b>-1,163</b>	<b>-44,862</b>	<b>20,605</b>
Amortization and impairment of intangible assets						-6,654
<b>Operating profit</b>						<b>6,838</b>
Financial income						9,584
Financial expenses						-19,563
<b>Profit before taxes</b>						<b>-3,140</b>
Income tax expense						-577
<b>Profit/loss for the period</b>						<b>-3,718</b>

\*Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

## Segments 2024

EUR thousand	Finland	Sweden	Norway	New markets	Group functions	Group
<b>Net sales*</b>	<b>242,087</b>	<b>224,212</b>	<b>91,110</b>	<b>3,162</b>	<b>0</b>	<b>560,571</b>
% split of net sales between segment	43%	40%	16%	1%	0%	100%
<b>EBITDA</b>	<b>60,646</b>	<b>43,805</b>	<b>20,554</b>	<b>183</b>	<b>-57,947</b>	<b>67,241</b>
Adjustments	539	182	79	0	13,588	14,388
<b>Adjusted EBITDA</b>	<b>61,185</b>	<b>43,987</b>	<b>20,633</b>	<b>183</b>	<b>-44,359</b>	<b>81,629</b>
Depreciation and impairment of right-of use assets and tangible assets	-14,600	-14,935	-7,669	-376	-6,097	-43,676
<b>EBITA</b>	<b>46,047</b>	<b>28,870</b>	<b>12,886</b>	<b>-193</b>	<b>-64,045</b>	<b>23,565</b>
Adjustments	539	182	79	0	13,588	14,388
<b>Adjusted EBITA</b>	<b>46,586</b>	<b>29,052</b>	<b>12,965</b>	<b>-193</b>	<b>-50,457</b>	<b>37,953</b>
Amortization and impairment of intangible assets						-7,347
<b>Operating profit</b>						<b>16,218</b>
Financial income						10,096
Financial expenses						-18,161
<b>Profit before taxes</b>						<b>8,152</b>
Income tax expense						-1,433
<b>Profit/loss for the period</b>						<b>6,719</b>

\*Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

## Revenue recognition

### Accounting principles

IFRS 15 establishes a five-step model that is applied to the amount and timing of recognition of sales revenue. Under the standard, revenue is recognized when the entity satisfies its performance obligation, meaning that the customer obtains control of the goods or services. Control is transferred either over time or at a certain moment, and the revenue is recognized in an amount that reflects the consideration

to which the entity expects to be entitled for those goods or services. IFRS 15 principles are applied using the following five-step model:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue

The standard requires the entity to exercise judgement when applying the five-step model to contracts with its customers. When exercising judgement, material facts and circumstances used for determining if the performance obligation has been satisfied and the revenue is to be recognized are taken into consideration.

### Significant determinations based on the management's judgement

Musti Group's management has applied significant judgement in connection with the right to return products and the loyalty club bonuses. The amount of the consideration to which Musti Group expects to be entitled may vary based on the above-mentioned sub-areas. These sub-areas, that are subject to the management's judgement, are addressed more in detail in the section for recognition below.

### Sales of goods and revenue recognition (stores, online and franchising stores)

Majority of the Group's sales revenue originates from retail sales of goods in its stores. The goods sold in the stores comprise pet food and accessories. The sales are mainly carried out in cash or using credits cards, and the revenue from the sales of goods is recognized at the time of transfer when the customer gains control of the goods.

Customers may also purchase gift cards and use them for paying goods in the stores. At the time of selling a gift card, Musti Group recognizes a corresponding liability in its balance sheet. Sales revenue is recognized when the customer uses the gift card.

Revenue from orders made online and sales to franchising partners is recognized when all products related to the order have been delivered to the customer or the franchising partner, and control of the goods is transferred to the buyer at a specific moment of time. A liability is recorded on the goods in transit delivered from online stores. The provision on goods in transit is included in the contractual liabilities.

Revenue from contract manufacturing of pet food is recognized at the time of transfer when the customer gains control of the goods.

Net sales are measured at the fair value of the consideration received or to be received. Net sales include proceeds from the sales of goods and franchising fees at the price which the company expects to receive adjusted with the indirect taxes, actual and estimated product returns, campaign discounts, Loyalty club bonuses and indirect taxes, as well as translation differences from sales in foreign currencies.

#### Contingent considerations: right to return products

Goods sold directly to consumers in stores and online include a right to return products within a period of 14 days in Finland and 30 days in Sweden and Norway. In the Baltic countries, the customers have a right to return the purchases within 14 days. Net sales are adjusted by the expected number of returns. For more information of the return policy, see Note 4.3 Trade and other liabilities. In addition, a customer may receive a discount, for example, in the form of campaign discounts.

For the right to return products, Musti Group estimates the amount of the consideration that it is entitled to receive against the transfer of promised goods to the customer.

Musti Group includes in the transaction price the estimated amount of the contingent consideration only to the extent that it is very likely that the recognized sales revenue is not required to be reversed significantly when the uncertainty related to the contingent consideration ceases to exist at a later moment of time. Musti Group estimates the contingent consideration based on the most likely amount of money.

#### Franchising fees

Musti Group carries out franchising operations in Sweden, the franchising fees are based on an upfront fee and a fee based on the franchising stores net sales. Fees related to franchising agreements are recognized over time.

#### Sales of services and revenue recognition

Musti Group provides welfare, veterinary and trimming services. A customer benefits from these services when it is provided, and as such, the revenue is recognized over time when Musti Group satisfies its performance obligation.

### Net sales by channel

EUR thousand	1 Jan - 31 Dec 2025	%	1 Oct 2023 - 31 Dec 2024	%
Store sales	383,904	75.4	413,169	73.7
Online sales	116,443	22.9	136,359	24.3
Other sales	8,508	1.7	11,044	2.0
<b>Total</b>	<b>508,855</b>	<b>100.0</b>	<b>560,571</b>	<b>100.0</b>

Sales of services are included in the retail store sales. The share of services in the net sales is not significant, and as such, it is not presented separately. Other sales items include franchising fees and wholesales. Musti Group does not have any individual customer with a share of over 10% of Musti Group's total net sales.

#### Customer loyalty programs

The group companies operate loyalty programs where the members accrue bonuses from their purchases made in the stores. The net sales of these companies are adjusted with the customer refunds in the loyalty program as a part of the sales transaction. Simultaneously, accrued liability on bonus is recognized on the balance sheet. Corresponding sales is recognized when the customer refunds are used, or they expire. The expected refunds of the loyalty program bonuses are based on historical information. Musti updates the estimate quarterly.

#### Contractual amounts recorded in balance sheet

The Group recognizes in trade receivables the expected considerations to which it is entitled when goods are transferred, or services provided to a customer before the customer pays the consideration (see Note 4.2 Trade and other receivables).

Correspondingly, a liability is presented in Note 4.3 Trade and other liabilities when a customer pays the consideration before the goods are transferred or services provided to the customer. In addition, the contractual liabilities include liabilities related to gift cards, Loyalty club bonuses, right to return products and goods in transit.

## 2.2 Other operating income

### Accounting principles

Other operating income includes income that does not relate to the income from regular sales operations. Other operating income includes, among others, received marketing contributions and subsidies, insurance compensations, capital gains on fixed assets and rental income.

### Other operating income

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Rental income	442	775
Marketing contribution	4,476	4,454
Other received contribution	215	298
Other items	897	75
<b>Total</b>	<b>6,030</b>	<b>5,602</b>

## 2.3 Other operating expenses

### Accounting principles

Other operating expenses include other expenses than cost of goods sold. The main items included in the other operating expenses relate to personnel costs, sales, marketing and premises.

All Musti Group's pension plans are defined contribution plans. In defined contribution plans, the Group pays fixed contributions to the pension insurances. The Group does not have legal or factual obligations to pay any additional amounts, if the insurance does not include sufficient assets for paying to all employees all benefits based on their service during the present and previous financial periods.

### Number of personnel

Personnel*	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Personnel on average	2,575	1,761
Personnel at the end of period	2,595	2,178

\*Full time equivalent

## Employee benefit expenses

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Wages and salaries	81,891	81,252
Pension costs - defined contribution plans	16,194	18,279
Share based payments	277	1,220
Other employee benefit expenses	5,570	4,019
<b>Total</b>	<b>103,932</b>	<b>104,769</b>

## Other operating expenses

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Premises	12,893	13,704
Maintenance, IT and equipment expense	16,456	10,790
Sales and marketing	21,815	24,547
Travel costs	2,252	2,468
Voluntary staff expenses	2,890	3,516
Other business expense*	14,443	25,769
<b>Total</b>	<b>70,748</b>	<b>80,793</b>

\*Other expenses include, among other, expenses related to the administration and the support functions of the company.

## Auditor's fees

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
<b>Ernst &amp; Young</b>		
Audit fees	394	505
Sustainability reporting assurance	69	0
Tax advisory	32	38
Other services	97	20
<b>Total</b>	<b>591</b>	<b>563</b>

## 2.4 Share-based payments

The Note below provides information and describes the impacts of the Group's share-based incentive plan. More information on the plan can be found in the separate Remuneration report.

### Accounting principles

The fair value of share-based payments is measured on the day which the share-based payment plan is agreed upon between the counterparties and will be recognized as an expense over the vesting period. The settlement, if the set targets are met, is a combination of shares and cash. The component settled in shares is recognized in shareholders' equity and the payment settled in cash in liabilities. However, for awards with net settlement features, the cash-settled component for withholding tax payment is treated as equity-settled and recognized in shareholders' equity. At each statement of financial position date, the Group revises its estimates of the number of shares that are expected to be distributed. The impact of the revision of the original estimates, are recognized in the statement of income.

### Significant determinations based on management's judgement

At each balance sheet date, the management revises its estimates for the number of shares that are expected to vest. As part of its evaluation, Musti Group considers the expected turnover of the personnel benefiting from the incentive plan and other pertinent information impacting the number of shares to be vested. In addition, the measurement of the fair value for the arrangement and the parameters used in the measurement of the fair value requires judgement from the management.

### Share-based commitment and incentive schemes

The Board of Directors of Musti Group plc decided on 16 December 2022 to launch a new share-based incentive plan for Musti Group's key employee, the Performance Share Plan (PSP) 2023-2027.

The aim of a share-based compensation plan is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term. The plan is also to commit the key employees to the company and to offer them competitive incentive schemes that are based on earning and accumulating shares.

## Performance Share Plan 2023–2027

The Performance Share Plan 2023–2027 consists of three consecutive performance periods, covering the financial years of 2023–2025, 2024–2026 and 2025–2027. The Board of Directors decides on the plan's performance criteria and targets to be set for each criterion at the beginning of each performance period.

The potential reward based on the plans will be paid partly in the company's shares and partly in cash after the end of each performance period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward to a participant. However, the company has the right to pay the reward fully in cash under certain circumstances.

The rewards to be paid based on the performance period 2023–2025 corresponded to the value of an approximate maximum total of 171,000 Musti Group plc shares, including the proportion to be paid in cash.

In accordance with the decision of the Board of Directors of the Company, the rewards for the performance period were paid fully in cash in the spring of 2024. The target group of the plan consisted of 32 persons, including the group management team members. The reward was based on the company's adjusted EBITA and total shareholder return during financial year 2023. The total expense for the share-based payments were recognized over the financial years 2023-2024.

For the performance period 2024-2026, the plan had 27 participants on 31 December 2025 and the targets for the performance period relates to company's total shareholder return (TSR) and adjusted EBITA. The maximum number of shares to be paid based on the performance period 2024-2026 is approximately 143,000 Musti Group plc's shares. The number of shares represents gross earning, from which the withholding of tax and possible other applicable contributions are deducted, and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances. Potential rewards from the performance period 2024-2026 will be paid out during winter of 2027.

The total expense for the share-based payments is recognized over the vesting period, which is 33 months in the 2024–2026 plan. The compensation is measured during performance period in cash, and only after performance period at grant date translated into shares. The expense recognized for 2025 amounted to EUR 277 (2024: 1,071) thousand. The cost related to share-based payments is recognized in personnel expenses. The share price at the grant date of the PSP was EUR 26.12. The fair value of the share plan at the grant date was in total EUR 3.7 million. The fair value of the share plan was determined from Musti Group's share price at the grant date less the present value of dividends expected to be paid during the performance period. Performance conditions and service conditions were accounted for by adjusting the number of instruments.

The Board of Directors has not made decisions on the performance criteria or the target group of the performance period 2025-2027.

## Assumptions applied in determining the fair value of share award

	Performance period FY2023-25	Performance period FY2024-26
Number of share awards granted, maximum, pcs*	171,000	143,000
Number of plan participants at end of financial year	32	27
Share price at grant date, EUR	15.50	26.12
Assumed fulfilment of performance criteria, %	50.0%	50.0%
Estimated number of share awards returned prior to the end of commitment period, %	10.0%	10.0%

\*Gross number of shares from which the applicable withholding tax is deducted, and the remaining net amount is paid in shares.

## 3. CAPITAL EMPLOYED

This section describes assets that are needed in business operations, as well as business acquisition carried out by Musti Group. Information on net working capital is presented in section 4.

### 3.1 Business combinations

Musti Group performs business acquisitions to accelerate the implementation of its strategy. During 2025 Musti Group acquired stores from its franchisees and independent entrepreneurs in Sweden as asset deals. Acquisition of Pet City was finalised with the remaining cash payment made in March 2025. In December 2025, Musti Group acquired 100% of the shares of ZU, Produtos e Serviços para Animais, S.A., a retailer of pet food, accessories and vet services in Portugal.

#### Accounting principles

Acquired subsidiaries and businesses are consolidated in the consolidated financial statements from the date when Musti Group gained control over the acquired entity. Acquisition cost method is applied to the business combinations. The consideration transferred in the acquisition of a subsidiary includes the fair value of the transferred assets, incurred liabilities towards the previous owners of the acquired entity and the shares issued by the Group. Transferred consideration also includes the fair value of the asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and identifiable liabilities assumed in business combinations are initially valued at the fair value on the acquisition date. The identifiable assets include both tangible and intangible assets, such as customer relations, brands and technology.

Expenses related to the acquisitions are recognized when they incur, and they are presented in the profit and loss statement in other operating expenses.

#### Accounting estimates and the management's judgement

Net assets acquired in business combinations are measured at fair value. The fair value of acquired net assets is determined based on the market value of similar assets (tangible fixed assets) or an estimate of the expected cash flows (intangible assets). The valuation is based on the current repurchase values, expected cash flows or estimated selling prices, and it requires management's judgement and assumptions. The management believes that the estimates and assumptions used are sufficiently reliable for determination of the fair value.

#### Acquisitions 1 Jan-31 Dec 2025

During the financial year 2025 Musti Group acquired five pet stores in Sweden as business acquisitions. The total purchase price for the stores was approximately EUR 2.7 million and the resulting goodwill EUR 2.6 million. Goodwill is based on synergies from the acquisitions. The acquisitions did not have a material impact on group's net sales or result.

Musti acquired the shares of Pet City OÜ (including its subsidiaries Pet City UAB, Pet City SIA and Pet City Klinika UAB) and Eesti Veterinaaria Kliinikum OÜ from Magnum Group for an Enterprise Value (EV) of EUR 18.1 million, of which EUR 13.7 million was paid in cash at closing in November 2024. The remaining amount EUR 4.5 million was also paid in cash during March 2025.

Musti Group acquired 100% of the shares of Zu, Produtos e Serviços para Animais, S.A. ("ZU"), a retailer of pet food, accessories and vet services in Portugal, from MCRetail SGPS ("MC"). As MC is a part of the Sonae Group, the acquisition is a related party transaction. The provisional purchase price of the transaction amounted to EUR 12.9 million which was paid in cash at closing. The final purchase price, EUR 13.5 million was agreed and the remaining purchase price, EUR 0.5 million, was paid in January 2026.

ZU operates 65 retail stores of which 24 include veterinary clinics in Portugal. The aggregated statutory turnover was EUR 31.9 million in FY 2024 (EUR 27.6 million in FY 2024) and the EBITDA (pre-IFRS) was EUR 1.4 million (EUR 0.8 million in FY 2024). In 2025, ZU had assets amounting to 16.7 million (EUR 13.7 million in FY 2024) and liabilities amounting to EUR 12.2 million (EUR 10.3 million in FY 2024). ZU has a team of 350 employees supporting thousands of Pet Parents in Portugal.

Preliminary purchase price allocation for the acquisition is presented below:

EUR thousand	ZU
<b>Acquisition cost</b>	
Purchase price paid in cash	13,449
<b>Fair value of net identifiable assets acquired</b>	
Non-current assets	
Property, plant and equipment	10,569
Trademarks	3,008
Other intangible assets	1,204
Deferred tax assets	66
Current assets	
Inventories	2,493
Trade and other receivables	762
Cash and cash equivalents	551
<b>Total assets</b>	<b>18,652</b>
Non-current liabilities	
Deferred tax liabilities	779
Lease liabilities	4,243
Current liabilities	
Lease liabilities	1,222
Trade and other payables	6,173
<b>Total liabilities</b>	<b>12,417</b>
<b>Net assets acquired</b>	<b>6,236</b>
<b>Goodwill</b>	<b>7,213</b>
<b>Cash flow impact</b>	
Purchase price paid in cash	-12,905
Cash and cash equivalents of the acquired company	551
Expenses related to the acquisition	-23
<b>Impact on cash flows</b>	<b>-12,376</b>

### Acquisitions 1 Oct 2023-31 Dec 2024

During the financial year 2024 Musti Group acquired eight pet stores in Sweden as business acquisitions. The total purchase price for the stores was approximately EUR 5.6 million and the resulting goodwill EUR 5.5 million. In addition, Musti Group acquired a 70% share of a veterinary clinic Ninas Värld Arninge AB in Sweden. Purchase price was EUR 0.2 million and the resulting goodwill was EUR 0.1 million. Goodwill is based on synergies from the acquisitions. The acquisitions did not have a material impact on group's net sales or result. In December 2024, Musti acquired a 40% share of a veterinary clinic Petrus Veterinærer AS in Norway amounting to EUR 2.0 million. The company is treated as an associated company.

Musti acquired the shares of Pet City OÜ including its subsidiaries UAB Pet City, Pet City SIA and UAB Pet City Klinika, and Eesti Veterinaaria Kliinikum OÜ from Magnum Group for an Enterprise Value (EV) of EUR 18.0 million, of which EUR 13.7 million was paid in cash at closing. The remaining will be settled in cash once the closing accounts have been approved by both buyer and the seller. Pet City operates 46 retail stores and 16 veterinary clinics in the Baltic countries including an e-commerce platform operating throughout the Baltic region. The store network consists of 25 stores in Estonia, 13 in Latvia and 8 in Lithuania. On the veterinary clinic side, there are 8 clinics in Estonia, 4 in Latvia and 4 in Lithuania. The aggregated turnover of the acquired operations was EUR 31.5 million in FY 2023 (EUR 28.6 million in FY 2022) and the EBITDA EUR -1.1 million (EUR -0.7 million in FY 2022). In FY 2023 Pet City had assets amounting 8.7 million (EUR 8.9 million in FY 2022) and liabilities amounting EUR 23.7 million (EUR 21.3 million in FY 2022).

EUR thousand	Pet City
<b>Acquisition cost</b>	
Purchase price paid in cash	18,136
<b>Fair value of net identifiable assets acquired</b>	
Non-current assets	
Property, plant and equipment	17,602
Trademarks	1,750
Other intangible assets	508
Deferred tax assets	142
Current assets	
Inventories	2,975
Trade and other receivables	640
Cash and cash equivalents	731
<b>Total assets</b>	<b>24,347</b>
Non-current liabilities	
Deferred tax liabilities	329
Lease liabilities	12,045
Current liabilities	
Lease liabilities	2,988
Trade and other payables	5,337
<b>Total liabilities</b>	<b>20,699</b>
<b>Net assets acquired</b>	<b>3,649</b>
<b>Goodwill</b>	<b>14,487</b>
<b>Cash flow impact</b>	
Purchase price paid in cash	-18,136
Cash and cash equivalents of the acquired company	731
Expenses related to the acquisition	-385
<b>Impact on cash flows</b>	<b>-17,790</b>

## 3.2 Intangible assets

The tables below set forth the changes in intangible assets during the financial years covered by the financial statements.

### Accounting principles

#### Goodwill

Goodwill arises from the acquisition of subsidiaries, and it corresponds to the amount that the acquisition consideration exceeds the fair value of identifiable net assets.

Goodwill acquired in business combinations is allocated for impairment testing to the cash generating units that are expected to gain benefit from the synergies created by the combination. Goodwill is allocated to the unit at the company's lowest level where the goodwill is monitored internally for the management purposes.

Goodwill is reviewed for impairment annually or whenever events or changes in circumstances indicate to a possible impairment. The carrying amount of the cash-generating unit including goodwill is compared to the recoverable amount that is higher of the value in use or the fair value net of selling expenses. Possible impairment is recognized as an expense with immediate effect, and it will not be reversed later.

#### Other intangible assets

Other intangible assets include developments costs related to webstores, software and information technology, as well as licenses and customer relations. Intangible assets are recorded in the balance sheet when the accounting requirements of IAS 38 standard are satisfied. Intangible assets with a limited useful life are valued in the original acquisition cost and they are amortised with the straight-line method over their estimated useful life. Intangible assets are amortised over 3-10 years. Intangible assets with indefinite useful life are not amortised but tested annually for impairment. Except for goodwill, Musti Group does not have intangible assets with indefinite useful life.

EUR thousand	Development expenditure	Goodwill	Other intangible assets	Advance payments	Total
<b>2025</b>					
<b>Cost 1 Jan 2025</b>	<b>124</b>	<b>195,024</b>	<b>62,326</b>	<b>1,957</b>	<b>259,431</b>
Business combinations		1,189	3,091		4,280
Additions		9,755	9,088	-542	18,301
Disposals and closing of stores			-12		-12
Exchange differences		4,786	860	8	5,654
<b>Cost 31 Dec 2025</b>	<b>124</b>	<b>210,755</b>	<b>75,353</b>	<b>1,423</b>	<b>287,655</b>
<b>Accumulated amortization and impairment at 1 Jan 2025</b>	<b>-67</b>	<b>133</b>	<b>-44,111</b>		<b>-44,045</b>
Amortization	-38		-6,662		-6,700
Exchange differences		-288	-754		-1,042
<b>Accumulated amortization and impairment at 31 Dec 2025</b>	<b>-106</b>	<b>-154</b>	<b>-51,526</b>		<b>-51,786</b>
<b>Net book value at 1 Jan 2025</b>	<b>57</b>	<b>195,158</b>	<b>18,215</b>	<b>1,957</b>	<b>215,387</b>
<b>Net book value at 31 Dec 2025</b>	<b>19</b>	<b>210,600</b>	<b>23,827</b>	<b>1,423</b>	<b>235,869</b>
<b>2024</b>					
<b>Cost 1 Oct 2023</b>	<b>124</b>	<b>174,210</b>	<b>53,028</b>	<b>2,058</b>	<b>229,420</b>
Business combinations		254	1,753		2,007
Additions		20,344	7,519	-105	27,758
Exchange differences		216	26	4	246
<b>Cost 31 Dec 2024</b>	<b>124</b>	<b>195,024</b>	<b>62,326</b>	<b>1,957</b>	<b>259,431</b>
<b>Accumulated amortization and impairment at 1 Oct 2023</b>	<b>-19</b>	<b>164</b>	<b>-36,778</b>		<b>-36,633</b>
Amortization	-48		-7,284		-7,332
Exchange differences		-31	-48		-79
<b>Accumulated amortization and impairment at 31 Dec 2024</b>	<b>-67</b>	<b>133</b>	<b>-44,111</b>		<b>-44,045</b>
<b>Net book value at 1 Oct 2023</b>	<b>105</b>	<b>174,375</b>	<b>16,249</b>	<b>2,058</b>	<b>192,787</b>
<b>Net book value at 31 Dec 2024</b>	<b>57</b>	<b>195,158</b>	<b>18,215</b>	<b>1,957</b>	<b>215,387</b>

### 3.3 Goodwill and impairment testing

#### Accounting estimates and determinations based on the management's judgement

The management uses significant estimates and determinations based on judgement for deciding the level where goodwill is allocated, as well as for determining whether there are indications of impairment of goodwill.

The recoverable amount of a cash generating unit is determined based on value-in-use calculations requiring estimates. The calculations use cash flow projections based on budgets and financial estimates approved by management covering a five-year period. Cash flow forecasts are based on the Group's actual results and the management's best estimates on future sales, cost development, general market conditions and applicable tax rates. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The growth rates are based on the management's prudent estimates on future growth in the business. Management tests the impacts of changes in significant estimates used in forecasts by sensitivity analyses as described in this Note.

To carry out impairment testing, the management monitors goodwill at the level of Finland, Sweden, Norway and Baltics which are considered as the cash generating units (CGU). The CGU level is based on how the management follows the operative business. The recoverable amounts of the cash generating units are based on value in-use determined by discounted future net cash flows by the CGU.

The table below sets forth the allocation of consolidated goodwill to the Group's cash generating units:

EUR thousand	31 Dec 2025	31 Dec 2024
Finland	99,136	100,542
Sweden	82,985	74,415
Norway	5,336	5,358
Baltics	14,741	14,842
Portugal	8,402	
<b>Total</b>	<b>210,600</b>	<b>195,157</b>

Key assumptions in the projections are the development of net sales and costs, the discount rate, as well as the terminal growth rate after the five-year forecast period. The projections have been prepared to reflect the past performance and expectations for the future considering the Group's market position and the general

economic environment. Cash flows beyond the five-year period are extrapolated using the terminal growth rate of 3% (2%) which management has estimated based on external market forecasts. The discount rate used is weighted average cost of capital (WACC). The discount rate reflects the total cost of equity and debt, and CGU-specific market risks. Discount rate applied in Finland was 7.9% (2024: 9.2%), in Sweden 7.4% (2024: 8.7%), in Norway 7.6% (2024: 8.7%) 8.7% (2024: 9.7%) in the Baltics, and 9.1% in Portugal. In determining the discount rate, the management has assessed the size premium based on recent research and market practice, and decided to remove the size premium and update the rates accordingly compared to the previous year.

As a result of the impairment tests performed, no impairment loss was recognized for any period presented. In 2025 the recoverable amount calculated on the basis on value-in use exceeded the carrying value by EUR 402.0 million in Finland, EUR 386.6 million in Sweden, EUR 334.4 million in Norway, EUR 40.1 million in the Baltics, and EUR 34.1 in Portugal (2024: EUR 234.2 million in Finland, EUR 83.0 million in Sweden, EUR 121.1 million in Norway and EUR 2.1 million in the Baltics).

### Sensitivity analysis

The management has estimated that unlikely that a somewhat possible change in key assumptions will cause the carrying amount of any CGU to exceed its recoverable amount. The key assumptions are based on past experience and they reflect the management's perception of developments of cost and net sales. The average revenue growth used for the forecast period has been 12.0%. The long-term EBITDA margin assumption used for the impairment testing is based on past experience of EBITDA margins and it reflects the management's of development in sales prices and sales volumes during the forecast period.

### 3.4 Associated companies

Companies where the Group has a significant influence, to participate in the financial and operating policy decisions but not control or joint control them, are treated as associated companies. The Group has one associated company, a Norwegian veterinary service provider Petrus Veterinærer AS, of which the Group's share of the voting rights and shares is 40%.

The investment made in Petrus Veterinærer AS was accounted for using the equity method and it was recognized at cost including translation difference arising from the translation of the investment to euros. Post-acquisition movements are adjusted against the carrying amount of the investment. In addition, the Group's share of profits or losses of the associated company is recognized as a separate item on the consolidated statement of income. The Group did not recognize any share of profits or losses of the associated company in the comparison period since the acquisition took place close to the end of the financial year in December 2024.

Summarized financial information in respect of the associated company is set out in the following table:

### Summarized balance sheet

EUR thousand	31 Dec 2025
Total non-current assets	392
Current assets	
Cash	1,503
Other current assets	170
<b>Total current assets</b>	<b>1,673</b>
<b>Total assets</b>	<b>2,065</b>
<b>Non-current liabilities</b>	
Financial liabilities	109
<b>Total non-current liabilities</b>	<b>109</b>
<b>Current liabilities</b>	
Financial liabilities	76
Other liabilities	261
<b>Total current liabilities</b>	<b>338</b>
<b>Total liabilities</b>	<b>447</b>
<b>Equity</b>	<b>1,618</b>
<b>Group's share of equity</b>	<b>647</b>

### Summarised statement of profit or loss

EUR thousand	1 Jan - 31 Dec 2025
Net sales	1,282
Cost of sales	
Personnel and other operating expenses	
Depreciation and amortisation	-77
Financial income and expenses	-12
<b>Result for the year</b>	<b>-550</b>
<b>Group's share of the result</b>	<b>-220</b>

## Changes in the carrying amount of the associated company

EUR thousand	31 Dec 2025
Book value at the beginning of the financial year	1,967
Additions	0
Share of result	-220
Translation differences	-6
<b>Book value at the end of the financial year</b>	<b>1,741</b>

## 3.5 Property, plant and equipment

The tables below set forth changes in property, plant and equipment during the financial years covered by the financial statements.

Musti Group's land, buildings and structures consist of pet food production facilities. Machinery and equipment mainly comprise store and office equipment. Other tangible assets mainly include refurbishment costs of leased premises. The right-of-use items, based on lease agreements and recognized in compliance with IFRS 16, are included in the tangible assets in the balance sheet. The right-of-use items and the applied accounting principles are presented in the Note 3.6 Leases.

### Accounting principles

Property, plant and equipment are presented at acquisition cost less depreciation and potential impairment losses. Subsequent costs are included in the carrying amount when they can be measured reliably, and there is an economic benefit to the company.

Significant leasehold improvements are included in the asset's carrying amount or are separated as a separate asset when it is probable that they will be economically useful in the future and the costs incurred can be distinguished from normal repair and maintenance costs.

Buildings and structures, machinery and equipment as well as other tangible assets are depreciated over their useful lives. Useful lives are based on estimates of the period over which the assets will generate revenue. Depreciation is recognized on a straight-line basis based on the cost of the assets and estimated useful lives. Impairment tests for depreciable non-current assets are performed if there are indications of impairment at the balance sheet date. Depreciation is not recognized on land, except for leased land, as the useful life is considered indefinite.

Useful lives of the asset's categories are:

- Buildings and structures 30 years
- Machinery and equipment 3-7 years
- Right-of-use assets (IFRS 16 Leases) 3-15 years
- Renewal and refurbishment investments in lease premises 5-10 years

The Group estimates on each balance sheet date, if there is any indication that an asset may be impaired. If such indication exists, the relevant asset is tested for impairment. The impairment test estimates the asset's recoverable amount.

The recoverable amount is higher of an asset's fair value after selling costs and its value in use. If the recoverable amount cannot be determined on the asset level, the need for impairment is estimated at the level of the smallest cash generating unit that is for its main parts independent from other units and has cash flows that can be separated from the cash flows of other similar units.

EUR thousand	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments	Total
<b>2025</b>						
<b>Cost 1 Jan 2025</b>	<b>292</b>	<b>6,183</b>	<b>31,458</b>	<b>31,200</b>	<b>1,720</b>	<b>70,852</b>
Business combinations			9,773		15	9,788
Additions		2	3,815	8,687	726	13,230
Disposals			-7		-4	-11
Exchange differences			439	872	44	1,355
<b>Cost 31 Dec 2025</b>	<b>292</b>	<b>6,185</b>	<b>45,478</b>	<b>40,759</b>	<b>2,501</b>	<b>95,215</b>
<b>Accumulated depreciation at 1 Jan 2025</b>	<b>0</b>	<b>-408</b>	<b>-19,976</b>	<b>-18,069</b>	<b>0</b>	<b>-38,453</b>
Depreciation		-221	-8,420	-5,324		-13,965
Impairment			-19	-51		-69
Exchange differences			-378	-490		-868
<b>Accumulated depreciation at 31 Dec 2025</b>	<b>0</b>	<b>-629</b>	<b>-28,792</b>	<b>-23,934</b>	<b>0</b>	<b>-53,355</b>
<b>Net book value at 1 Jan 2025</b>	<b>292</b>	<b>5,775</b>	<b>11,482</b>	<b>13,131</b>	<b>1,720</b>	<b>32,400</b>
<b>Net book value at 31 Dec 2025</b>	<b>292</b>	<b>5,556</b>	<b>16,685</b>	<b>16,825</b>	<b>2,501</b>	<b>41,860</b>

EUR thousand	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments	Total
<b>2024</b>						
<b>Cost 1 Oct 2023</b>	<b>192</b>	<b>6,150</b>	<b>26,151</b>	<b>24,208</b>	<b>265</b>	<b>56,967</b>
Business combinations			483	2,087	251	2,820
Additions	100	32	4,822	5,223	1,204	11,382
Exchange differences			3	-318	-1	-316
<b>Cost 31 Dec 2024</b>	<b>292</b>	<b>6,183</b>	<b>31,458</b>	<b>31,200</b>	<b>1,720</b>	<b>70,852</b>
<b>Accumulated depreciation at 1 Oct 2023</b>	<b>0</b>	<b>-131</b>	<b>-16,193</b>	<b>-13,073</b>	<b>0</b>	<b>-29,398</b>
Depreciation		-276	-3,787	-5,169		-9,232
Impairment			-4	-1		-5
Exchange differences			8	173		181
<b>Accumulated depreciation at 31 Dec 2024</b>	<b>0</b>	<b>-408</b>	<b>-19,976</b>	<b>-18,069</b>	<b>0</b>	<b>-38,453</b>
<b>Net book value at 1 Oct 2023</b>	<b>192</b>	<b>6,019</b>	<b>9,958</b>	<b>11,135</b>	<b>265</b>	<b>27,570</b>
<b>Net book value at 31 Dec 2024</b>	<b>292</b>	<b>5,775</b>	<b>11,482</b>	<b>13,131</b>	<b>1,720</b>	<b>32,400</b>

### 3.6 Leases

The Group has leased store premises and office and warehouse spaces with lease agreements that are included in the scope of IFRS 16 Leases. In addition, the Group has leased parking spaces, vehicles, IT and other equipment and advertising spaces. The right-of-use asset classified as land and water consists of lease agreement for the land of the acquired pet food factory. The lease agreements have a fixed term, or they can be terminated with a notice. The Group does not have service agreements containing commodities that should be recognized as right-of-use assets under IFRS 16.

### Accounting principles

#### Right-of-use assets

Musti Group recognizes a right-of-use asset and a lease liability on the date when the agreement comes into effect, excluding short-term lease agreements and leases of low value assets (see the next page).

The right-of-use asset is initially measured at cost, and it includes the initial valuation of the lease liability, the lease amounts paid by the date when the agreement comes into effect net of any incentives received in connection with the lease agreement, any initial direct costs incurred to Musti Group and an estimate on costs that will incur to Musti Group from reversal and removal of the asset or the remediation of the premises to the condition defined in the lease agreement.

#### Lease liability

Musti Group determines the value of the lease liability on the date when the lease agreement comes into effect. The value of the lease liability includes payments that have not been paid on the date when the lease agreement comes into effect, including fixed payments, variable rents linked to an index or a price level, execution price of an call option, if it is reasonably certain that Musti Group will exercise the option, and payment of sanctions resulting from termination of the lease, if the term of the lease takes into account that Musti Group will exercise the option to terminate the lease.

Musti Group uses the minimum rents specified in the lease agreement for estimating the fixed payments. The non-lease components are separated from the lease payments when they can be determined reliably. Musti Group also has lease agreements that include variable payments determined based on net sales. Only minimum payments have been included in the lease liability for such agreements, and variable payments based on the net sales are measured as a cost in the profit and loss statement for the period when they incur.

Lease liability is remeasured when the lease term or lease payments are amended. Musti Group uses the interest rate for additional loans for determining the interest rate of the lease liability, as no internal interest rates for the lease agreements are available.

**Short-term agreements and leases of low value assets**

Musti Group recognizes in its profit and loss statement any lease payments on short-term leases with a term of 12 months or less, as well as on lease agreements where leased asset is of low value. Leases for low value assets are agreements where the leased asset would cost less than EUR 5,000 if it were purchased as new. The expenses from such agreements are presented in this Note below.

**Sublease agreements**

Musti Group has subleased intra-group commodities relating to store premises and fixtures. They have no impact on the consolidated figures.

**Accounting estimates and management judgment**

The management uses judgement for estimating the term of lease agreements with an option for extension, termination or acquisition. When Musti Group is reasonably certain that the option for extension, termination or acquisition will be exercised, the option is considered in the determination of the lease period. If the exercise of the option is uncertain, the option is not included in the determination of the lease term, right-of-use asset or lease liability.

The management uses judgement for estimating the term of lease agreements in effect until further notice. The management's estimates are based on the company's strategic situation and market conditions, as well the costs that would incur if the leased commodity would be replaced by another commodity.

Determination of the interest rate for additional credit also requires management's judgement. The interest rate for additional credit is determined based on the Group's financing agreements considering the fluctuation of risk-free interest in each country. The company applies single discounting rate for the portfolio comprising lease agreements with similar characteristics.

The tables set forth the amounts of right-of-use assets in the balance sheet and their impact on the profit and loss statement.

**Right-of-use assets**

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Total
<b>2025</b>				
<b>Net book value at 1 Jan 2025</b>	<b>174</b>	<b>89,533</b>	<b>823</b>	<b>90,529</b>
New contracts	256	9,656	1,704	11,616
Acquisitions through business combinations	0	5,364	100	5,464
Terminated contracts	0	-864	-141	-1,005
Revaluations and modifications	18	18,323	-33	18,309
Exchange rate differences	0	2,104	38	2,142
Depreciation	-10	-31,522	-624	-32,156
<b>Net book value at 31 Dec 2025</b>	<b>439</b>	<b>92,593</b>	<b>1,867</b>	<b>94,899</b>

EUR thousand	Land and water	Buildings and structures	Machinery and equipment	Total
<b>2024</b>				
<b>Net book value at 1 Oct 2023</b>	<b>179</b>	<b>74,550</b>	<b>1,043</b>	<b>75,771</b>
New contracts	0	6,525	372	6,897
Acquisitions through business combinations	0	14,942	91	15,033
Terminated contracts	0	-810	-252	-1,062
Revaluations and modifications	0	28,828	157	28,985
Exchange rate differences	0	-465	4	-461
Depreciation	-5	-34,037	-592	-34,634
<b>Net book value at 31 Dec 2024</b>	<b>174</b>	<b>89,533</b>	<b>823</b>	<b>90,529</b>

## Lease liability

EUR thousand	31 Dec 2025	31 Dec 2024
<b>Lease liability at the beginning</b>	<b>95,595</b>	<b>79,825</b>
Net increases	36,686	49,173
Rent expenses	-35,715	-37,080
Interest expense	3,943	3,676
<b>Lease liability at the end</b>	<b>100,510</b>	<b>95,595</b>
<b>EUR thousand</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Non-current lease liability	69,337	66,889
Current lease liability	31,173	28,706
<b>Total</b>	<b>100,510</b>	<b>95,595</b>

The maturity distribution of lease liabilities is presented in Note 5.1 Financial risk management.

## Lease contracts in the income statement

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Expenses from short-term rental agreements, leasing agreements with minor value and variable rental costs, that are not included in the lease liability	-599	-1,127
Depreciation of right of use assets	-32,151	-34,454
Interest expenses from lease liability*	-3,943	-3,676
<b>Total</b>	<b>-36,693</b>	<b>-39,257</b>

\*Included in the Note for financial expenses, see Note 5.4 Financial income and expenses.

Repayments of lease liabilities in the financing cash flow amounted to EUR 31,773 (33,157) thousand.

The weighted average interest used in the calculation of interest expenses was 3.9% (3.8%).

## 4. NET WORKING CAPITAL

This section describes the items included in the net working capital. Net working capital comprises inventory, trade and other receivables, as well as trade and other payables.

EUR thousand	31 Dec 2025	31 Dec 2024
<b>Net working capital</b>		
Inventories	77,817	66,455
Trade and other receivables	15,432	14,705
Trade and other payables	-90,997	-68,153
Excluding financial items in other liabilities	546	466
<b>Total</b>	<b>2,797</b>	<b>13,472</b>
Change of net working capital in the balance sheet	10,675	-5 024
Items that are not included in the change of net working capital as presented in the cash flow statement, with their impact included elsewhere in the cash flow statement*	1,018	-7 567
Change of net working capital in the cash flow statement**	11,694	-12 591

\*The major items are related to business combinations.

\*\*An increase in the net working capital decreases the cash flow, and a decrease in the net working capital increases the cash flow.

### 4.1 Inventories

The Group's inventory mainly consists of purchased pet food and other products. The Group's production activities are carried out at the wholly owned pet food factory Premium Pet Food Suomi Oy in Lieto, Finland. At the end of the financial year, the inventory of the factory amounted to EUR 4.1 (2.3) million. Consolidated inventories of Pet City amounted to EUR 3.9 (3.7) million and ZU, EUR 3.0 million at the year-end.

### Accounting principles

Musti Group's inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less direct costs necessary to make the sale.

The acquisition cost of inventory is determined using the FIFO method. The acquisition cost comprises all costs incurred from delivering the inventory to the location and condition at time of the review.

Inventory is recognized as a cost for the same period when the corresponding sales is recognized. Impairment and obsolescence of inventory are recorded as costs at the time they incur. In addition, Musti Group records continuously a provision for losses on the inventory.

A possible reversal of a write-down is recognized in the period in which the change in value is recognized.

### Accounting estimates

The Group regularly reviews inventories for obsolescence and turnover, and for possible reduction of net realizable value below cost and records an impairment as necessary.

### Inventories

EUR thousand	31 Dec 2025	31 Dec 2024
Finished goods	77,565	66,112
Advance payments	252	343
<b>Total</b>	<b>77,817</b>	<b>66,455</b>
Inventories recognised as expenses, for which the carrying amount of inventories was reduced to the net realisable value	3,775	4,725
EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
The amount of inventories recognized as an expense during the period	233,315	330,378

## 4.2 Trade and other receivables

Trade and other receivables comprise trade receivables, other receivables (mainly Value Added Tax receivables) and deferred receivables. Income tax receivables are presented as a separate item in the balance sheet.

Payment terms of trade receivables vary according to the customer type and credit rating. In the online stores, the customers pay their purchases in advance. Impairment of trade and other receivables, as well as the Group's exposure to credit risk are described in the Note 5.1.

### Accounting principles

Trade receivables are receivables resulting from selling products or providing services to customers in the ordinary course of business. Receivables that are expected to be paid within one year from the end of the financial year are classified as current assets. Otherwise, they are presented as non-current assets. Trade receivables usually fall due within 14 or 30 days, and as such, all of them are classified as current assets. Note 5.1 describes principles applied to impairment of trade and other receivables, as well as other accounting principles applied to them.

Other receivables mainly comprise prepayments and accrued income generated in the ordinary course of the Group's business.

The Group's receivables are financial assets not included in the derivatives with fixed or determined payments that are not quoted on active markets. They are included in the current assets, except for items maturing over 12 months after the end of the reporting period. Group's receivables consist of 'Trade and other receivables' and 'Cash and cash equivalents'.

The table below set forth the items included in the trade and other receivables:

### Trade and other receivables

EUR thousand	31 Dec 2025	31 Dec 2024
Trade receivables*	7,745	5,723
Prepayments and accrued income	4,835	3,815
Other receivables	2,851	5,167
<b>Total</b>	<b>15,432</b>	<b>14,705</b>

\*Credit card receivables are included in the trade receivables.

Of the trade receivables, a total of EUR 282 thousand has been recognized as a credit loss in the statement of profit and loss in 2025. During 2024, the recognized credit loss in the statement of profit and loss was EUR 35 thousand.

The credit loss risk is described in more detail in the Note 5.1 Financial risk management.

## 4.3 Trade and other payables

### Accounting principles

Trade payables are payment obligations towards suppliers and service providers arising from products and services acquired in the ordinary course of business. Trade payables are classified as current liabilities if they fall due for payment within one year from the balance sheet date. Trade payables are initially measured at fair value, and subsequently at amortized cost using the effective interest rate method. Trade and other payables are classified as other financial liabilities and measured at amortized cost.

Customers are entitled to return their purchases within 14 days in Finland and Baltics, and within 30 days in Sweden and Norway. For products sold, that have a repayment period at the end of the financial year, an obligation is recorded as a corresponding contractual liability. Contractual liability includes all costs incurred in settling an existing obligation. The management estimates the amount of this liability based on previous claims and any recent developments indicating that the number of claims may differ from the previous claims in the future. For online sales, products in transit result in a contractual liability.

### Accounting estimates

Determination of the liability resulting from the right to return products involves uncertainty, as the actual amount of returned goods may differ from the estimates. Estimates and assumptions are reviewed quarterly. Differences between estimated and actual product returns may impact the amount of future contractual liabilities recorded, in accrued expenses.

The tables below set forth items included in trade and other payables:

### Trade and other payables

EUR thousand	31 Dec 2025	31 Dec 2024
Trade payables	50,236	31,300
Advances received	601	612
Other liabilities	15,910	13,317
Accrued expenses	24,251	22,925
<b>Total</b>	<b>90,997</b>	<b>68,153</b>

### Material items included in accrued expenses

EUR thousand	31 Dec 2025	31 Dec 2024
Personnel related costs	16,653	13,984
Accrued interests	546	466
Other items	7,051	8,475
<b>Total</b>	<b>24,251</b>	<b>22,925</b>

### Material items included in other liabilities

EUR thousand	31 Dec 2025	31 Dec 2024
VAT liabilities	9,732	8,234
Payroll taxes	3,695	3,029
Loyalty program	2,437	2,016
Other items	46	37
<b>Total</b>	<b>15,910</b>	<b>13,317</b>

Trade and other payables comprise trade payables, other payables, advance payments, and accrued expenses incurring in the ordinary course of business of the Group.

Contractual liabilities comprise rights to return products, as well as products in transit.

The valuation and revenue recognition of the loyalty program requires management's judgment, particularly in determining the fair value of bonuses and the expiration of bonuses. The bonus liability consists of bonuses or stamp card discounts accrued to the loyal customer account (see Note 2.1 Segment reporting and net sales) less the estimated expiration date of the bonuses or discounts based on historical information.

## 5. CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS

This Note describes Musti Group's exposure to financial risks, how these risks may impact Musti Group's financial results and how the management identifies and mitigates exposures.

### 5.1 Financial risk management

The purpose of the risk management is to ensure access to cost efficient funding and to decrease the negative impacts on the Group's profit and balance sheet caused by financial markets.

The financial risk management of the Group is governed by the Treasury Policy. The Chief Financial Officer presents the policy to the Board of Directors for approval. The implementation of the policy including funding, identification of exposures and hedging is delegated to the Group Treasurer.

#### Foreign exchange rate risk

Foreign exchange risk is defined as the uncertainty in cash flows, equity and financial performance arising from currency exchange rate volatility.

The Group is subject to foreign exchange rate risk arising from subsidiary financing, commercial cash flows and intra-group invoicing. The Group's most significant transaction currency risks arise from the Swedish Krona (SEK), Norwegian Krone (NOK), the US dollar (USD) and the British Pound (GBP).

#### Transaction risk

Transaction risk arises from commercial cashflows in foreign denominated currency (purchases and sales) and balance sheet items in foreign denominated currency (such as loans, deposits, and interest flows).

Forecasted commercial cash flows are hedged up to 12 months in advance. Finnish and Swedish subsidiaries have hedged forecasted USD and GBP outflows using currency derivative agreements. Additionally, sales denominated in NOK and purchases in EUR have been hedged in one of the Swedish subsidiaries.

Intra-group funding is granted in local currency of the subsidiary and is fully hedged with currency forward agreements excluding loans classified as net investments in foreign subsidiaries.

The foreign currency positions (in euros) of the segments at the end of the financial year are represented in the tables below. New Markets segment did not have any foreign currency positions at the year-end.

**Finland**

31 Dec 2025				
EUR thousand	SEK	NOK	USD	GBP
Trade payables	-187	-3	-200	-323
Cash and cash equivalents	19	54	58	45
Derivative financial instruments*			962	745
Position, total	<b>-168</b>	<b>50</b>	<b>820</b>	<b>468</b>

31 Dec 2024				
EUR thousand	SEK	NOK	USD	GBP
Trade payables	24		-204	-223
Interest-bearing liabilities	-8,727			
Cash and cash equivalents	-949	-12	31	6
Derivative financial instruments*	8,729		1,072	1,424
Position, total	<b>-922</b>	<b>-12</b>	<b>899</b>	<b>1,207</b>

**Sweden**

31 Dec 2025				
EUR thousand	EUR	NOK	USD	GBP
Trade payables	-13,900	-59	-1,245	-421
Trade receivables	1,229	60	6	
Cash and cash equivalents	95	17	2	103
Derivative financial instruments*	17,400	-19,590	10,868	1,450
Position, total	<b>4,824</b>	<b>-19,571</b>	<b>9,632</b>	<b>1,132</b>

31 Dec 2024				
EUR thousand	EUR	NOK	USD	GBP
Trade payables	-9,226	-9	-710	-231
Trade receivables	389	56	9	
Cash and cash equivalents	-40	35	19	41
Derivative financial instruments*	12,350	-21,026	13,972	1,266
Position, total	<b>3,473</b>	<b>-20,944</b>	<b>13,290</b>	<b>1,076</b>

**Norway**

31 Dec 2025				
EUR thousand	EUR	SEK	USD	GBP
Trade payables	-74	-8		
Cash and cash equivalents	-65	-18		
Position, total	<b>-139</b>	<b>-26</b>	<b>0</b>	<b>0</b>

31 Dec 2024				
EUR thousand	EUR	SEK	USD	GBP
Trade payables	-338	-3		
Position, total	<b>-338</b>	<b>-3</b>	<b>0</b>	<b>0</b>

\*The Group has entered into foreign exchange derivative agreements to hedge forecasted cashflows in SEK (vs EUR), NOK, USD and GBP.

This segment level currency exposure is the basis for the sensitivity analysis of foreign exchange risk. Assuming local currency to appreciate 10% against all other currencies, the impact would be:

**Finland**

31 Dec 2025				
EUR thousand	SEK	NOK	USD	GBP
EUR +10%	17	-5	-82	-47

31 Dec 2024				
EUR thousand	SEK	NOK	USD	GBP
EUR +10%	92	1	-90	-121

**Sweden**

31 Dec 2025				
EUR thousand	SEK	NOK	USD	GBP
SEK +10%	-482	1,957	-963	-113

31 Dec 2024				
EUR thousand	SEK	NOK	USD	GBP
SEK +10%	-347	2,094	-1,329	-108

**Norway**

31 Dec 2025				
EUR thousand	EUR	SEK	USD	GBP
NOK +10%	14	3	0	0

31 Dec 2024				
EUR thousand	EUR	SEK	USD	GBP
NOK +10%	34	0	0	0

Assuming local currency to depreciate 10% against all other currencies, the impact would be the same magnitude but opposite. The sensitivity analysis as required by IFRS 7, includes financial instruments, such as trade and other receivables, trade and other payables, interest-bearing liabilities, deposits, non-current receivables, cash and cash equivalents and derivative financial instruments.

The following items related to exchange rates were recognized for the period through profit and loss:

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Items recognised through profit and loss		
Net exchange rate gains/losses included in the financial income/expenses	-1,693	345
<b>Exchange rate gains/losses recognised in the result for the period, total (net)</b>	<b>-1,693</b>	<b>345</b>

**Translation risk**

Translation risk arises when the currency denominated income and balance sheet items of group companies located outside the euro area are consolidated into euro. The most significant translation risk currencies are the Swedish krona (SEK) and the Norwegian krone (NOK). As of 31 December 2025, the total non-EUR denominated equity, goodwill and fair value step up of the subsidiaries was EUR 118.8 (110.2) million. In addition, the group had intra-group loans classified as net investments amounting to EUR 40.6 (38.5) million.

Musti Group is currently not hedging any translation exposure.

**Interest rate risk**

Changes in interest rates impact the average interest rate of the Group's loan portfolio, financial expenditure and hence the profitability of the group. The Group is currently hedging interest rate risk using interest rate derivatives.

At the end of the financial year 2025, interest-bearing financial assets were EUR 0 (0) thousand and interest-bearing liabilities EUR 227 (200) million. 74% (77%) of the interest-bearing liabilities are denominated in euros. For all interest-bearing liabilities, the ratio of fixed rate paying liabilities in relation to all interest-bearing liabilities was 70% (65%). Excluding leasing agreements, the ratio of fixed rate paying liabilities was 45% (33%).

Sensitivity of interest expenses has been calculated by assuming a one-off, +1% (100 basis points) increase in the interest rates of interest-bearing financial liabilities and assuming no change in the net debt during the year. The calculated impact on the company's interest expenses is EUR 0.5 (0.5) million.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fail to meet its contractual obligations. The Group's credit risks arise principally from trade receivables and the market value of financial derivatives. The Group's customer base is very diversified, and the Group does not have significant credit risk concentrations related to trade receivables.

The Group companies analyse solvency of new invoicing customers locally. Payment methods mitigating credit risk, such as advance payments, are applied to customers with high risk. The maximum exposure to credit risk corresponds to the book values of the financial assets presented below.

The procedure under IFRS 9 is applied for credit loss provisions where the amount of the provision corresponds to the expected credit losses over the whole lifetime of the receivable. Credit loss provision on the expected credit losses are recognized based on the customers' payment history and expectations on the credit losses. The Group's trade receivables have short maturities, and the time value of the money does not have significant impact when estimating the amount expected of credit losses.

Counterparty risk relating to financial assets and derivatives is mitigated by diversification of exposures between pre-approved, high creditworthy counterparties. ISDA Master agreements have been signed with counterparties when transacting in derivative agreements. The Chief Financial Officer and the Group Treasurer review annually the creditworthiness of financial counterparties using a framework considering credit rating (Moody's, S&P) and sustainability rating (Sustainalytics ESG).

EUR thousand	Expected credit loss rate	Trade receivables (gross)		Deduction related to losses		Trade receivables (net)	
		31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
The table below sets forth the maturity distribution of receivables and provisions for impairment based on credit risk estimates.							
	%						
<b>Unmatured</b>	0,5 %	3,912	2,791	18	14	3,895	2,777
1-30 days	1 %	564	400	6	4	558	396
31-60 days	5 %	29	81	1	4	28	77
61-180 days	10 %	134	55	13	5	121	49
180-360 days	50 %	74	173	37	86	37	86
over 360 days	100 %	291	34	291	34	0	0
Total		5,004	3,533	366	148	4,638	3,386
Credit card receivables	0,1 %	3,111	2,340	3	2	3,108	2,337
<b>Total</b>		<b>8,115</b>	<b>5,873</b>	<b>369</b>	<b>150</b>	<b>7,745</b>	<b>5,723</b>

The groups other receivables do not contain impaired or delayed items. Based on the credit history of other groups, the receivables will be paid when they fall due. The Group has no guarantee for these receivables.

### Liquidity and refinancing risk

Liquidity risk refers to the risk of the Group not being able to fulfil its payment obligations and refinancing risk refers to the risk of the Group not being able to refinance its maturing liabilities.

The Treasury Policy governs the mitigation of refinancing and liquidity risk by setting requirements on refinancing, the amount of committed credit facilities and the level of liquid assets to be kept available. Group Treasury monitors and forecasts the short- and long-term needs of the Group and ensures that sufficient liquidity and credit facilities are available.

As of 31 December 2025, the Group's liquidity and refinancing position was good. The amount of cash and cash equivalents was EUR 16.2 (11.8) million and the Group had EUR 85 (100) million of undrawn revolving credit facilities which mature in 2028. Additionally, the Group had EUR 10 (5) million bank

overdraft, unutilized term facilities of EUR 0 (15) million, and EUR 50 million commercial paper program of which EUR 13 (7.5) million was in use.

Musti Group extended the 3+1-year Facilities Agreement with Danske Bank, OP Corporate Bank plc and Swedbank AB (Publ) on 28 August 2025. The extended Facilities Agreement matures on 28 August 2028. The Facilities Agreement consists of EUR 110 million Term Facility, EUR 100 million Revolving Credit Facility and an uncommitted Accordion Facility of EUR 60 million.

The Group's financing agreements contain covenants relating to the net debt to LTM adjusted EBITDA (leverage) ratio. Violation of covenant terms may increase financial costs or lead to loan termination. The covenants are reviewed and reported to the bank's quarterly. During the financial year 2025, all quarterly covenant conditions were met.

The table below sets forth the Group's financial liabilities under the relevant maturity groups based on the time remaining until the contractual maturity as at the balance sheet date. The figures presented in the table are contractual undiscounted amounts.

## Contractual maturities of financial liabilities

31 Dec 2025							
EUR thousand	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031-	Total
<b>Non-current liabilities</b>							
Loans from credit institutions			109,675				109,675
Lease liability		23,225	17,739	12,838	7,696	7,838	69,337
Other non-current interest-bearing liabilities		80					80
<b>Current liabilities</b>							
Loans from credit institutions	12,901						12,901
Lease liability	31,173						31,173
Trade and other payables*	50,236						50,236
Other current liabilities	2,363						
<b>Total</b>	<b>96,672</b>	<b>23,305</b>	<b>127,414</b>	<b>12,838</b>	<b>7,696</b>	<b>7,838</b>	<b>275,764</b>
Interest payments	8,567	7,206	4,701	1,113	609	308	22,503
31 Dec 2024							
EUR thousand	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030-	Total
<b>Non-current liabilities</b>							
Loans from credit institutions			94,668				94,668
Lease liability		24,011	17,101	12,127	6,978	6,672	66,889
Other non-current interest-bearing liabilities			2,231				2,231
<b>Current liabilities</b>							
Loans from credit institutions	7,458						7,458
Lease liability	28,706						28,706
Trade and other payables*	31,300						31,300
<b>Total</b>	<b>67,464</b>	<b>24,011</b>	<b>114,000</b>	<b>12,127</b>	<b>6,978</b>	<b>6,672</b>	<b>231,252</b>
Interest payments	7,954	6,809	4,430	991	525	257	20,966

\*Other payables include only items classified as financial assets or liabilities.

The Group's loans from credit institutions on 31 December 2025 amounted to EUR 109.7 (94.7) million. The non-current loans from credit institutions mature in August 2028.

## Fair value hierarchy

### Level 1

Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include investments in funds classified as financial instruments at fair value through profit and loss. Musti Group does not have Level 1 financial instruments.

### Level 2

The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Musti Group has classified derivatives at fair value according to the Level 2.

### Level 3

A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. Musti Group has classified earn-out liabilities on level 3 of the fair value hierarchy.

## Fair value hierarchy

31 Dec 2025			
EUR thousand	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at amortised cost			
Other non-current assets		412	
Trade and other receivables*		7,745	
Cash and cash equivalents		16,243	
Financial assets at fair value through profit and loss			
Derivative financial instruments		890	
<b>Total</b>		<b>25,291</b>	
31 Dec 2024			
EUR thousand	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at amortised cost			
Other non-current assets		240	
Trade and other receivables*		5,723	
Cash and cash equivalents		11,829	
Financial assets at fair value through profit and loss			
Derivative financial instruments		1,076	
<b>Total</b>		<b>18,868</b>	
31 Dec 2025			
EUR thousand	Level 1	Level 2	Level 3
<b>Liabilities</b>			
Financial liabilities at amortised cost			
Loans from credit institutions		109,675	
Commercial papers		12,901	
Lease liability		100,510	
Trade and other payables*		50,236	
Earn-out liability			2,363
Financial assets at fair value through profit and loss			
Derivative financial instruments		80	
<b>Total</b>		<b>274,452</b>	<b>2,363</b>

31 Dec 2024			
EUR thousand	Level 1	Level 2	Level 3
<b>Liabilities</b>			
Financial liabilities at amortised cost			
Loans from credit institutions		94,668	
Commercial papers		7,458	
Lease liability		95,595	
Trade and other payables*		31,300	
Earn-out liability			2,231
Financial assets at fair value through profit and loss			
Derivative financial instruments		473	
<b>Total</b>		<b>229,495</b>	<b>2,231</b>

\*Other receivables and other payables includes only items classified as financial assets and liabilities.

## 5.2 Financial assets and liabilities

### Accounting principles

Musti Group classifies financial assets and liabilities according to IFRS 9 based on the cash flow properties of the contracts related to them and their original purpose of use in line with the business model at the time of the acquisition. The classification is changed only if the business model applied in the investment activities is amended. Financial assets or liabilities are presented as a non-current item, if the remaining maturity is over 12 months from the end of the period, and as a current item if the remaining maturity is under 12 months from the end of period. Financial assets and liabilities are classified as follows:

Under IFRS 9, financial assets are classified into the following categories:

- I. financial assets at amortized cost
- II. financial assets at fair value through profit and loss
- III. financial assets at fair value through other comprehensive income

## Financial assets

### Financial assets and amortized cost

Financial assets are classified as financial assets at amortized cost if the following criteria are met:

- I. the financial asset is held to generate cash flows based on the business model; and
- II. the cash flows are contractual capital returns and interest accrued on the capital.

Financial assets at amortized cost are valued using the effective interest rate method. Impairment is considered in the valuation. Gains and losses are recognized through profit and loss when the financial asset is reclassified or changed or its value decreases. Interest income is recognized in finance income.

Financial assets at amortized cost include term deposits, interest-bearing loans and other receivables, trade receivables and non-interest-bearing receivables.

Expected credit loss under IFRS 9 impacts the valuation of financial assets at amortized cost. Musti Group applies to the valuation of trade receivables the simplified model under IFRS 9 where a provision for credit losses is recognized in the trade receivables based on the expected credit losses. See Note 5.1 Financial risk management.

### Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets acquired for trading purposes.

Financial assets at fair value through profit and loss are derivatives not eligible for hedge accounting. Changes in fair value, as well as profit and loss in connection derecognition, are presented in the profit and loss statement.

### Financial assets at fair value through other comprehensive income

Financial assets are classified as financial assets at fair value through other comprehensive income, if the following criteria are met:

- I. according to the business model, the financial asset is held to generate cash flows based on a contract or it is available for sale; and
- II. the cash flows are contractual capital returns and interest accrued on the capital.

## Financial liabilities

Under IFRS 9, financial liabilities are classified into the following categories:

- I. financial liabilities at amortized cost
- II. financial liabilities at fair value through profit and loss

### Financial liabilities at amortized cost

Musti Group's loans from financial institutions, commercial papers and trade and other payables are recognized at the time on acquisition at fair value net of transaction costs. Loans are subsequently measured using the effective interest rate method. The interest expenses of the loans are recorded in the profit and loss statement. Trade and other payables are non-interest-bearing current unpaid payables.

### Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are financial liabilities acquired for trading purposes.

Financial liabilities measured at fair value through profit and loss are derivatives not eligible for hedge accounting. Changes in fair value, as well as profit and loss in connection derecognition, are presented in the profit and loss statement.

**Financial assets and liabilities**

The table below sets forth the classification of financial assets and liabilities and their book values:

**Financial assets**

<b>EUR thousand</b>	<b>Financial assets at fair value through profit and loss</b>	<b>Financial assets at amortised cost</b>	<b>Book value</b>	<b>Fair value</b>
<b>31 Dec 2025</b>				
<b>Non-current assets</b>				
Derivative financial instruments	118		118	118
Other non-current assets		412	412	412
<b>Total</b>	<b>118</b>	<b>412</b>	<b>530</b>	<b>530</b>
<b>Current assets</b>				
Trade and other receivables		7,745	7,745	7,745
Derivative financial instruments	773		773	773
Cash and cash equivalents		16,243	16,243	16,243
<b>Total</b>	<b>773</b>	<b>23,988</b>	<b>24,761</b>	<b>24,761</b>
<b>Financial assets, total</b>	<b>890</b>	<b>24,400</b>	<b>25,291</b>	<b>25,291</b>
<b>31 Dec 2024</b>				
<b>Non-current assets</b>				
Other non-current assets		240	240	240
<b>Total</b>	<b>0</b>	<b>240</b>	<b>240</b>	<b>240</b>
<b>Current assets</b>				
Trade and other receivables		5,723	5,723	5,723
Derivative financial instruments	1,076		1,076	1,076
Cash and cash equivalents		11,829	11,829	11,829
<b>Total</b>	<b>1,076</b>	<b>17,552</b>	<b>18,628</b>	<b>18,628</b>
<b>Financial assets, total</b>	<b>1,076</b>	<b>17,792</b>	<b>18,868</b>	<b>18,868</b>

## Financial liabilities

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Book value	Fair value
<b>31 Dec 2025</b>				
<b>Non-current liabilities</b>				
Loans from credit institutions		109,675	109,675	109,675
Derivative financial instruments	122		122	122
Lease liability		69,337	69,337	69,337
Other non-current liabilities		80	80	80
<b>Total</b>	<b>122</b>	<b>179,092</b>	<b>179,214</b>	<b>179,214</b>
<b>Current liabilities</b>				
Commercial papers		12,901	12,901	12,901
Lease liability		31,173	31,173	31,173
Trade and other payables		50,236	50,236	50,236
Other current liabilities		2,363	2,363	2,363
Derivative financial instruments	929		929	929
<b>Total</b>	<b>929</b>	<b>96,672</b>	<b>97,601</b>	<b>97,601</b>
<b>Financial liabilities, total</b>	<b>1,051</b>	<b>275,764</b>	<b>276,815</b>	<b>276,815</b>

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Book value	Fair value
<b>31 Dec 2024</b>				
<b>Non-current liabilities</b>				
Loans from credit institutions		94,668	94,668	94,668
Derivative financial instruments	240		240	240
Lease liability		66,889	66,889	66,889
Other non-current liabilities		2,231	2,231	2,231
<b>Total</b>	<b>240</b>	<b>163,788</b>	<b>164,028</b>	<b>164,028</b>
<b>Current liabilities</b>				
Commercial papers		7,458	7,458	7,458
Lease liability		28,706	28,706	28,706
Trade and other payables		31,300	31,300	31,300
Derivative financial instruments	233		233	233
<b>Total</b>	<b>233</b>	<b>67,464</b>	<b>67,697</b>	<b>67,697</b>
<b>Financial liabilities, total</b>	<b>473</b>	<b>231,252</b>	<b>231,725</b>	<b>231,725</b>

## Changes in financial liabilities arising from financing activities

EUR thousand	1 Jan 2025	Cash flows	New leases	Foreign exchange movement	Change in fair values	Other non-cash movements	31 Dec 2025
Current interest-bearing loans and borrowings (excluding items listed below)	7,458	4,957				486	12,901
Current lease liability	28,706	-31,773	3,447	612		30,181	31,173
Non-current interest-bearing loans and borrowings (excluding items listed below)	94,668	15,079				-72	109,675
Non-current lease liability	66,889		13,633	1,530		-12,715	69,337
Derivative financial instruments	473	-473				1,051	1,051
Earn-out liability	2,231					132	2,363
Other non-current liabilities	0					80	80
<b>Total liabilities from financing activities</b>	<b>200,425</b>	<b>-12,210</b>	<b>17,080</b>	<b>2,142</b>	<b>0</b>	<b>19,143</b>	<b>226,579</b>

EUR thousand	1 Oct 2023	Cash flows	New leases	Foreign exchange movement	Change in fair values	Other non-cash movements	31 Dec 2024
Current interest-bearing loans and borrowings (excluding items listed below)	9,412	-1,955				0	7,458
Current lease liability	24,307	-33,157	4,497	-145		33,202	28,706
Non-current interest-bearing loans and borrowings (excluding items listed below)	69,943	24,475				250	94,668
Non-current lease liability	55,518		17,433	-317		-5,745	66,889
Derivative financial instruments	306	-306				473	473
Earn-out liability	2,031					200	2,231
<b>Total liabilities from financing activities</b>	<b>161,517</b>	<b>-10,942</b>	<b>21,930</b>	<b>-461</b>	<b>0</b>	<b>28,380</b>	<b>200,425</b>

## Liquid funds

Deposits with a maturity of up to 3 months from the year end are classified as liquid funds and are measured at amortized cost. Cash and cash equivalents include readily available cash and bank deposits, as well as fixed-term deposits.

Liquid funds are regularly assessed for impairment, but the risk is limited due to their high credit rating and short maturity.

## Liquid funds

EUR thousand	31 Dec 2025	31 Dec 2024
Cash and cash equivalents	16,243	11,829

## Derivative financial instruments

### Accounting principles

Derivatives are initially recorded at their fair value on the date of the contract, and they are subsequently valued at their fair value. Derivatives are classified as instruments held for trading and recorded at fair value through profit and loss.

The Group utilizes derivatives for hedging operative exchange risks and interest rate risk. The company does not apply hedge accounting.

## The nominal and fair values of the derivatives at the end of the financial period:

EUR thousand	Nominal value	Receivables at fair value	Payables at fair value	Net fair value
<b>31 Dec 2025</b>				
Forward exchange contracts	89,514	773	-930	-156
Interest rate swaps	55,000	117	-121	-4
<b>Total</b>	<b>144,514</b>	<b>890</b>	<b>-1,051</b>	<b>-160</b>

EUR thousand	Nominal value	Receivables at fair value	Payables at fair value	Net fair value
<b>31 Dec 2024</b>				
Forward exchange contracts	85,585	1,076	-234	842
Interest rate swaps	35,000	0	-239	-239
<b>Total</b>	<b>120,585</b>	<b>1,076</b>	<b>-473</b>	<b>603</b>

## Maturity distribution of derivatives (at nominal value)

### Maturity distribution of derivatives at 31 December 2025

EUR thousand	FY2026	FY2027	FY2028	FY2029	FY2030
Forward exchange contracts	88,728	785	0	0	0
Interest rate swaps	0	35,000	20,000	0	0
<b>Total</b>	<b>88,728</b>	<b>35,785</b>	<b>20,000</b>	<b>0</b>	<b>0</b>

### Maturity distribution of derivatives at 31 December 2024

EUR thousand	FY2025	FY2026	FY2027	FY2028	FY2029
Forward exchange contracts	85,011	573	0	0	0
Interest rate swaps	0	0	35,000	0	0
<b>Total</b>	<b>85,011</b>	<b>573</b>	<b>35,000</b>	<b>0</b>	<b>0</b>

## Interest-bearing liabilities

Net debt is the total amount of loans from credit institutions and lease liabilities included in the current and non-current liabilities less cash and bank deposits. The ratio of net debt to LTM adjusted EBITDA is linked to the covenants included in the financing agreements.

## Net debt

EUR thousand	31 Dec 2025	31 Dec 2024
Non-current interest-bearing liabilities	179,092	163,788
Current interest-bearing liabilities	46,436	36,164
Derivative financial instruments	160	-603
Cash and cash equivalents	-16,243	-11,829
<b>Net debt</b>	<b>209,446</b>	<b>187,520</b>

## Interest-bearing liabilities

EUR thousand	Balance sheet values		Fair values	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Loans from credit institutions	109,675	94,668		94,668
Lease liability	69,337	66,889		66,889
Other non-current liabilities	80	2,231		2,231
<b>Total interest-bearing non-current liabilities</b>	<b>179,092</b>	<b>163,788</b>		<b>163,788</b>
Commercial papers	12,901	7,458	12,901	7,458
Lease liability	31,173	28,706	31,173	28,706
Other current liabilities	2,363	0	2,363	0
<b>Total interest-bearing current liabilities</b>	<b>46,436</b>	<b>36,164</b>	<b>46,436</b>	<b>36,164</b>
<b>Derivative financial instruments</b>	<b>1,051</b>	<b>473</b>	<b>1,051</b>	<b>473</b>
<b>Total interest-bearing liabilities</b>	<b>226,579</b>	<b>200,425</b>	<b>226,579</b>	<b>200,425</b>

## 5.3 Commitments and contingencies

This Note presents information on items not included in calculations when preparing the financial statements, as they do not satisfy accounting requirements yet. These items include guarantees, pledges and contingent liabilities.

### Compliance with covenant conditions

Musti Group has EUR 210 million financing agreement that contains a covenant relating to the Group's leverage (net debt to LTM adjusted EBITDA) which shall not exceed a ratio of 3.75. The covenant needs to be met constantly, and it is tested on a quarterly basis. The covenant is calculated based on the calculation method agreed on the financing agreement. At the end of the financial year, the Group's leverage ratio amounted to 3.4 (3.1). Management forecasts the covenant conditions monthly and is confident that all obligations will be met. Violation of the covenant terms may lead to termination of the loans. The covenants have been fulfilled during the financial years 2025 and 2024.

### Other commitments

During the periods presented in the financial statements, Musti Group has not been involved in legal proceedings, arbitration or administrative proceedings that could have a significant impact on the Group's financial position or profitability.

EUR thousand	31 Dec 2025	31 Dec 2024
<b>Other guarantees given on own behalf</b>		
Guarantees relating to rental payments	3,944	3,665
Other commitments	23	23
<b>Total</b>	<b>3,968</b>	<b>3,688</b>

EUR thousand	31 Dec 2025	31 Dec 2024
<b>Other commitments</b>		
Lease liabilities for leases not recognised in the balance sheet	5,461	750
<b>Total</b>	<b>5,461</b>	<b>750</b>

Lease liabilities not recognized in the balance sheet includes the nominal amount of low-value and short-term lease liabilities (refer to Note 3.6) and the liability for agreements that will enter into force in the future.

## 5.4 Financial income and expenses

This Note presents the Group's financial income and expenses. The Group has entered into interest rate swap agreements to protect itself from the changes of interest of bank loans with variable interest rates, as well as exchange rate hedges for its purchases in US Dollar and British Pound in Finland and Sweden.

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
<b>Financial income</b>		
Interest income	1,468	2,771
Exchange gains	3,621	1,996
Exchange gains from derivatives	3,605	4,230
Gain from changes in the fair value of derivatives	890	1,076
Other financial income	0	22
<b>Total</b>	<b>9,585</b>	<b>10,096</b>
<b>Financial expenses</b>		
Interest expenses on loans valued to amortised cost	-6,083	-6,122
Interest expenses from lease liability	-3,943	-3,676
Exchange losses	-3,532	-3,118
Exchange losses from derivatives	-5,387	-2,763
Loss from changes in the fair value of derivatives	235	-1,731
Other financial expenses	-852	-751
<b>Total</b>	<b>-19,563</b>	<b>-18,161</b>
<b>Financial income and expenses, net</b>	<b>-9,978</b>	<b>-8,066</b>

The Group's interest income and other financial income mainly relate to exchange rate gains and interest income and changes in the fair value of derivatives. Financial expenses mainly relate to loans from credit institutions and lease liabilities, and changes in the fair value of derivatives and exchange rate losses.

## 5.5 Capital Management

The company's Board of Directors is responsible for the capital management strategy. The aim of capital management is to maintain sufficient equity ratio and to comply with requirements set for leverage in financing agreements. Capital sources include operating cash flows, equity financing from shareholders and external loans. Covenants included in financing agreements place requirements relating to the ratio of net debt to LTM adjusted EBITDA (leverage). Other terms and conditions on external capital are not applied to the Group. In capital management, the Group's equity consists of equity and liabilities as presented in the balance sheet.

With capital management, the Group aims to safeguard its continuous operations to provide yield to the shareholders and increase the value of the capital that they have invested. The Group monitors the adjusted EBITA, EBITA margin and the net debt ratio to last twelve months adjusted EBITDA.

## 5.6 Equity

This Note describes items included in the equity of Musti Group.

### Accounting principle

The Group's equity includes instruments that evidences a residual interest in the assets of an entity after deducting all its liabilities and contains no contractual obligation for the issuer to deliver cash or other financial asset to another entity. Costs that relate to the issue or repurchase of own equity instruments are recognized as a deduction in equity.

All company shares are reported as share capital. Any repurchase of its own shares by the company is deducted from equity.

The total equity consists of the share capital, the invested unrestricted equity reserve, translation differences and retained earnings.

## Share capital

On 31 December 2025 the share capital of Musti Group amounted to EUR 11,001,853.68 and the number of shares was 33,535,453. The company has one share class, and all shares have equal voting rights at the general meetings. The company holds 147,566 own shares. The shares do not have a nominal value.

The Annual General Meeting held on 29 April 2025 authorized the Board of Directors to decide on the repurchase of the company's own shares and/or on the acceptance as pledge of the company's own shares as follows. The number of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 per cent of all the shares in the company. However, the company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the company.

Own shares can be repurchased only using the unrestricted equity of the company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets. The Board of Directors decides on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

This authorization cancelled the authorization given by the Annual General Meeting held on 31 January 2024 to decide on the repurchase of the company's own shares and/or to accept the company's own shares as pledge. The authorization is effective until the next Annual General Meeting, however, no longer than until 30 June 2026.

The Annual General Meeting also authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows. The number of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately 9.5 per cent of all the shares in the company. The authorization covers both the issuance of new shares as well as the transfer of treasury shares held by the company.

The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). This authorization cancelled the authorization given by the Annual General Meeting held on 31 January 2024 to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. The authorization is effective until the next Annual General Meeting, however, no longer than until 30 June 2026.

## Changes in share capital and invested unrestricted equity reserve

EUR thousand	Number of outstanding shares	Own shares held by the parent company	Total number of shares	Share capital	Invested unrestricted equity
<b>1 Jan 2025</b>	<b>33,387,887</b>	<b>147,566</b>	<b>33,535,453</b>	<b>11,002</b>	<b>118,009</b>
Capital return	0	0	0	0	0
Acquisition of own shares	0	0	0	0	0
Shares delivered on the basis of the share-based payments	0	0	0	0	0
<b>31 Dec 2025</b>	<b>33,387,887</b>	<b>147,566</b>	<b>33,535,453</b>	<b>11,002</b>	<b>118,009</b>
<b>1 Oct 2023</b>	<b>33,387,887</b>	<b>147,566</b>	<b>33,535,453</b>	<b>11,002</b>	<b>118,009</b>
Capital return	0	0	0	0	0
Acquisition of own shares	0	0	0	0	0
Shares delivered on the basis of the share-based payments	0	0	0	0	0
<b>31 Dec 2024</b>	<b>33,387,887</b>	<b>147,566</b>	<b>33,535,453</b>	<b>11,002</b>	<b>118,009</b>

## Earnings per share

The basic earnings per share figure is calculated by dividing the result for the financial year attributable to the parent company's shareholders by the weighted average number of shares outstanding during the financial year. When calculating the earnings per share adjusted by dilution, the weighted average of the number of shares takes into account the diluting effect resulting from changing into shares all potentially diluting shares.

## Earnings per share

	31 Dec 2025	31 Dec 2024
<b>Earnings per share, basic</b>		
Net profit attributable to equity owners of the parent company, EUR thousand	-3,723	6,700
Weighted average number of shares	33,387,887	33,387,987
<b>Basic earnings per share, EUR</b>	<b>-0.11</b>	<b>0.20</b>
<b>Earnings per share, diluted</b>		
Net profit attributable to equity owners of the parent company, EUR thousand	-3,723	6,700
Weighted average number of shares	33,387,887	33,387,987
Adjustments:		
Average number of treasury shares it is possible to be issued on the basis of the share-based payments	143,000	158,160
Weighted average number of shares for diluted earnings per share	33,530,887	33,546,147
<b>Diluted earnings per share, EUR</b>	<b>-0.11</b>	<b>0.20</b>

## Dividend and profit distribution

The Group's parent company's distributable funds total EUR 125,108,780.55 of which the result for the financial year is EUR -3,002,474.22. The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for the financial year ended on 31 December 2025. For the financial year ended 31 December 2024, no dividend was distributed.

## Musti Group plc's distributable funds

EUR thousand	31 Dec 2025
Retained earnings at the end of financial year	10,102
Unrestricted equity	123,349
Own shares	-5,340
Result for the financial year	-3,002
<b>Distributable funds total</b>	<b>125,109</b>

## Invested unrestricted equity reserve

Under the Finnish Companies Act, the subscription price of new shares is credited to the share capital, unless it is provided in the share issue resolution that it is to be credited in full or in part to the invested unrestricted equity reserve. Contributions to the reserve for invested unrestricted equity can also be made without share issues.

## Translation differences

Translation differences arising on the translation of subsidiaries' financial statements into euros are recognized in other comprehensive income and accumulated in equity.

## 6. OTHER NOTES

### 6.1 Related party transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party, or if the parties exercise joint control in making financial and operating decisions. Musti Group's related parties include its subsidiaries, the parent company of the Sonae Group and its subsidiaries, the Board of Directors and the members of the management team, including the CEO, as well as their family members and entities controlled by these individuals.

Related party transactions are executed with the arm's length principle, and their terms and conditions correspond to transactions carried out with independent parties.

The following transactions were carried out with related parties:

#### Sonae Group

EUR thousand	31 Dec 2025	31 Dec 2024
Sales of goods and services	227	0
Purchases of goods and services	203	0
Receivables	103	0
Payables	39	0
ZU acquisition	13,449	0

#### Board of Directors

EUR thousand	31 Dec 2025	31 Dec 2024
Consulting fees	286	0

The management's remuneration is presented in the next table. No loans have been granted to the management, and no other transactions have been conducted with the management.

### Management compensation

#### The CEO and management team remuneration

EUR thousand	CEO	Management team	Total 2024	CEO	Management team	Total 2023
Salaries and other short-term employee benefits	500	1,800	2,300	607	2,223	2,830
Short-term incentives	0	0	0	0	0	0
Pension costs - defined contribution plans	0	451	451	0	527	527
<b>Total</b>	<b>500</b>	<b>2,251</b>	<b>2,751</b>	<b>607</b>	<b>2,750</b>	<b>3,356</b>

The remuneration of the CEO and the members of the Management Team is presented on accrual basis. The Group management remuneration is described more in detail in the separate Remuneration Statement and Note 2.4 Share-based payments.

#### Remuneration paid to Board of Directors

EUR thousand	Paid FY2025 1 Jan - 31 Dec 2025	Paid FY2024 1 Oct 2023 - 31 Dec 2024
Claudia Azevedo (from 12 April 2024)	0	0
Jeffrey David	30	48
Ingrid Jonasson Blank (until 12 April 2024)	0	45
Ilkka Laurila (until 12 April 2024)	0	43
Jõao Amaral (from 12 April 2024 until 28 August 2025)	0	0
Johan Dettel	30	41
Jõao Dolores (from 12 April 2024)	0	0
Joanna Hummel (from 29 April 2025)	18	0
Tiina-Liisa Liukkonen (from 29 April 2025)	21	0
Inka Mero (until 12 April 2024)	0	40
Eduardo Piedade (from 18 September 2025)	0	0
<b>Total</b>	<b>99</b>	<b>216</b>

The remuneration of the Board of the Directors is presented on cash basis. According to the decision of the 2025 Annual General Meeting, the annual fees paid to the Board members were: Chairman of the Board EUR 65,000 and other Board members EUR 35,000. The annual fees paid to the members of the Committees were: Chairman of the Committee EUR 7,500 and other Committee members EUR 5,000. The members of the Board who are employees of Sonae Group, do not receive any fee for their duties in the Board.

## 6.2 Taxes

### Income taxes

#### Accounting principles

net profits on an accrual basis, prior period tax adjustments and changes in deferred taxes. The Group companies' taxes have been calculated from the taxable income of each company determined by local jurisdiction. The country of registration of each group company is presented in Note 1.4 Group information.

### Income tax expenses

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Current tax:		
Current tax on profits for the year	-806	-1,843
Taxes for prior years	-265	-112
<b>Total current tax expense</b>	<b>-1,071</b>	<b>-1,954</b>
Deferred tax:		
Change in deferred taxes	494	523
<b>Income taxes</b>	<b>-577</b>	<b>-1,433</b>

### Reconciliation of income tax expense and taxes calculated at the Finnish tax rate 20%

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Profit before tax	-3,140	8,152
Tax calculated at Finnish tax rate 20%	628	-1,630
Effect of other tax rates for foreign subsidiaries	-401	-152
Expenses not deductible for tax purposes	-186	-537
Income not subject to tax	0	0
Unrecognized deferred tax assets for losses	-327	-75
Utilisation of previously unrecognised tax losses	0	318
Taxes for prior years	-265	-112
Temporary differences in taxation	0	831
Other items	-27	-77
<b>Taxes in income statement</b>	<b>-577</b>	<b>-1,433</b>

### Deferred tax assets and liabilities

#### Accounting policy

Deferred tax assets and liabilities are recognized on all temporary differences arising between the tax bases and carrying amounts of assets and liabilities. The most significant temporary differences arise from right-of-use assets and corresponding liabilities. Deferred tax liability has not been calculated on goodwill insofar as goodwill is not tax deductible. Deferred tax on subsidiaries' undistributed earnings is not recognized unless a distribution of earnings is probable, causing tax implications. A deferred income tax asset is recognized to the extent that it is probable that it can be utilized against future taxable income.

Deferred tax has been determined using the tax rates enacted at the balance sheet date, and as the rates changed, at the known new rate. A deferred income tax asset is recognized to the extent that it is probable that it can be utilized against future taxable income. The Group's deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority. Deferred taxes relating to IFRS 16 right-of-use assets and lease liabilities have been netted on the consolidated balance sheet but in the specification of the changes below, the gross amounts to the deferred taxes have been presented.

#### Determinations based on the management's judgement

Determining to which extent deferred tax assets can be recognized requires management's judgement. The management of Musti Group has used judgement when determining if deferred tax asset is recognized for an unused tax loss carry forward or unused tax credits. Recognition is done only to the extent that it is probable that future taxable profits will be available against which the loss or credit carry forward can be utilized. The Group estimates positions taken in tax return with respect to situations in which applicable tax regulation is subject to interpretation. If necessary, the booked amounts are adjusted to correspond to amounts expected to be paid to the tax authorities.

**Changes in deferred taxes during financial year 2025**

EUR thousand	1 Jan 2025	Recognised in profit or loss	Business acquisitions	Exchange rate differences	31 Dec 2025
<b>Deferred tax assets</b>					
Tax losses	1,610	2,698	27	46	4,381
Intangible and tangible assets	615	-294		24	346
Inventories	1,567	-1,301			266
Lease liability	18,105	-579	1,093	456	19,075
Other items	18	56	39	2	115
<b>Total</b>	<b>21,916</b>	<b>580</b>	<b>1,159</b>	<b>529</b>	<b>24,183</b>

EUR thousand	1 Jan 2025	Recognised in profit or loss	Business acquisitions	Exchange rate differences	31 Dec 2025
<b>Deferred tax liabilities</b>					
Intangible and tangible assets	4,020	1,344	602	163	6,128
Right-of-use assets	17,218	-654	1,093	425	18,083
Other items	2,424	-22	178	-1	2,579
<b>Total</b>	<b>23,663</b>	<b>668</b>	<b>1,872</b>	<b>587</b>	<b>26,790</b>
<b>Net deferred taxes 31 Dec 2025</b>	<b>1,747</b>	<b>87</b>	<b>713</b>	<b>58</b>	<b>2,607</b>

**Changes in deferred taxes during financial year 2024**

EUR thousand	1 Oct 2023	Recognised in profit or loss	Business acquisitions	Exchange rate differences	31 Dec 2024
<b>Deferred tax assets</b>					
Tax losses	0	1,610			1,610
Intangible and tangible assets	653	-184	142	5	615
Inventories	1,322	245			1,567
Lease liability	14,894	301	3,021	-111	18,105
Other items	9	11		-1	18
<b>Total</b>	<b>16,878</b>	<b>1,982</b>	<b>3,163</b>	<b>-107</b>	<b>21,916</b>

EUR thousand	1 Oct 2023	Recognised in profit or loss	Business acquisitions	Exchange rate differences	31 Dec 2024
<b>Deferred tax liabilities</b>					
Intangible and tangible assets	2,892	786	329	13	4,020
Right-of-use assets	14,054	250	3,021	-107	17,218
Other items	1,988	423		13	2,424
<b>Total</b>	<b>18,935</b>	<b>1,460</b>	<b>3,350</b>	<b>-81</b>	<b>23,663</b>
<b>Net deferred taxes 31 Dec 2024</b>	<b>2,057</b>	<b>-523</b>	<b>187</b>	<b>25</b>	<b>1,747</b>

At the end of financial year 2025 the Group had no temporary differences on which deferred tax assets were booked for which it is uncertain if they will be realized. Deferred tax assets were recognized from the cumulative tax losses for the financial year 2025 and 2024.

**Pillar II**

Musti Group has been subject to the minimum taxation for large multinational groups under the OECD Pillar II legislation as of 1 March 2024 as part of the Sonae Group. Musti Group has assessed potential Pillar II income tax expenses, taking into account the transitional provisions of Pillar II. Based on the assessment, the impact of Pillar II on Group's income taxes is not material. The Group has applied the relief permitted by IAS 12 regarding the recognition and disclosure of deferred tax assets and liabilities arising under Pillar II.

**6.3 Subsequent events**

Musti Group plc announced that Joanna Hummel, member of the Board of Directors, resigns from the Board on 4 February 2026.

## 7. PARENT COMPANY FINANCIAL STATEMENTS, FAS

### Musti Group plc income statement

EUR thousand	Note	1 Jan 2025 - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Net sales		18,246	9,247
Other operating income	7.2	122	146
Employee benefit expenses	7.3	-1,268	-4,031
Other operating expenses	7.4	-32,416	-23,356
<b>Operating result</b>		<b>-15,317</b>	<b>-17,994</b>
Financial income	7.5	6,920	13,092
Financial expenses	7.5	-6,052	-10,758
<b>Result before appropriations and taxes</b>		<b>-14,448</b>	<b>-15,661</b>
Appropriations	7.6	11,450	12,800
Income tax expense	7.7	-4	-55
<b>Result for the period</b>		<b>-3,002</b>	<b>-2,916</b>

### Musti Group plc balance sheet

EUR thousand	Note	31 Dec 2025	31 Dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	7.8	132,410	132,410
<b>Total non-current assets</b>		<b>132,410</b>	<b>132,410</b>
<b>Current assets</b>			
Long-term receivables	7.10	110,327	52,141
Short-term receivables	7.10	72,657	95,611
Cash and cash equivalents		12,148	9,424
<b>Total current assets</b>		<b>195,132</b>	<b>157,175</b>
<b>TOTAL ASSETS</b>		<b>327,542</b>	<b>289,585</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7.11	11,002	11,002
Other reserves	7.11	123,349	123,349
Own shares	7.11	-5,340	-5,340
Retained earnings	7.11	10,102	13,018
Profit/loss for the fiscal period		-3,002	-2,916
<b>Total equity</b>		<b>136,111</b>	<b>139,113</b>
<b>Liabilities</b>			
Non-current liabilities	7.12	109,796	103,634
Current liabilities	7.13	81,635	46,838
<b>Total current liabilities</b>		<b>191,431</b>	<b>150,472</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>327,542</b>	<b>289,585</b>

## Musti Group plc cash flow statement

EUR thousand	1 Jan 2025 - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
<b>Cash flows from operating activities</b>		
Profit before appropriations and taxes	-14,448	-15 611
Unrealised foreign exchange gains and losses	-2,068	112
Finance income and expenses	1,200	-2,444
<b>Cash flow before change in working capital</b>	<b>-15,317</b>	<b>-17,993</b>
<b>Change in working capital</b>		
Increase (-) / decrease (+) of current receivables	-8,857	-701
Increase (+) / decrease (-) of current non-interest bearing liabilities	20,439	5,332
<b>Cash flows from operating activities before financial items and taxes</b>	<b>-3,735</b>	<b>-13,363</b>
Interests paid and other finance costs	-6,220	-9,411
Interests received	4,885	10,307
Direct income taxes paid	899	477
<b>Net cash from operating activities</b>	<b>-4,172</b>	<b>-11,989</b>
<b>Cash flows from investing activities</b>		
Dividends received	0	3,273
Long-term receivables, increase (-)/decrease (+)	-56,000	-13,600
<b>Net cash fom investing activities</b>	<b>-56,000</b>	<b>-10,327</b>
<b>Cash flows from financing activities</b>		
Proceeds from non-current loans	15,000	95,000
Repayments of non-current loans	-9,032	-61,519
Commercial papers issued	5,443	-1,955
Change in internal bank account receivables	38,685	-21,087
Received group contributions	12,800	200
<b>Net cash fom financing activities</b>	<b>62,896</b>	<b>10,640</b>
<b>Change in cash and cash equivalents</b>	<b>2,724</b>	<b>-11,677</b>
Cash and cash equivalents at the beginning of the period	9,424	21,101
Cash and cash equivalents at the end of the period	12,148	9,424

## Notes to Musti Group plc financial statements

### 7.1 Accounting principles

#### Basis of preparation

Musti Group plc is the parent company of Musti Group, domiciled in Helsinki, Finland. The financial statements of Musti Group plc have been prepared in euros in accordance with the relevant acts and regulations in force in Finland (Finnish Accounting Standards, FAS).

When preparing the financial statements, the management of the company needs to make estimates and assumptions that affects the financial statements valuations. Actual figures may differ from the estimates made.

The financial statements have been prepared on a going concern basis for the financial year 2025 covering the period from 1 January to 31 December 2025. The company's financial year was changed to calendar year during 2024, and therefore the comparison period covers 15 months. Due to the extended comparison period, the amounts presented in the financial statements are not entirely comparable.

#### Valuation and accruing principles and methods

##### Non-current assets

Investments in subsidiaries are recognized either at acquisition cost or at net realizable value if the value of the investments has declined permanently.

##### Pension plans

The statutory pension liability of the Finnish personnel and any additional pensions have been arranged through a pension insurance company.

##### Income tax expense

Income tax includes tax calculated on the profit for the current financial year as well as tax adjustments for previous financial years. No deferred taxes have been booked in the parent company.

**Foreign currency items**

Foreign currency business transactions are booked using the exchange rate of the transaction date. At the end of the fiscal year all open foreign currency transactions are valued using the exchange rate of the closing date.

**Financial instruments**

Financial instruments are valued at fair value in accordance with the chapter 5, paragraph 2a of the Finnish Accounting Act. The company classifies financial instruments based on the cash flow properties of the contracts related to them and their original purpose of use in line with the business model at the time of the acquisition. The classification is changed only if the business model applied in the investment activities is amended. Financial assets or liabilities are presented as a non-current item, if the remaining maturity is over 12 months from the end of the period, and as a current item if the remaining maturity is under 12 months from the end of period. Financial assets and liabilities are classified as follows:

Financial assets are classified into the following categories:

- I. financial assets at amortized cost
- II. financial assets at fair value through profit and loss

**Financial assets****Financial assets at amortized cost**

Financial assets are classified as financial assets at amortized cost if the following criteria are met:

- I. the financial asset is held to generate cash flows based on the business mode; and
- II. the cash flows are contractual capital returns and interest accrued on the capital.

Financial assets at amortized cost are valued using the effective interest rate method. Impairment is considered in the valuation. Gains and losses are recognized through profit and loss when the financial asset is reclassified or changed or its value decreases. Interest income is recognized in finance income.

Financial assets at amortized cost include term deposits, interest-bearing loans and other receivables, trade receivables and non-interest-bearing receivables.

**Financial assets at fair value through profit and loss**

Financial assets at fair value through profit and loss are financial assets acquired for trading purposes.

Financial assets at fair value through profit and loss are derivatives not eligible for hedge accounting. Changes in fair value, as well as profit and loss in connection derecognition, are presented in the profit and loss statement.

**Financial liabilities**

Financial liabilities are classified into the following categories:

- I. financial liabilities at amortized cost
- II. financial liabilities at fair value through profit and loss

**Financial liabilities at amortized cost**

Musti Group's loans from financial institutions and trade and other payables are recognized at the time on acquisition at fair value net of transaction costs. Loans are subsequently measured using the effective interest rate method. The interest expenses of the loans are recorded in the profit and loss statement. Trade and other payables are non-interest-bearing current unpaid payables.

**Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss are financial liabilities acquired for trading purposes.

Financial liabilities measured at fair value through profit and loss are derivatives not eligible for hedge accounting. Changes in fair value, as well as profit and loss in connection derecognition, are presented in the profit and loss statement.

Derivatives are initially recorded at their fair value on the date of the contract, and they are subsequently valued at their fair value. Derivatives are classified as instruments held for trading and recorded at fair value through profit and loss.

The Company utilizes derivatives for hedging interest rate risk. The company does not apply hedge accounting.

## 7.2 Other operating income

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Other income from group companies	122	146
<b>Total</b>	<b>122</b>	<b>146</b>

## 7.3 Employee benefit expenses

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Salaries and fees	-1,015	-3,308
Social security costs	-222	-609
Pension costs	-29	-110
Other social security costs	-2	-4
<b>Total</b>	<b>-1,268</b>	<b>-4,031</b>

### Salary and bonus expenses of Chief Executive Officer and Members of the Board of Directors

Chief Executive Officer	500	607
Board of Directors	98	216
Personnel on average	2	2

## 7.4 Other operating expenses

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Expenses related to the public tender offer	0	-10,321
Administration	-30,864	-12,780
Other expenses	-1,152	-254
<b>Total</b>	<b>-32,416</b>	<b>-23,356</b>

### Auditors' fees

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
<b>Authorised Public Accountants E&amp;Y</b>		
Audit	95	163
Sustainability reporting assurance	69	0
Tax consultation	18	38
Other services	81	20
<b>Total</b>	<b>263</b>	<b>220</b>

## 7.5 Financial income and expenses

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Other interest and financial income		
From Group companies		
Interest income	4,472	6,673
Dividend income	0	3,273
From others		
Other financial income	2,448	3,147
<b>Total</b>	<b>6,920</b>	<b>13,092</b>
Interest and other financial expenses		
To Group companies		
Interest expenses	-596	-2,241
To others		
Interest expenses	-5,944	-5,922
Other financial expenses	488	-2,596
<b>Total</b>	<b>-6,052</b>	<b>-10,758</b>
<b>Financial income and expenses total</b>	<b>868</b>	<b>2,334</b>

## 7.6 Appropriations

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Group contributions received	11,450	12,800
<b>Total</b>	<b>11,450</b>	<b>12,800</b>

## 7.7 Income taxes

EUR thousand	1 Jan - 31 Dec 2025	1 Oct 2023 - 31 Dec 2024
Income tax for the financial year	-9	-28
Income tax for prior financial years	5	-27
<b>Total</b>	<b>-4</b>	<b>-55</b>

## 7.8 Investments

EUR thousand	31 Dec 2025	31 Dec 2024
<b>Investments in Group companies</b>		
Acquisition cost in the beginning of the period	132,410	132,410
<b>Acquisition cost in the end of the period</b>	<b>132,410</b>	<b>132,410</b>
<b>Group companies 31 Dec 2025</b>		
	<b>Share of parent company %</b>	
Musti Group Nordic Oy	100	100

The Group's subsidiaries and investments in associates are presented in Note 1.4 in the Consolidated Financial Statements.

## 7.9 Fair value hierarchy

EUR thousand	31 Dec 2025		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at amortised cost			
Other non-current assets		36	
Trade and other receivables*		55,178	
Loan receivables		110,175	
Cash and cash equivalents		12,148	
Financial assets at fair value through profit and loss			
Derivative financial instruments		117	
<b>Total</b>		<b>177,653</b>	

EUR thousand	31 Dec 2024		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at amortised cost			
Other non-current assets		47	
Trade and other receivables*		86,081	
Loan receivables		52,094	
Cash and cash equivalents		9,424	
Financial assets at fair value through profit and loss			
Derivative financial instruments		18	
<b>Total</b>		<b>147,664</b>	

EUR thousand	31 Dec 2025		
	Level 1	Level 2	Level 3
<b>Liabilities</b>			
Financial liabilities at amortised cost			
Other non-current liabilities			
Loans from credit institutions		109 675	
Commercial papers		12 901	
Trade and other payables*		38 721	
Financial assets at fair value through profit and loss			
Derivative financial instruments		121	
<b>Total</b>		<b>161 418</b>	

EUR thousand	31 Dec 2024		
	Level 1	Level 2	Level 3
<b>Liabilities</b>			
Financial liabilities at amortised cost			
Other non-current liabilities		8,727	
Loans from credit institutions		94,668	
Commercial papers		7,458	
Trade and other payables *		29,299	
Financial assets at fair value through profit and loss			
Derivative financial instruments		239	
<b>Total</b>		<b>140,391</b>	

\*Other receivables and other payables includes only items classified as financial assets and liabilities.

**Level 1**

Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include investments in funds classified as financial instruments at fair value through profit and loss. Musti Group plc does not have Level 1 financial instruments.

**Level 2**

The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Musti Group plc has classified derivatives at fair value according to the Level 2.

**Level 3**

A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. Musti Group plc does not have Level 3 financial instruments.

**7.10 Receivables****Long-term receivables total****Receivables from Group companies**

<b>EUR thousand</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Loan receivables	110,175	52,094
<b>Total</b>	<b>110,175</b>	<b>52,094</b>

**Receivables from others**

<b>EUR thousand</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Other receivables	153	47
<b>Total</b>	<b>153</b>	<b>47</b>

<b>Long-term receivables total</b>	<b>110,327</b>	<b>52,141</b>
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**Short-term receivables****Receivables from Group companies**

<b>EUR thousand</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Group contribution receivables	11,450	12,800
Group cash pool receivables	43,728	73,281
Prepayments and accrued income	16,994	8,102
<b>Total</b>	<b>72,172</b>	<b>94,183</b>

**Receivables from others**

<b>EUR thousand</b>	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
Prepayments and accrued income		
Income taxes	13	915
Value added tax receivables	13	67
Other	460	446
<b>Total</b>	<b>485</b>	<b>1,428</b>

<b>Short-term receivables total</b>	<b>72,657</b>	<b>89,613</b>
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## 7.11 Equity

EUR thousand	Share capital	Unrestricted equity reserve	Treasury shares	Retained earnings	Equity total
<b>Equity 1 Jan 2025</b>	11,002	123,349	-5,340	10,102	139,113
Capital return					0
Acquisition of own shares					0
Result for the financial year				-3,002	-3,002
<b>Equity 31 Dec 2025</b>	11,002	123,349	-5,340	7,099	136,111
<b>Equity 1 Oct 2023</b>	11,002	123,349	-5,340	13,018	142,029
Capital return					0
Acquisition of own shares					0
Result for the financial year				-2,916	-2,916
<b>Equity 31 Dec 2024</b>	11,002	123,349	-5,340	10,102	139,113

### Distributable equity

EUR thousand	31 Dec 2025	31 Dec 2024
Reserve for invested unrestricted equity	123,349	123,349
Own shares	-5,340	-5,340
Retained earnings	10,102	13,018
Net result for the financial period	-3,002	-2,916
<b>Total</b>	<b>125,109</b>	<b>128,111</b>

## 7.12 Non-current liabilities

### Liabilities to Group companies

EUR thousand	31 Dec 2025	31 Dec 2024
Long-term loans	0	8,727
<b>Total</b>	<b>0</b>	<b>8,727</b>

### Liabilities to others

EUR thousand	31 Dec 2025	31 Dec 2024
Loans from financial institutions	109,675	94,668
Other liabilities	121	239
<b>Total</b>	<b>109,796</b>	<b>94,908</b>
<b>Non-current liabilities total</b>	<b>109,796</b>	<b>103,634</b>

## 7.13 Current liabilities

### Liabilities to Group companies

EUR thousand	31 Dec 2025	31 Dec 2024
Trade payables	1	0
Group cash pool payables	38,384	29,252
Other liabilities	29,116	9,299
<b>Total</b>	<b>67,501</b>	<b>38,551</b>

### Liabilities to others

EUR thousand	31 Dec 2025	31 Dec 2024
Commercial papers	12,901	7,458
Trade payables	336	47
Accruals and deferred income		
Employee benefit expenses	173	232
Interest liabilities	546	459
Income tax payables	29	28
Other accruals and deferred income	149	63
Accruals and deferred income total	898	782
<b>Total</b>	<b>14,134</b>	<b>8,287</b>
<b>Current liabilities total</b>	<b>81,635</b>	<b>46,838</b>

## 7.14 Commitments and contingent liabilities

EUR thousand	31 Dec 2025	31 Dec 2024
<b>Pledges given on behalf of group companies</b>		
Pledges given on behalf of group companies	23	23
<b>Total</b>	<b>23</b>	<b>23</b>

Musti Group plc has given letter of guarantees for the following group companies: Zoo Support Scandinavia AB, Arken Zoo AB and Arken Zoo Holding AB.

### Signatures of the Board of Directors' Report and the Financial Statements

The financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the companies included in its consolidated financial statements. The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for the financial year ended on 31 December 2025.

The board of directors' report includes a description that gives a truthful picture of the development and results of the business of the company and the group, and a description of the most significant risks and uncertainties as well as other state of the company.

The sustainability statement included in the board of directors' report has been prepared in compliance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act and Article 8 of the Taxonomy Regulation.

Helsinki, 30 March 2026

Cláudia Azevedo

João Dolores

Jeffrey David

Tiina-Liisa Liukkonen

Johan Dettel

Eduardo Piedade

David Rönnerberg  
CEO

### Auditor's note

Our auditor's report has been issued today

Helsinki, 30 March 2026

Ernst & Young Oy  
Authorized Public Accountants

Maria Onniselkä  
Authorized Public Accountant (KHT)

# Auditor's report (Translation of the Finnish original)

## To the Annual General Meeting of Musti Group Plc

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Musti Group Plc (business identity code 2659161-1) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, income statement, 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 Audit Committee.

#### 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. The non-audit services that we have provided have been disclosed in note 2.3 to the consolidated financial statements.

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.

Key Audit Matter	How our audit addressed the Key Audit Matter	Key Audit Matter	How our audit addressed the Key Audit Matter	Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of Goodwill</b> We refer to the notes to the consolidated financial statements 3.1, 3.2 and 3.3.</p> <p>The value of goodwill at the date of the financial statements amounted to 210.6 million euros, representing 43 % of total assets and 125 % of equity.</p> <p>Valuation of goodwill is based on management's estimates about the value-in-use calculations of cash generating units. There are a number of underlying assumptions used to determine the value-in-use of cash generating units, including the development of revenue and profitability as well as the discount rate applied on cash flows.</p> <p>The estimated value-in-use of cash generating units may vary significantly when the underlying assumptions change. Changes in the above-mentioned individual assumptions may result in an impairment of goodwill.</p> <p>The valuation of goodwill was a key audit matter because the assessment process includes judgment, and it is based on assumptions relating to market or economic conditions extending to the future and because the amount of goodwill is significant to the financial statements.</p> <p>Valuation of goodwill was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).</p>	<p>To address the risk of material misstatement regarding the valuation of goodwill our audit procedures included among others:</p> <ul style="list-style-type: none"> <li>• involving EY valuation specialists to assist us in evaluating the methodologies and underlying assumptions applied by management in impairment testing;</li> <li>• comparing the principles applied by management in the impairment tests to the requirements set in the standard IAS 36 Impairment of assets;</li> <li>• ensuring the mathematical accuracy of the impairment calculations;</li> <li>• comparing the key assumptions applied by management in the impairment tests to approved budgets and long-term forecasts, information available in external sources, as well as our independently calculated industry averages for example in the case of the weighted average cost of capital used in discounting cashflows; and</li> <li>• assessing the Group's disclosures in respect of impairment testing.</li> </ul>	<p><b>Revenue Recognition</b> We refer to the Group's accounting policies and the note to the consolidated financial statements 2.1.</p> <p>Musti Group's revenue is mainly generated from sales of products and services in retail stores and online platforms as well as from sales to franchise stores. The Group's net sales amounted to 508.9 million euros.</p> <p>Revenue recognition was a key audit matter due to the high volume of transactions, the management judgement involved in accounting for right of return, and the extensive network of stores. In addition, the Group focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the control of goods or services has transferred to the customer.</p> <p>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>To address the risk of material misstatement regarding revenue recognition our audit procedures included among others:</p> <ul style="list-style-type: none"> <li>• assessing the Group's accounting policies over revenue recognition, including principles relating to right of return accounting in relation to applicable accounting standards;</li> <li>• testing revenue, product returns and margins with data analytics;</li> <li>• testing selected samples of sales transactions by comparing them to payments received;</li> <li>• understanding the sales processes and reconciliation routines for cash and payment card transactions in selected retail stores;</li> <li>• analyzing the timing of revenue recognition of online sales based on delivery lead times;</li> <li>• assessing the Group's disclosures in respect of revenues.</li> </ul>	<p><b>Valuation of inventories</b> We refer to the Group's accounting policies and the note 4.1.</p> <p>The total value of inventories at the date of the financial statements amounted to 77.8 million euros.</p> <p>Musti Group's inventories are valued at the lower of cost or net realizable value. Inventories are presented net of an impairment loss recognized for obsolete and slow-moving inventories.</p> <p>Valuation of inventories was a key audit matter because the carrying value of inventories is material to the financial statements and because the level of obsolescence and loss provisions require management judgment relating to the future sales of the goods.</p>	<p>Our audit procedures included among others:</p> <ul style="list-style-type: none"> <li>• assessing the Group's accounting policies regarding inventories, including compliance with applicable accounting standards;</li> <li>• attending physical stock takings in selected stores, central warehouses and factory in order to, among other things, observe the potential obsolescence of goods;</li> <li>• comparing unit prices of selected inventory items to latest purchase invoices and to sales prices;</li> <li>• testing slow-moving inventory items as well as exceptional values in inventory accounting with data analytics; and</li> <li>• assessing the Group's disclosures in respect of inventory.</li> </ul>

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

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.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 March 29th, 2018, and our appointment represents a total period of uninterrupted engagement of eight years. Musti Group Plc has been a public interest entity (PIE) since February 13th, 2020.

### Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 compliance with the applicable provisions.

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

If, based on the work we have performed 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 30.3.2026

Ernst & Young Oy  
Authorized Public Accountant Firm

Maria Onniselkä  
Authorized Public Accountant

**(Translation of the Finnish original)**

# Independent Auditor's Report on the ESEF Consolidated Financial Statements of Musti Group Plc

## To the Board of Directors of Musti Group Plc

We have performed a reasonable assurance engagement on the financial statements must-2025-12-31-fi.zip of Musti Group Plc (business identity code: 2659161-1) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2025.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

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 ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

## Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

## Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

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

## Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Musti Group Plc must-2025-12-31-fi.zip for the financial year ended 31.12.2025 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Musti Group Plc for the financial year ended 31.12.2025 has been expressed in our auditor's report dated 30.3.2026. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 30.3.2026

Ernst & Young Oy  
Authorized Public Accountant Firm

Maria Onniselkä  
Authorized Public Accountant

(Translation of the Finnish original)

# Assurance report on the sustainability statement

## To the Annual General Meeting of Musti Group Plc

We have performed a limited assurance engagement on the group sustainability statement of Musti Group Plc (business identity code 2659161-1) 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 Musti Group Plc 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 Musti Group Plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the reporting period 1.1.–31.12.2025. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. 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 Musti Group Plc 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 Authorized 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 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 30.3.2026

Ernst & Young Oy  
Authorized Sustainability Audit Firm

Maria Onniselkä  
Authorized Sustainability Auditor



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