



# Fazer Group

# Financial statement release

JANUARY - DECEMBER 2025



# FAZER GROUP JANUARY - DECEMBER 2025: RECORD HIGH NET SALES AND COMPARABLE OPERATING RESULT

Financial information in this release is derived from Fazer Group's consolidated financial statements which are prepared in accordance with IFRS Accounting Standards. The information in this release is unaudited. The figures in brackets refer to the same period previous year unless otherwise stated. Fazer Group's 2025 financial statements will be published in week 11.

## January - December 2025 highlights

- Net sales totalled EUR 1,188.6 million (1,183.1).
- Comparable EBITDA totalled EUR 137.8 million (141.4), or 11.6% (12.0%) of net sales.
- Comparable operating result (EBIT) totalled EUR 77.8 million (75.9), or 6.5% (6.4%) of net sales.
- Operating result (EBIT) totalled EUR -1.0 million (46.0). Operating result includes items affecting comparability EUR -78.8 million (-29.9) mainly relating to Fazer Lifestyle Foods' goodwill impairment of EUR -69.5 million and EUR -4.0 million write-down of xylitol production related machinery and equipment.
- Cash flow from operating activities totalled EUR 127.5 million (110.0).
- Comparable earnings per share totalled 8.46 euro (8.59).

## Key figures

MEUR, or as indicated	2025	2024	Change
Net sales	1,188.6	1,183.1	0%
EBITDA, comparable	137.8	141.4	-3%
EBITDA, comparable %	11.6%	12.0%	
Operating result, comparable	77.8	75.9	3%
Operating result, comparable %	6.5%	6.4%	
Operating result	-1.0	46.0	-
Operating result %	-0.1%	3.9%	
Result for the period	-19.1	34.7	-
Cash flows from operating activities	127.5	110.0	16%
Earnings per share, comparable EUR	8.46	8.59	-1%
Earnings per share, EUR	-2.79	5.07	-
Return on capital employed, %	-0.1%	5.9%	
Return on equity, %	-2.9%	5.1%	

## GUIDANCE FOR 2026

Fazer estimates that its net sales in 2026 will increase and that its comparable EBITDA will improve. Fazer's guidance assumes that Fazer's operating environment will gradually improve.

## MARKET OUTLOOK 2026

Overall consumer demand is expected to be supported by improving purchasing power underpinned by salary increases, moderate inflation and stable labour market outlook. Despite this, value-driven purchasing is expected to continue to influence category dynamics, and private label competition is expected to remain strong. Geopolitical uncertainty remains high, which could potentially impact both input costs and consumer confidence.

The confectionery market is expected to recover after a challenging year, mostly driven by volume growth. The cocoa price pressure and volatility are expected to ease from year 2025.

The bakery market outlook is cautiously optimistic, with stable to moderate growth in all three markets, amid continued competitive pressure, particularly from private label offerings. In Sweden, a reduction in food VAT could further support volume growth.

Despite market volatility and intense competition, Fazer Lifestyle Foods' market conditions are expected to improve somewhat.

## CHRISTOPH VITZTHUM, PRESIDENT AND CEO, FAZER GROUP

In 2025, Fazer made solid progress toward its targets and continued to advance positively across its businesses. Despite the continued challenging market environment, we delivered all-time high net sales and comparable operating result. This was a result of disciplined margin management, increased marketing efforts as well as successful cost reduction measures. Fazer Group's net sales totalled EUR 1,188.6 million (1,183.1) and comparable operating result totalled EUR 77.8 million increasing from the record high EUR 75.9 in the previous year. Fazer's cash flow from operating activities was also strong and totalled EUR 127.5 million (110.0).

Following a demanding first half of the year, with unprecedented cocoa price escalation and strong competition, Fazer Confectionery's volumes picked up at the end of the year, resulting in improving performance and all-time high net sales for the year, totalling EUR 580.6 million (543.1). Our Christmas offering was well received in Finland and Sweden, and thanks to that, in combination with our robust commercial efforts in chocolate tablets, our trajectory in the chocolate category returned to growth. Fazer's jelly range, with seasonal jelly novelties as spearheads performed particularly well in Finland and Sweden. In addition to good performance in Sweden, our chocolate and candy also performed well in Norway and Denmark. Fazer Retail, consisting of Fazer Cafés and Gateau bakery shops, grew significantly in Finland, while performance in Sweden did not meet our expectations.

High competition continued in the bakery markets throughout the year and as a result, Fazer Bakery net sales decreased slightly, and totalled EUR 446.9 million (452.4). Fazer Bakery Finland was disproportionally targeted by the series of spring labour strikes, but for the whole year, the performance was solid, despite the intensifying competition towards the end of the year. Net sales were underpinned by a strong contribution from the Shop-in-Shop (SiS) business, that reached record high net sales during the year and now contributes to almost a third of the Finnish bakery business' net sales. SiS grew consistently across the year on the back of successful seasonal activations, a renewed surplus sales concept, and measured network expansion. Demand for Fazer's packed fresh bread softened somewhat during the year. Fazer Bakery Sweden's net sales remained stable year-on-year. Dark portion and country style bread continued to grow strongly, and demand for toast also returned to growth. Fazer Bakery Baltic's net sales decreased due to continued intense price competition and private label activity in the market as well as the continued impacts of the challenges related to the production transfer from Lithuania to Latvia, particularly affecting rye loaf and sweet product availability.

Fazer Lifestyle Foods' net sales decreased compared to the previous year and totalled EUR 190.5 million (218.5), primarily due to lower B2B sales in our plant-based business. Additionally, growth was sluggish in Cereals, due to clearly lower grain price levels than previous year. Challenges in Plant-Based Drinks

continued, however demand for Fazer Aito Oat Drink Barista grew significantly in Finland, resulting in a strengthened market position in the category. Other notable achievements include the launch of our oat drinks in Germany. Despite our strong focus on improving the performance of Plant-Based Drinks' business, it is clear that it still doesn't meet our expectations. That said, the business has demonstrated resilience through operational efficiency improvements and its strong focus on profitability. The demand for Froosh smoothies was strong in Finland, Sweden and Norway.

During the year we achieved several strategic milestones, but the most significant achievement was the finalisation of the decision to invest approximately EUR 400 million in a new modern chocolate factory in Lahti, Finland. This investment strengthens our foundation for future growth, enabling both domestic expansion and increased international reach. It also reflects our long-term commitment to delivering superior taste, quality and innovation across our categories. The decision was supported by the welcomed withdrawal of the Finnish government's proposal to significantly increase VAT on confectionery.

Strengthening market positions across the Nordics and internationally remains an important priority for Fazer. In Finland, we continue to reinforce our leadership by driving profitable growth across established categories while enhancing our presence in, among others, seasons and gifting. In Sweden, unmet consumer needs create opportunities in key segments where our trusted brands provide competitive advantage. Additionally, the expected halving of the food VAT rate from 12 to 6 percent in April 2026 may also support consumer demand in Sweden. In Central and Eastern Europe, our chocolate and plant-based ranges have been well received, and we see clear potential to scale further as awareness grows. I am very pleased that in 2025, our international expansion has progressed well, in Fazer Confectionery in particular. As we continue on our international growth journey, we are actively



pursuing opportunities to expand not only organically but also through M&A and remain committed to exploring all avenues that enable us to strengthen Fazer's position in both existing and new markets.

Looking ahead to 2026, the cocoa price pressure seems to be easing. Price sensitivity among consumers is expected to remain elevated, but confidence and purchasing power are gradually improving across several markets. Value-driven purchasing continues to influence category dynamics, and

private label competition remains strong. Labour market trends indicate a more stable outlook, although unemployment in Finland remains high. Globally, geopolitical uncertainty remains a concern. Despite these challenges, we enter the year with confidence supported by solid actions taken to reinforce growth and competitiveness, enhance efficiency and position our categories for sustained performance.

## FAZER GROUP'S FINANCIAL PERFORMANCE

### Net sales and profitability

MEUR	2025	2024	Change
Fazer Confectionery	580.6	543.1	7%
Fazer Bakery	446.9	452.4	-1%
Fazer Lifestyle Foods	190.5	218.5	-13%
Other	5.1	5.1	-1%
Group eliminations	-34.6	-36.0	4%
<b>Net sales, total</b>	<b>1,188.6</b>	<b>1,183.1</b>	<b>0%</b>

The Group's net sales for the period totalled EUR 1,188.6 million (1,183.1) and excluding currency effects, net sales remained at previous year level. Fazer Confectionery's net sales totalled EUR 580.6 million (543.1), Fazer Bakery's EUR 446.9 million (452.4), and Fazer Lifestyle Foods' EUR 190.5 million (218.5). Net sales in Finland totalled EUR 740.5 million (740.3) and net sales in Sweden increased by 4% to EUR 285.1 million (274.9). Net sales in other countries totalled EUR 163.0 million (167.9), representing a decrease of 3% year-on-year.

The Group's comparable EBITDA decreased by 3%, mainly due to a significant increase in cocoa cost, and totalled EUR 137.8

million (141.4) or 11.6% (12.0%) of net sales. EBITDA totalled EUR 133.5 million (133.1). Comparable operating result increased by 3% and totalled EUR 77.8 million (75.9) or 6.5% (6.4%) of net sales. The operating result totalled EUR -1.0 million (46.0).

Items affecting comparability in EBITDA for the period totalled EUR -4.4 million (-8.3). Operating result includes items affecting comparability of EUR -78.8 million (-29.9), mainly relating to EUR -69.5 million goodwill impairment of Fazer Lifestyle Foods and EUR 4.0 million write-down of production related machinery and equipment in xylitol factory.

### FINANCIAL ITEMS AND RESULT

	2025	2024	Change
Financial items, MEUR	-2.9	-0.6	-
Income taxes, MEUR	-15.2	-10.7	-41%
Result for the period, MEUR	-19.1	34.7	-
Earnings per share, EUR	-2.79	5.07	-
Earnings per share, comparable EUR	8.46	8.59	-1%

Net financial items for the period amounted to EUR -2.9 million (-0.6), the decrease mainly arising from foreign exchange rate items. The result before taxes decreased to EUR

-3.9 million (45.4) and the result for the period totalled EUR -19.1 million (34.7). Earnings per share totalled -2.79 euro (5.07) and comparable earnings per share 8.46 euro (8.59).

### CASH FLOW, CAPITAL EXPENDITURE AND FINANCIAL POSITION

MEUR, or as indicated	2025	2024	Change
Cash flows from operating activities	127.5	110.0	16%
Capital expenditure	74.6	54.9	36%
Capital employed	652.0	734.1	-11%
Working capital	-2.3	50.7	-
Net debt	13.8	22.4	-38%
Net debt to EBITDA	0.1	0.2	
Gearing ratio, %	2.2 %	3.2 %	
Equity ratio, %	63.2 %	64.9 %	

The Group's cash flows from operating activities for the period totalled 127.5 million (110.0). The increase is mainly arising from improved working capital. The Group's capital expenditure for the period amounted to EUR 74.6 (54.9) million. The increase is mainly arising from the construction of

the new chocolate factory in Lahti, Finland. The negative working capital at the end of 2025 is mainly a result of the fair value of derivatives, which is negative at the year-end. As of 31 December 2025, the Group's cash and cash equivalents amounted to EUR 78.2 (78.9) million. Net debt totalled EUR

13.8 (22.4) million and gearing ratio was 2.2% (3.2%). The consolidated balance sheet total amounted to EUR 986.5 million (1,065.6). The Group's equity ratio was 63.2% (64.9%).

### Investment in new chocolate factory

In July 2025, Fazer announced a EUR 400 million investment in a new chocolate factory in Lahti, Finland with completion targeted for 2028.

## PERSONNEL

### Personnel by business area, end of period

	2025	2024	Change
Fazer Confectionery	1,741	1,664	5%
Fazer Bakery	2,281	2,331	-2%
Fazer Lifestyle Foods	371	444	-16%
Other	300	325	-8%
<b>Total</b>	<b>4,693</b>	<b>4,764</b>	<b>-1%</b>

At the end of December 2025, Fazer Group had 4,693 (4,764) employees in terms of full-time equivalents (FTEs). Of the Group's personnel, 68% worked in Finland, 21% in Sweden and 10% in the Baltics, the Group's three largest markets. During the period January - December 2025, the Group had on average 4,761 FTEs (4,885).

In the beginning of the year, the transfer of the production from the bakery in Kaunas in Lithuania and the consequent consolidation of the Baltic bakery operations to the facility in Ogre in Latvia was completed, supporting the efficiency and competitiveness of Fazer's Baltic operations.

In the summer, the business transfer of Fazer's gurt production from Fazer's Koria factory to Finnish Food Factory was completed. Through the business transfer, 32 permanent employees moved from Koria to Finnish Food Factory as existing employees.

In 2025, the work related to Fazer's xylitol factory continued. Piloting alternative raw materials remains the next critical milestone in Xylitol's route to profitability. Due to delays in the availability of the new raw material, temporary employee layoffs continued.

Due to the weak general economic outlook and changes in consumer behaviour, Fazer conducted change negotiations with consequent re-arrangements in different parts of the organisation during the year.

Fazer's ambition is to further strengthen its employer brand to attract top talent in all key markets and across all key segments. In 2025, Fazer reached a milestone in the Universum survey conducted in Finland, securing a place among the top three ideal employers among business professionals – its best result since 2018. Additionally, Fazer made significant progress

The project is funded through a EUR 280 million green syndicated term loan, a EUR 120 million green long-term lease for the facility, and a EUR 19.5 million in investment aid from Business Finland's clean transition programme.

in the natural sciences category, climbing from 28th position to 7th.

In the Baltics, Fazer's employer branding efforts continued successfully, resulting in the company being recognised as the Top Employer in the Vidzeme region, further strengthening Fazer's reputation as an employer of choice in the Baltics.

Employee well-being as well as diversity and inclusion are central building blocks of Fazer's work to strengthen its employer brand. Diversity is also central to Fazer's recruitment practices.

In addition to other projects that support Fazer's goal of building a results-driven culture, fairness and transparency in compensation are important parts of modern people practices. Throughout the year, Fazer made notable progress in enhancing fair and transparent pay systems, and this focus will remain a priority during 2026.

In 2025, competence development programmes focused on topics such as leadership development, change leadership, Artificial Intelligence (AI), environment, health and safety, as well as artisanal baking.

Within leadership development, Fazer introduced Fazer Leadership Cornerstones as a shared framework to support strategy execution. To strengthen Fazer's capabilities in change management, a ChangeMakers training programme was launched with the aim of sharing best practices in leading change and supporting leaders in implementing and communicating change.

On-the-job learning remains a key cornerstone for employee development at Fazer. Further, job rotation remains central, offering diverse opportunities and broadening perspectives

across the organisation. In 2025, more than half of all white-collar positions were filled with internal candidates.

In 2025, Total Recordable Incident Frequency (TRIF) was introduced as a key safety indicator, with the aim on capturing also minor incidents, acting proactively and promoting a safer workplace for everyone. During the reporting year, Fazer's Lost Time Accident Frequency (LTAF) totalled 2.7 (4.0) while TRIF came to 11.9 (13.4).

As part of the preventive safety actions, a structured process to identify and address potential Significant Incident or Fatality (SIF) cases – serious near-misses or incidents that could have led to severe injury or fatality – was implemented. Further, Fazer launched a Group-wide Health & Safety risk management procedure to standardise how workplace risks are identified, assessed, and mitigated.

## BUSINESS AREAS

### Fazer Confectionery

High cocoa prices continued to challenge the confectionery markets during the majority of the year. The competitive landscape remained intense, with a high level of campaigning, an increasing number of new confectionery concepts and entrants intensifying competition within the sector. In Finland, the chocolate market was soft but picked up towards the end of the year thanks to campaigning. However, Fazer's market share in the category decreased slightly. Fazer performed well in the chocolate market in Sweden and gained market share. The Finnish candy market, as well as Fazer's market share in the category, remained flat. In Sweden on the other hand, the candy market delivered strong volume growth driven mainly by pick & mix. Fazer gained market shares in candy bags thanks to successful novelty launches. In the biscuits market, private label cookies and in-between meals were the growing segments.

Fazer Confectionery posted all-time high net sales, EUR 580.6 million (543.1), a growth of 7% compared to the previous year. Excluding currency effects, net sales increased by 6% with strong growth both in Sweden and internationally. Growth in the Chocolate & Snacking business was mainly driven by price increases, while volumes decreased. Candy performed strongly in Sweden and Denmark where, among others, Tutti Frutti Remix bag was in high demand. Fazer jellies, with seasonal jelly novelties as spearheads, were highly appreciated by consumers. Fazer Retail, consisting of Fazer Cafés and Gateau bakery shops, grew significantly in Finland but fell short of expectations in Sweden.

### Fazer Bakery

The Finnish bakery market was broadly flat in 2025, with growth concentrated in Shop-in-Shops and bake-off while savoury categories were stable to slightly positive and fresh packed bread declined. The most material external disruption was the series of spring labour strikes, where Fazer was disproportionately targeted. Competitive intensity increased as the year progressed. Smaller regional bakeries gained market shares and larger incumbents pressed advantages in core segments notably in dark bread. The end of the year saw a pronounced escalation in retailer price competition and promotional depth, which amplified demand volatility. The Swedish bakery market continued to decline both in terms of volume and value and consumer preferences continued to shift towards smaller product sizes. The Baltic bakery market remained stable in value, whereas it decreased in volume.

However, competition intensified, with aggressive pricing, promotions, and increasing private label focus. Fazer Bakery Baltics maintained a stable market position during the second part of the year, but in total the share decreased year-on-year. This reflects intensified price competition, combined with internal production transfer impacts, particularly affecting rye loaf and sweet product availability.

Fazer Bakery's net sales for the period decreased 1% compared to the previous year and totalled EUR 446.9 million (452.4). Excluding currency effects, net sales decreased by 2%.

Fazer Bakery Finland's performance was solid during the year, despite the slightly negative impact from labour strikes earlier in the year. Shop-in-Shops performed particularly well throughout the year, driven mainly by strong seasonal and renewed surplus concept. Demand for rice pies was good, partially offsetting the subdued demand for fresh bread. In Fazer Bakery Sweden, dark portion and country style breads demonstrated continued growth and toasts returned to growth towards the end of the year, whereas demand for loafs continued to decline. Fazer Bakery Baltics continued to be challenged by the intensified competition, as well as operational issues with production transfer processes from Lithuania to Latvia. In addition to solving these issues, Fazer Bakery Baltics initiated several programmes to renew the product portfolio and enhance efficiency to mitigate the negative impacts of the production transfer.

### Fazer Lifestyle Foods

In 2025, Fazer Lifestyle Foods' operating environment remained challenging, characterised by intensified competition and subdued demand in key categories. In Finland, the plant-based drinks market grew marginally, and Fazer strengthened its position in the category. In the cereals market, competition intensified due to increased capacity and new entrants. The Cereals' B2B market saw intensified pressure on pricing, while in B2C, value declines were observed, although some sub-categories like muesli and granolas showed resilience. Notably, the smoothie category defied the downward trend, registering growth in both Finland and Sweden.

Fazer Lifestyle Foods' net sales decreased 13% compared to the previous year and totalled EUR 190.5 million (218.5). Excluding currency effects, net sales decreased by 14% during 2025. In Plant-Based Drinks, Fazer Aito Oat Drink Barista saw a significant demand upswing, thanks to successful new launches and campaigns. The launch of the Fazer Aito protein drinks during the year was also successful. However, the demand was not enough to support net sales development in the category, which saw a significant decline due to a strong

decrease in B2B sales. During the review period, the launch of Fazer Aito Oat Drinks started in Germany. Meanwhile, the Cereals business experienced a decline year-on-year due to lower B2B volumes. Fruit net sales increased slightly during 2025.

## Other operations

The work related to the ramp-up of Fazer's xylitol factory continues. Piloting alternative raw materials in the beginning of 2026 is the next critical milestone in Xylitol's route to profitability. Due to delays in the availability of the new raw material, temporary employee layoffs continue. Write-downs totalling EUR 4.0 million were made to factory machinery and equipment.

## STRATEGIC DEVELOPMENT

### FAZER GROUP'S STRATEGY IN A NUTSHELL

Building long-term sustainable value with a strong consumer focus.

Fazer's strategic priorities are:

- Drive profitable growth as the #1 FMCG in Finland
- Accelerate profitable growth in Sweden
- Grow internationally with clear priorities
- Accelerate growth through on-trend categories and winning concepts
- Improve productivity and expand margins to industry-leading levels
- Advance and enable a results-focused culture
- Develop food as a solution for a more sustainable business

Fazer's growth strategy is underpinned by in-depth consumer understanding, a solid foundation of beloved brands and products, and strong market positions.

Fazer is committed to strengthening its position as a leading Nordic FMCG company by growing in its home markets, Finland and Sweden, as well as internationally. The company's goal is to leverage its product and brand portfolio by emphasising unique selling points and offering chocolate products and plant-based drinks in the Central and Eastern European markets as well as in Asia, on top of its current Nordic markets. While harnessing the full potential of its core businesses, the company innovates concepts that drive market trends and create consumer demand in new occasions. In addition, Fazer is also actively pursuing opportunities to expand through M&A. Fazer's approach to driving margins to industry-leading levels involves focusing on growth, improving productivity and greater operational efficiency. Fazer nurtures a results-driven culture rooted in accountability and workplace resilience. By investing in people and harmonising practices, Fazer creates a workplace that attracts and retains industry-leading talent. Fazer is committed to building a sustainable business that supports long-term success and a more sustainable food system.

### STRATEGIC ACTIVITIES IN 2025

During 2025, Fazer continued to execute on its growth strategy with a disciplined focus on the priorities set for the year.

- The most important strategic step taken during the year was the company's historical decision to invest in a new, modern chocolate factory in Lahti, Finland. The new factory combines Fazer's chocolate expertise with automated production lines and new technology that

provide new product capabilities to accelerate long-term growth.

- Delivering on its growth strategy, Fazer Confectionery continued to develop its candy, chocolate and snacking offering to further strengthen its position in seasons and gifting, which drove profitable growth in Fazer's home markets Finland and Sweden, and in other Nordic markets. Simultaneously, Confectionery continued to build brand awareness for carefully selected brands in international focus markets.
- Fazer Lifestyle Foods took an important step on its international growth journey by launching the Fazer Aito Oat Drink in Germany. Germany is the largest market in Europe for plant-based products.
- To accelerate growth through on-trend categories and winning concepts, as well as advancing the company's sustainability agenda, Fazer launched a new grain-based Taste the Future candy tablet containing no cocoa and the grain-based Raspberry Dream countline. The Taste the Future concept further encompassed snacking products with Solein®, introduced in the US in the spring, showcasing Fazer's innovation capabilities.
- During the year, Fazer opened altogether five new Fazer Café and Gateau units within its Retail business in Finland and Sweden.

During the year, Fazer advanced several business transformation initiatives to improve efficiency, strengthen its operating model, and support scalable growth.

- Fazer finalised the transfer of its gurt production in Korja to Finnish Food Factory in Kouvola in Finland. Finnish Food Factory's modern production facility and advanced manufacturing methods enable the production of oat-based gurts of even higher quality and extended shelf life, which are crucial for increasing export opportunities.
- The work relating to finding a raw material solution for Fazer's xylitol factory continued. Piloting alternative raw materials in the beginning of 2026 is the next critical milestone on the roadmap.

Throughout 2025, Fazer advanced its supply chain excellence agenda by optimising processes and finding synergies between the businesses.

- To improve efficiency, Fazer centralised the warehouse functions of the Confectionery, Fazer Lifestyle Foods and Xylitol business to one operator in Finland.

- Fazer introduced a new rye bread line in its Lahti bakery in Finland. The new production line significantly reduces energy consumption of the Lahti bakery and the CO<sub>2</sub> emissions of the Group.

During the year, Fazer also took several steps to further improve productivity as well as streamline and automate processes to expand margins to industry-leading levels.

- Fazer made the decision to invest in a new ERP system to modernise its technology platform, increase efficiency and productivity through end-to-end process automation and provide robust support for the new chocolate factory.
- Throughout the year, Fazer continued to advance data- and AI-driven solutions in business and support processes to increase automation and reliability.

During 2025, Fazer advanced key initiatives in organisational development, people management and culture.

- Fazer conducted restructuring arrangements in different parts of the organisation with the aim of ensuring agility and efficiency in face of the challenges in the operating environment.
- The company continued to further develop and build a highly accountable results-focused culture through several initiatives, such as investing in critical skills needed to deliver on Fazer's growth strategy, these including further developing change leadership capabilities, and growing future leaders.

## RESEARCH AND DEVELOPMENT

During the year, Fazer's research and Development strategy was updated and the R&D programme sharpened, focusing on selected topics and technological platforms, as well as Fazer's nutrition agenda. In 2025, the work included among others the development of upcycled and cocoa alternatives, funded by Business Finland. Selected internal projects within grain technologies, optimal sweetness, alternative proteins and fats, and the nutrition agenda were actively progressed. The nutrition agenda includes nutritional aspects of whole grain foods, dietary fibre, plant proteins and dietary shift towards more plant-based foods.

Through Fazer Upcycled R&D programme, the company develops value-added uses for food production side streams to reduce food loss, including exploring non-food applications and cellular agriculture feedstocks. Solutions may include

novel food concepts, new ingredients, or even sustainable non-food applications. The programme aims to find new ways to reduce food loss.

Fazer is actively exploring alternatives to traditional cocoa with fermentation-based chocolate using Nordic grains like rye and oats, and cell-cultured cocoa. As part of a larger consortium with partners and collaborators from Finland and the US, Fazer participated in the National Science Foundation's (NSF) project on Future Food Bioeconomy, with focus on designing new hybrid food ingredients and products combining plant and cellular agriculture ingredients. In 2025, the US consortium partners visited Finland and Fazer. The research activities within the programme have been successful, and Fazer is gradually moving towards commercialisation.

Taste the Future is Fazer's concept for testing and launching products with cocoa alternatives, among others. In 2025, a Taste the Future pilot with Solein protein was introduced in the US. During the year, Fazer's Taste the Future alternative cocoa production, based on a local grain ingredient, was scaled up, and the first commercial product was successfully launched.

Fazer Group's research and development costs amounted to EUR 10.7 million (10.8).

## SUSTAINABILITY

Developing food as a solution for a more sustainable business is one of Fazer's key strategic priorities. The goal is to create and offer sustainable products while considering the supply chain, people, production processes and impacts on the environment and society. Fazer is dedicated to continuous improvement, evolving every aspect of the business to build a more sustainable and resilient future.

Fazer's sustainability journey is grounded in four key sustainability ambitions, highlighting climate and nature, sustainable products and innovations as well as sustainable sourcing as core considerations in its daily operations. Health and safety, as well as the well-being of both Fazer's employees and the people in the value chain are also central to Fazer's sustainability work.

To advance sustainable practices, Fazer cooperates and engages with a vast range of stakeholders from educational and research institutions to farmers and NGOs.

### 2025 HIGHLIGHTS

During 2025, Fazer made good progress in implementing its sustainability agenda.

In terms of Scope 1 and 2 emissions, Fazer made good progress in line with its climate transition plan, achieving a 41% reduction in 2025 compared to its 2020 baseline. Actions related to Scope 1 and 2 emissions reduction included an on-going investment to replace natural gas with electricity in Lappeenranta confectionery factory steam production, taking a new electric line in the Lahti bakery into use, resulting in reducing emissions by 4.3% at Group level, as well as transferring Fazer's gurt production from Korja to Finnish Food Factory.

Fazer's Scope 3 emissions increased by 6% compared to the 2020 baseline. A notable obstacle for evaluating and realising emission reductions in the supply chain has been the limited data to estimate the Scope 3 emission reduction potential. As part of Fazer's commitment to reduce emissions in the value chain, improving data quality remains a key focus area. During the year, Fazer also continued its work to encourage suppliers to commit to the SBTi and set emission targets. Fazer reached its supplier engagement target in 2024, well ahead of the targeted 2025 deadline.

In 2025, Fazer began a granular assessment of how its product portfolio contributes to Scope 3 emissions in 2025, by piloting product-level calculations for 100 SKUs. The pilot offered valuable insights into how product development decisions and origin of the raw materials influence the company's emissions. Building on these findings, Fazer could set targeted goals to reduce product portfolio emissions in selected categories over the coming year. This approach would enable the company to make more informed product formulation choices and drive further reductions in Scope 3 emissions.

In addition to climate impacts, sustainable sourcing practices are essential to prevent loss of biodiversity. Fazer engages with its suppliers on various levels to reduce negative environmental impacts, promoting sustainable and regenerative farming practices to prevent the loss of biodiversity and to conserve habitats. In 2025, Fazer renewed its grain vision programme to support farmers in adopting sustainable farming and working practices, with the goal of improving soil health and productivity and to reduce the emissions from farming.

Food loss reduction remains a firm focus area for Fazer, with a commitment to reduce food loss by 50% by 2030 from the 2020 baseline. In 2025, Fazer reached a 12% reduction in avoidable food loss compared to the previous year and a 24% decrease compared to the 2020 baseline. Food loss reduction is a Group-wide initiative, which is included in the Group's performance-based bonus scheme. Going forward, Fazer continues to explore the increased use of side streams to promote circular solutions and minimise food loss.

Fazer recognises that the choices it makes in the supply chain deeply affect people, communities, and the environment. The company is committed to sourcing materials fairly and sustainably, upholding human rights, and ensuring fair working conditions. Fazer partners with farmers and suppliers who share the company's values, supporting fair trade, local communities, and ethical and sustainable sourcing practices.

Sustainable sourcing practices are key to support people in the value chain. Fazer is committed to responsible business practices, and during 2025 Fazer strengthened alignment with voluntary standards like the OECD Due Diligence Guidance and the UN Guiding Principles on Business and Human Rights. Fazer's farmer programmes, especially in cocoa, remain central to this work.

In 2025, several initiatives supported Fazer's goals to promote people and well-being. Fazer is dedicated to fostering a workplace where everyone feels safe, included and empowered to grow, simultaneously striving to minimise any potential risks to the employees' health and safety. In 2025, the Lost Time Accident Frequency (LTAF) was 2.7 (4.0), whereas Total Recordable Incident Frequency (TRIF) recording also minor incidents, amounted to 11.9 (13.4).

## GOVERNANCE

### DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Oy Karl Fazer Ab's Annual General Meeting was held on 20 March 2025 in Vantaa, Finland. The Annual General Meeting approved a distribution of dividend of 4.00 euro per share. The dividend was paid in one instalment on 27 March 2025.

The Board of Directors was authorised to resolve the purchase of a maximum of 300,000 of the Company's preference shares and ordinary shares, however so that the total maximum amount of purchased shares is 300,000. The purchase of shares can be directed, i.e. it can be done in another ratio than the shareholders' ownership. The purchased shares shall be cancelled. The authorisation is valid until the next Annual General Meeting.

The number of members of the Board was confirmed to eight. The current Board members Casper von Koskull (Chairman), Harry Brouwer, Elisabeth Dreijer von Sydow, Ketil Eriksen, Jan Fazer, Katharina Stenholm and Laura Tarkka were re-elected to the Board of Directors and Hubert Weber was elected as a new member of the Board of Directors.

The Annual General Meeting elected PricewaterhouseCoopers Oy as the company's auditor with Martin Grandell, Authorised Public Accountant, as the principal auditor.

### FAZER LEADERSHIP TEAM

There have been no changes to the Fazer Leadership Team during the reporting period. On 31 December 2025, the Fazer Leadership Team consisted of Christoph Vitzthum (President and CEO), Aaron Barsness (CMO), Jukka Erlund (CFO), Jenni Gallagher (CHRO), Sebastian Jägerhorn (Legal & Compliance), Joséphine Mickwitz (Communications & Sustainability), Lara Saulo (MD, Fazer Confectionery), Tero Tynkkynen (CCO) and Krister Zackari (MD, Fazer Lifestyle Foods).

### SHORT-TERM RISKS AND UNCERTAINTIES

The risk related to the availability, price and the price fluctuation of Fazer's key raw material, cocoa, remain high although it has eased somewhat. Availability is currently good, and prices have decreased. Fazer Confectionery has taken several actions to mitigate the risk, including hedging cocoa price risk, changing product prices, exploring alternative geographies for cocoa supplies and making product portfolio, recipe and ingredient changes. Mitigating activities and monitoring the development closely remain top priorities of management. Fazer hedges against cocoa and other commodity price fluctuations according to approved hedging policies.

The plant-based drinks market has continued challenging throughout the year, amid intense competition that has impacted Fazer's B2B Plant-Based Drinks business, in particular. Fazer has taken several successful steps to address the issue, resulting in several new B2B contracts. Should the company however fail to acquire further new B2B customers at the pace needed, it could have an impact on Fazer's growth and profitability. Fazer is focusing strongly on building demand, through new customers and product categories as well as marketing efforts.

The ramp up of Fazer's xylitol factory has been more challenging than anticipated. Piloting alternative raw materials is the next critical milestone in Xylitol's route to profitability. There have been delays in the availability of wood-based raw material to pilot, and further delays could have a negative impact on Fazer's performance.

During the past year, all Fazer's markets have been volatile and competition from private labels and branded products has been intense. Several international players have entered the confectionery markets, and in the Finnish bakery market, Fazer's biggest bakery market, smaller bakeries have expanded their presence. At the same time, high input prices have clearly impacted consumer price sensitivity and preferences. To mitigate these impacts, Fazer is continuously monitoring the situation, adapting its offering and pricing as well as marketing and campaigning in close dialogue with its customers.

Fazer's operations, products and services rely largely on data networks, software and digital solutions. Any failures and cybersecurity breaches in such networks or ICT infrastructure may adversely affect Fazer's business and financial position and lead to reputational damage.

The geopolitical tensions could lead to energy shortages and delays in the transportation of critical raw and packaging materials in the Baltic Sea area, in particular. This could affect Fazer's production schedules negatively and significantly impact the company's operational efficiency, production capacity, and overall business continuity. Mitigation activities include, among others, scenario planning, increasing inventory levels and identifying alternative suppliers.

## EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the end of the reporting period.

Vantaa, 23 February 2026  
Oy Karl Fazer Ab  
Board of Directors



[fazergroup.com](http://fazergroup.com)