

20 25

ANNUAL REPORT



Rapala[®]
VMC



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PRESIDENT AND CEO'S REVIEW

President and CEO Cyrille Viellard: "Rapala VMC confirms its long term trajectory and recovery path increasing comparable operating profit by 35% at 8.4 MEUR (6.2) and improving its financing conditions in the midst of highly disrupted international trade. A big thanks to all our global team members for their dedication and commitment that have led to improve our fundamentals and embarked enthusiastically in our brand driven strategy for long term sustainable success. Cashflow from operations stands at 5.5 MEUR (23.4) impacted in the second half by inventory value increases from tariffs as well as seasonal overall larger working capital needs from stronger North American winter fishing. Cashflow remains number one priority. One-off non-cash reclassifications of translation adjustments following final liquidations of both Indonesian and Russian lure factories impact significantly 2025 operating profits increasing gap to 2024 which, on the other hand, benefited from one-off financial decision to sell and lease back Canadian warehouse facilities. Rapala VMC is today more focused, leaner and stronger.

Rapala VMC strategy is built on long term brand building through ownership, innovation and excellence in marketing, best in class operations and customer service as well as solid supplier partnerships. Rapala VMC will continue to streamline its operations, reduce its breakeven point and invest in innovation. Brand driven strategy implementation is going according to plan. Management teams of core brands are set up with passionate and expert team members focused on their individual market segments. Strategies have been defined and action plans are in place.

In the midst of overall market uncertainties in leisure activities following continued trade war and high intensity conflicts in Europe and the Middle East, we are operationally and strategically aligned to build a stronger business and in 2026, our efforts to improve our fundamentals gives us confidence. 2026 is an important milestone as we celebrate the 90 years of our flagship Rapala brand."



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REPORT OF THE BOARD OF DIRECTORS

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REPORT OF THE BOARD OF DIRECTORS

MARKET ENVIRONMENT

In 2025, the operating environment remained unpredictable and varied significantly across regions. The North American market proved resilient despite tariff-related disruptions, with consumer spending and retail activity holding up throughout the year despite related price increases. In contrast, in Europe and Asia, global trade disputes weighed on consumer sentiment and spending remained subdued.

KEY FIGURES

EUR million	2025	2024	2023
Net sales	227.5	220.9	221.6
Operating profit before depreciation and impairments (EBITDA)	15.9	21.1	15.6
Operating profit	4.2	8.6	4.0
as a percentage of net sales, %	1.9	3.9	1.8
Comparable operating profit	8.4	6.2	5.6
as a percentage of net sales, %	3.7	2.8	2.5
Profit before taxes	-4.4	0.5	-6.7
Net profit/(loss) for the period	-4.9	0.4	-7.3
Earnings per share	-0.23	-0.07	-0.20
Wages and salaries	49.1	49.8	48.3
Average number of personnel, persons	1 408	1 353	1 436
Research and development expenses	1.1	1.0	0.8
as a percentage of net sales, %	0.5	0.4	0.4
Net cash generated from operating activities	5.5	23.4	20.6
Total net cash used in investing activities	-2.7	4.6	-9.5
Net interest-bearing debt at the end of the period	72.9	61.8	80.9
Equity-to-assets ratio at the end of the period, %	49.3	53.0	52.1
Debt-to-equity ratio (gearing) at the end of the period, %	53.5	39.8	51.8
Return on equity, %	-3.4	0.3	-5.0

BUSINESS REVIEW JANUARY-DECEMBER 2025

The Group's net sales for the year were 3% above the comparison period with reported translation exchange rates. With comparable translation exchange rates, net sales were organically up by 6% from the comparison period.

North America

Sales in North America increased by 10% from the comparison period with reported translation exchange rates and increased by 14% with comparable translation exchange rates.

Two consecutive strong ice fishing seasons supported both early-year replenishment sales of winter products and load-in orders in the latter part of the year. Sales growth was further driven by the successful launch of the new 13 Fishing product range, the continued strong performance of CrushCity soft plastic lures together with VMC hooks and rigs, and solid momentum across all key brands.

Nordic

Sales in the Nordic market decreased by 9% from the comparison period. With comparable translation exchange rates sales were down by 9%.

Exceptionally low sales of winter sports equipment had a significant impact on the region's performance. This was primarily due to poor snow conditions in Finland during the 2024/2025 season, which led to exceptionally weak replenishment sales in the first half of the year. Combined with subdued consumer confidence, this resulted in lower shipments in the second half of the year for the 2025/2026 season.

On a positive note, earlier organizational changes in the summer fishing business delivered encouraging results. Product availability remained strong, and most key brands recorded increased sales.

Although the summer season started somewhat later than usual, replenishment sales remained resilient almost until the end of the reporting period.

EXTERNAL NET SALES BY AREA

EUR million	2025	2024	Change %	Comparable change %
North America	122.8	111.9	+10 %	+14 %
Nordic	23.4	25.8	-9 %	-9 %
Rest of Europe	56.2	58.4	-4 %	-4 %
Rest of the World	25.0	24.8	+1 %	+6 %
Total	227.5	220.9	+3 %	+6 %



- North America 54%
- Nordic 10%
- Rest of Europe 25%
- Rest of the World 11%

Rest of Europe

Sales in the Rest of Europe market decreased by 4% from the comparison period. With comparable translation exchange rates sales were down by 4% from the previous year.

Sales at the beginning of the year were negatively impacted by retailer carryover inventory from the previous season. Consumer activity remained subdued, and retailers continued to exercise extreme caution with replenishment orders. Focus remained on core brands, with the Okuma brand continuing its growth trajectory as a key highlight.

Rest of the World

With reported translation exchange rates, sales in the Rest of the World market increased by 1% from the comparison period. With comparable translation exchange rates, sales increased by 6% compared to the previous year.

Sales in the Asian markets declined as ongoing global trade disputes continued to weigh on consumer sentiment and drive foreign exchange volatility. The competitive landscape also evolved amid tariff tensions, with Asian fishing equipment manufacturers increasing their investments in domestic markets and emerging as stronger local competitors.

In contrast, Latin American markets performed well, supported by economic recovery and currency stability in key countries. Growth was partly driven by the new Okuma distributorship in Chile.

FINANCIAL RESULTS AND PROFITABILITY

Comparable (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) operating profit increased by 2.2 MEUR from the comparison period. Reported operating profit decreased by 4.5 MEUR from the previous year and the items affecting comparability had a negative impact of 4.2 MEUR (2.4) on reported operating profit.

Comparable operating profit margin was 3.7% (2.8) for the year. The improved profitability was primarily driven by increased sales in both the winter fishing and open-water markets, and these together outweighed the low sales of the weather-sensitive winter sports business. While tariffs had a negative impact on the cost base, carefully planned price adjustments and cooperation with key vendors helped to reduce the negative impact to sales margin.

Reported operating profit margin was 1.9% (3.9) for the year. Reported operating profit included impact of mark-to-market valuation of operative currency derivatives of 0.6 MEUR (-0.7). Net loss of other items affecting comparability included in the reported operating profit were -4.8 MEUR (3.1). The majority of the amount relates to a non-cash foreign currency translation loss arising from the closure of the Batam lure manufacturing operation and the Russian manufacturing operation. These translation losses were previously recognized directly in equity and, therefore, their recycling through the income statement does not impact the capital structure ratios. The items also include a gain on the disposal of real estate in Finland. The prior-year gain relates to the sale-and-leaseback transaction of the Canadian real estate.

Total financial (net) expenses were 8.6 MEUR (8.1) for the year. Net interest and other financing expenses were 6.9 MEUR (8.8) and (net) foreign exchange expenses were 1.7 MEUR (0.7).

Net profit for the year decreased by 5.4 MEUR and was -4.9 MEUR (0.4) and earnings per share was -0.23 EUR (-0.07).

BRIDGE CALCULATION OF COMPARABLE OPERATING PROFIT

EUR million	2025	2024	Change %
Operating profit	4.2	8.6	-51%
Items affecting comparability			
Mark-to-market valuations of operative currency derivatives	-0.6	0.7	
Other items affecting comparability			
Sale of real estate in Finland	-0.5	-	
US restructuring	0.1	0.7	
Canada sales and leaseback		-6.2	
Currency translation loss from closing Russian manufacturing subsidiary	0.5		
Currency translation loss from closing Indonesian manufacturing subsidiary	4.3		
Organizational restructurings	0.3	2.2	
Other restructurings	0.0	0.1	
Comparable operating profit	8.4	6.2	+35%

FINANCIAL POSITION

Cash flow from operations decreased by 17.9 MEUR from the comparison period and was 5.5 MEUR (23.4). A significant portion of the negative impact relates to inventory, as higher tariffs were absorbed into inventory values. Excluding the working capital impact, cash flow from operations improved from the previous year and amounted to EUR 11.9 million (EUR 3.7 million). Maintaining a strong focus on cash flow remains a key priority for the Group.

End of the year inventory was 84.4 MEUR (84.2). The change in obsolescence allowance decreased inventory value by 0.1 MEUR, and changes in translation exchange rates decreased inventory value by 4.2 MEUR. Organic growth in inventory was 4.3 MEUR. Most of the increase is attributable to U.S. tariffs, which have been absorbed into inventory values.

Net cash used in investing activities was 2.7 MEUR (generated 4.6). Capital expenditure was 4.3 MEUR (4.2) and disposals 1.6 MEUR (9.2). Expenditure consisted mainly of maintenance of manufacturing capacity and investments in new products. Disposals include proceeds from the sale of real estate in Finland and disposals of ice auger manufacturing machinery. Prior year disposals include proceeds from the sale and lease back of the Canadian real estate.

Liquidity position of the Group was good. Undrawn committed long-term credit facilities amounted to 23.8 MEUR and commercial papers sold under the Group's domestic commercial paper program amounted to 15.0 MEUR (14.0) at the end of the reporting period. Gearing ratio increased and equity-to-assets ratio decreased from last year.

The Group's 91.5 MEUR senior secured term and revolving credit facilities agreement includes financial covenants based on the net debt to EBITDA ratio ("leverage ratio"), the ratio of net debt to consolidated equity and the minimum liquidity.

The financial leverage ratio covenant level for periods Q4/2025 to Q2/2026 is 3.80, for periods Q3/2026 to Q4/2027 3.50 and from Q1/2028 onwards 3.20. Covenants are regularly tested, either quarterly or on the last day of each month. The risk of breaching the covenants would trigger negotiations between the Group and lending banks to resolve the potential covenant breach, and to agree on actions to rectify the situation. In the unlikely event of unresolved covenant breach, the lending banks would have the right to call all or any part of the loans and related interest.

On Q3/2025 and Q4/2025 testing dates, the leverage ratio landed at 2.93 and 3.61. Calculation of the covenants include customary ad-

justments mainly related to items affecting comparability and asset disposals and therefore deviate from the reported figures elsewhere in this report. The Group is currently compliant with all financial covenants and expects to comply with future bank requirements as well. The Group's liquidity position remains good, and cash and cash equivalents amounted to 18.2 MEUR on December 31, 2025.

The Group equity includes a hybrid capital bond of 25.0 MEUR issued in November 2025. The accumulated non-recognized interest at the reporting date was 0.2 MEUR. The accrued interest of 3.8 MEUR relating to the repaid 30 MEUR hybrid capital bond was paid out in November 2025 and was recognized as a deduction from the Group's equity.

For more information on refinancing and hybrid bond, see sections 'Refinancing', 'Issuance of hybrid capital securities' and 'tendering of hybrid capital securities and clean-up call'.

The parent company has not granted any monetary loans or other commitments to related parties. Information regarding loans granted by the parent company to its subsidiaries, as well as liabilities owed by the parent company to its subsidiaries, is presented in notes 15 and 17 to the parent company's financial statements.

KEY FIGURES

EUR million	2025	2024	Change %
Net cash generated from operating activities	5.5	23.4	-77 %
Net interest-bearing debt at the end of the period	72.9	61.8	18 %
Debt-to-equity ratio (gearing) at the end of the period, %	53.5	39.8	34 %
Equity-to-assets ratio at the end of the period, %	49.3	53.0	-7 %

REFINANCING

In December 2025, the Group agreed on the final terms of a new financing agreement for 91.5 MEUR senior secured term and revolving facilities with Nordea Bank Abp, OP Corporate Bank plc and Skandinaviska Enskilda Banken AB (publ) for the purposes of refinancing the Group's existing loan facilities with the lenders and for general corporate and working capital purposes. The term of the facilities is twenty-four (24) months from the signing of the facilities agreement relating to the refinancing, subject to an extension option of eight (8) months.

Pursuant to the key terms of the refinancing agreed upon with the lenders, the completion of the issuance of the new 25 MEUR hybrid capital bond and the completion of the tender offer of the 30 MEUR hybrid capital bond was a precondition for the refinancing. The facilities agreement relating to the refinancing was executed following the completion of aforementioned capital market transactions.

The terms of the refinancing include financial covenants based on the leverage ratio, the ratio of net debt to consolidated equity and the minimum liquidity. Financial covenants are regularly tested quarterly or monthly, as applicable.

ISSUANCE OF HYBRID CAPITAL SECURITIES

On November 19, 2025, the Group announced the issuance of hybrid capital securities in the aggregate amount of 25.0 MEUR. The bond bears a fixed coupon interest of 9.0% per annum until November 27, 2028 (the "Reset Date") and, from the Reset Date, a floating interest rate as defined in the terms and conditions of the capital securities. The hybrid bond does not have a specified maturity date, but the Group is entitled to redeem the bond at their nominal amount on the Reset Date, and subsequently, on each interest payment date thereafter. The issue date for the capital securities was November 27, 2025.

The Group's largest shareholder, Viellard Migeon Et Compagnie Sa was committed to participate in the issue of the capital securities by

rolling its existing holding in the 30.0 MEUR hybrid in an amount of 7.2 MEUR into the issue of the 25.0 MEUR capital securities. Due to strong interest from existing and new investors and high book oversubscription, Viellard Migeon Et Compagnie Sa participated in the issue by subscribing for the capital securities in an amount of 3.1 MEUR.

The capital securities are subordinated to the Group's other debt obligations and treated as equity in the consolidated financial statements prepared in accordance with the IFRS. The capital securities do not confer to its holders the rights of a shareholder and do not dilute the holdings of the current shareholders.

The proceeds from the issue of the capital securities were used for the refinancing of the 30.0 MEUR hybrid capital securities issued by the Group on November 29, 2023 and general corporate purposes.

TENDERING OF HYBRID CAPITAL SECURITIES AND CLEAN-UP CALL

On November 24th, 2025, the Group announced the final results of the invitation to tender for cash the 30.0 MEUR hybrid capital securities. The aggregate principal amount validly tendered for purchase was 28.5 MEUR.

The Group confirmed that the condition relating to the pricing of the new 25.0 MEUR capital securities were fulfilled and accepted for purchase all tenders of the 30.0 MEUR capital securities.

The purchase price of the existing capital securities was EUR 20,700 per EUR 20,000 in principal amount. Accrued and unpaid interest was paid in respect of all capital securities accepted for purchase. The settlement date for the tender offer was November 27th, 2025. All the existing capital securities purchased by the Group were cancelled.

The Group's largest shareholder, Viellard Migeon Et Compagnie Sa, participated in the tender offer by tendering its holding in the existing capital securities in the amount of 7.2 MEUR.

On November 27th, the Group announced that the remaining capital securities not purchased pursuant to the tender offer will be redeemed

for 101% of the nominal value, together with accrued but unpaid interest, on December 12th, 2025.

STRATEGY IMPLEMENTATION

The strategic vision of the Group is to become a focused brand and innovation driven sport fishing market leader in selected categories globally in connection to creating outstanding experiences to global fishermen. The strategic plan was reviewed as part of the strategy update process in autumn 2025, adapted to reflect changes in the market environment, and updated to cover the period 2026–2028.

Focus remains in strengthening the balance sheet and in continuous increase of sales of owned brands, led by the flagship Rapala brand. Transformation into a brand powerhouse continues through building and enhancing a brand and market focused organization. A brand powerhouse with best-in-class order to delivery platform will ensure our position as a preferred partner for our retail and eCom partners. Manufacturing and sourcing excellence will continue to underpin our operations and strengthen our partnerships with key suppliers. Sustainability remains a significant cornerstone in everything we do.

The key pillars for our 2026-2028 strategy:

RAPALA VMC EXCELLENCE BUSINESS MODEL – We commit to standardize our global operations in a way that increases visibility and allows our global operations to run in a synchronized manner. Connecting all core management processes is a key in exploring and grasping on to opportunities in the market. Allowing entrepreneurial spirit while maintaining focus on brand value and strong business accountability. Target setting oriented organization with routine processes is the best way to emulate a community of 1373 team members to innovate, make, source, market in the best possible way.

GROWTH AND CASH FLOW – Maximizing the use of existing assets that make us unique: Brands, sales network and retailer partnerships, product development and manufacturing. Extend flagship Rapala brand

in new categories and realize distribution synergies on newest brands in the portfolio (Okuma & 13 Fishing). Be stronger where we are strong.

SAFEGUARD MANUFACTURING COMPETITIVE ADVANTAGE – We continue streamlining and improving productivity in Pärnu manufacturing facility following location changes in past years. Ensuring global competitiveness through productivity improvements and continuous maximum utilization is our focus.

FOCUS ON SUPPLY CHAIN EXCELLENCE – More than a third of our revenue comes from manufacturing partners, highlighting a key strategic strength. These partners have a long-standing track record of providing a reliable outsourced manufacturing platform, enabling us to scale efficiently, enhance flexibility, and drive sustainable growth. Their expertise plays a crucial role in our success.

We continue to harmonize ERPs and expand procurement planning tool (Anaplan) vertically and horizontally. This enables faster working capital turn and on-time deliveries to maximize sales opportunities.

MAINTAIN GLOBAL SALES FOOTPRINT – Our extended sales network differentiates us from the competition. In the short-term, focus on operational efficiency and on bringing back the entrepreneurial spirit.

PORTFOLIO MANAGEMENT – Continue proactive consolidation of brands to harmonize brand portfolio. Focus on flagship Rapala brand and evaluate business performance based on brand sales.

PRODUCT DEVELOPMENT

The Group's innovation pipeline received global acknowledgement in key global trade shows. Countdown Magnum Elite 145 won Best New

Saltwater Hardbait and Claptail 110 won Best New Freshwater Hardbait category at the world's largest industry trade show, ICAST, in the US.

These wins marked an important comeback as similar industry recognition hadn't been received in the past few years. They paved the way for great commercial success of Claptail, which is a truly innovative topwater lure and a new Rapala staple for anglers.

Other important new hardbaits included Gold Miner 30, which is a robust, yet a technical trolling lure for the walleye and zander markets. This trolling workhorse was received very well also outside of North America and found its way to zander anglers' arsenal in North Europe.

The Group also won The Best New Soft Lure category in the Australian AFTA trade show with an innovative TPE crab called Trickster. In the US the 2024 tournament wins by Jacob Wheeler and Dustin Connell continued to carry CrushCity Mooch Minnow sales also in 2025. This versatile TPE bait works perfectly for the forward-facing sonar applications.

One of the Group's key strengths is its surface coating expertise, enabling the development of new, distinctive colors each year. Some of 2025 highlights were the new color patterns launched in Super Shadow Rap Glide lures that also featured premium painted VMC hooks. The bond between Rapala and VMC brands became even stronger with the introduction of new pre-rigged pike softbaits that combine innovative soft lure designs with premium VMC rigs and Mustache action heads. The new items were equally well received by both the consumers and the dealers.

Rapala accessories had an exciting year with introductions of new packages that are reducing the use of plastic material. Additionally, the launch of new Countdown and Hydro bags continued the rejuvenation of Rapala accessories as well as positively contributed to Q4 sales in Europe.

ICAST 2024 Best in Category winner Sufix Revolve braided line has been a huge PD launch for US in 2025 with support from independent dealers as well as national big box chains. The innovative line is optimized for finesse fishing techniques by maintaining ultra-fine diameters for longer casts and a body structure that reduces wind knots. The PD team worked hand in hand with Jacob Wheeler on Revolve and it's been on all his spinning reels this tournament season.

The Group's product development pipeline remains strong and strategically aligned for the next three years. Feedback from key retail partners confirms that our new product introductions are among the most compelling in the industry, with our brands continuing to demonstrate exceptional momentum. Supported by world-class marketing efforts, our latest launches are achieving strong sell-through rates, ensuring that our core consumers continue to enjoy successful and innovative fishing experiences with our products.

ORGANIZATION AND PERSONNEL

The average number of personnel was 1 408 (1 353) for the full year and 1 404 (1 355) for the last six months. At the end of December, the number of personnel was 1 373 (1 375).

On December 17, 2024, the Board of Directors appointed Cyrille Vielard as the new President and Chief Executive Officer of Rapala VMC Corporation, effective March 7th, 2025. Former President and Chief Executive officer Lars Ollberg continued in his position until March 6, 2025, and then retired after serving the company for over 45 years in various roles.

On October 15, 2025, Travis Tuma was appointed as a member of the Global Management Team. Tuma joined Rapala VMC USA with strong industry experience in 2006 as Sales Manager. He became member of the US Senior Leadership Team in 2022 as Vice President of Sales. He will take on the role of Rapala VMC USA President effective January 1st, 2026, as current President Marcus Twidale returns to Europe to take on a new role as head of Rapala Brand and Group Strategic Brand Management. Tuma will continue to lead US sales as part of the Rapala VMC USA Senior Leadership Team.

During the year, the Group continued its journey of organizational stabilization under the leadership of the new President and CEO, following the organizational changes in prior periods. Efforts also progressed in standardizing global operations and enhancing transparency, enabling more synchronized and efficient execution across markets.

DECISIONS OF THE ANNUAL GENERAL MEETING

The AGM approved the Board of Director's proposal, according to which no dividend be paid based on the adopted balance sheet for the financial year 2024. The AGM approved that the Board of Directors consists of six members. Emmanuel Viellard, Julia Aubertin, Vesa Luhtanen, Alexander Rosenlew, Pascal Lebard and Johan Berg were re-elected as member of the Board of Directors. The AGM resolved that the annual fee paid to each Board member is EUR 25,000 and EUR 70,000 to the Chairman of the Board. Board members are paid EUR 1,000 per meeting for attendance at meetings of the Board and its committee.

At its organizational meeting, the Board of Directors elected Alexander Rosenlew as Chair of the Board.

Authorised Public Accountants Firm Deloitte Ltd was elected as the Company's auditor. Deloitte Ltd will also carry out the assurance of

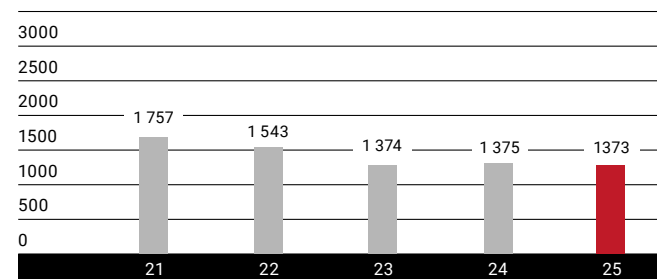
the company's sustainability reporting for the financial year 2025 in accordance with the transitional provision of the act amending the Limited Liability Companies Act (1252/2023) and will be imbursed for this task as per its invoice approved by the company.

The AGM authorised the Board of Directors to resolve in accordance with the proposal of the Board of Directors on the issuance of a maximum of 3,900,000 shares through a share issue or by issuing options and other special rights entitling to shares pursuant to chapter 10, section 1 of the Finnish Limited Liability Companies Act in one or several tranches. The proposed maximum number of shares corresponds to 10% of all shares in the Company. The authorisation can also be used for incentive arrangements for the Company's management and key persons, however, no more than 900,000 shares in total may be granted for this purpose. The authorisation covers both the issuance of new shares and the transfer of treasury shares held by the Company, and the issuance may be carried out with or without payment. Under the authorisation, the Board of Directors may issue shares or options and other special rights entitling to shares also otherwise than in proportion to the shareholdings of the shareholders (directed share issue). The Board of Directors is entitled to resolve on all terms and conditions of share issues and the issue of option rights and other special rights entitling to shares. The authorisation is valid until 30 June 2026.

The AGM authorised the Board of Directors to resolve in accordance with the proposal of the Board of Directors to repurchase a maximum of 2,000,000 the Company's own shares by using the Company's unrestricted equity in one or several tranches. The proposed maximum number of shares corresponds to approximately 5.13% of the Company's total number of shares. The shares may be repurchased for developing the Company's capital structure, for financing or carrying out potential corporate acquisitions or other business arrangements, to be used as a part of the Company's remuneration or incentive plan

or to be otherwise transferred further or cancelled, for example. The shares may be repurchased otherwise than in proportion to the existing shareholdings of the Company as directed repurchases at the market price of the shares quoted on the trading venues where the Company's shares are traded or at the price otherwise established on the market at the time of the repurchase. The authorisation is valid until 30 June 2026.

PERSONNEL AT THE END OF THE PERIOD, person



GOVERNANCE AND SHARE INFORMATION

The Board updated and approved the Corporate Governance Statement that is available on corporate website. For information on shares, shareholders, share-based payment programs and Board's authorizations, see the section 'Shares and shareholders'. Related party transactions and top management remuneration are disclosed in the note 27 and in separate remuneration report available in the company website.

SHORT-TERM OUTLOOK AND RISKS

We believe that our renewed strategy will provide added value to our customers and other stakeholders. We will continue to invest in growth and efficiency to strengthen our position as one of the leading companies in the fishing tackle market.

North American consumer demand has remained robust despite uncertainties in the global trade environment. Our actions to mitigate the tariff impact on sales and profitability have so far been successful. However, the effects of price increases on consumer behavior are difficult to predict and therefore create uncertainty. The ongoing tariff situation continues to reduce visibility and poses challenges in driving sales and maintaining profitability.

European markets have experienced slower consumer spending following the recent economic and political developments, and this trend is expected to continue in 2026. We will continue to enhance operational efficiency and scrutinize our cost base to lower the breakeven point.

Pre-sales for the upcoming 2026/2027 winter fishing season have progressed in line with expectations in the North American market. In the Nordics, the winter fishing market is expected to remain at the prior year level.

Our guidance reflects current market conditions but remains subject to potential trade-related disruptions, including tariffs and regulatory changes, which may impact demand and cost structures.

Consequently, the Group expects 2026 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to increase from 2025. Short-term risks and uncertainties and the seasonality of the business are described in more detail at the end of this report.

PROPOSAL FOR PROFIT DISTRIBUTION

The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for 2025. At December 31, 2025 the distributable equity in Group's parent company totaled 14.1 MEUR. No dividend was paid for 2024.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are disclosed in the note 30 of the consolidated financial statement.



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SUSTAINABILITY STATEMENT

General information

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BASIS FOR PREPARATION

General basis for preparation of Sustainability Statement (BP-1)

The sustainability statement has been prepared in accordance with the European Union's Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS).

The consolidated sustainability statement covers the entire Group, including the parent company, Rapala VMC Oyj, and all subsidiaries in which the Group holds more than 50% of voting rights, either directly or indirectly. Published annually, the sustainability statement aligns with the Group's financial reporting period, spanning from 1 January 2025 to 31 December 2025. The scope of the sustainability statement is consistent with that of the financial statements.

The reporting predominantly addresses Rapala VMC at the Group level, with region- or country-specific data provided where required by relevant European Sustainability Reporting Standards ("ESRS"). Comparative period data in the Sustainability Statement has been externally assured by the assurance provider. If not separately disclosed, disclosures in this sustainability statement have not been assured by any other external body than the assurance provider.

The sustainability statement of Rapala VMC covers the upstream and downstream value chain in relation to material impacts, risks and opportunities identified through the DMA. Upstream reporting further addresses key areas such as material use, sustainable sourcing practices, and supplier compliance with the Group's Supplier Code of Conduct. In the downstream value chain, the sustainability statement includes emissions associated with transportation and distribution of products as well as the end-of-life treatment of product packaging. GHG emissions report-

ing aligns with the Greenhouse Gas Protocol and includes all assessed and identified relevant emission sources based on the Group's value chain mapping. This mapping process identified the most significant emission sources, and the calculation currently covers over 95% of the Group's operations.

The statement doesn't omit specific pieces of information corresponding to intellectual property, know-how or results of innovation. Option to omit disclosure of impending developments or matters in course of negotiation has not been used. The sustainability statement is not tagged with digital XBRL sustainability tags, as compliance with Chapter 7, Section 22, Paragraph 1, Clause 2 of the Accounting Act has not been possible due to the absence of the ESEF regulation or other relevant European Union legislation.

Disclosures in relation to specific circumstances (BP-2)

The double materiality process has been guided by the requirements of ESRS, ensuring alignment with its time horizon standards. This approach enables a forward-looking perspective that accounts for both immediate and long-term impacts, risks, and opportunities. In the current reporting period, the Group has aligned the time horizons applied in its strategic and sustainability risk mapping processes with the ESRS standards, defining the short term (current reporting period), medium term (1–5 years), and long term (+5 years). This represents a change from the previous reporting period, in which the time horizons were defined as short term (1–3 years), medium term (3–10 years), and long term (10+ years).

Rapala VMC's quantitative sustainability metrics are subject to significant measurement uncertainty, primarily stemming from the use of

spend-based calculation methods in Scope 3.1 (Purchased Goods and Services) and Scope 3.2 (Capital Goods) and estimates in Scope 3.12 (End-of-life Treatment of products). Spend-based calculations rely on generic emission factors and ERP-derived spend data, which do not fully reflect the detailed characteristics of the Group's supply chain. This increases inaccuracy and may result in double counting (e.g., for transportation). Calculations in Scope 3.12 rely on average estimates due to the absence of a centralized database for packaging materials and weights, limiting precision. Only Scope 3.1 is material in size, while both Scope 3.2 and Scope 3.12 each account for less than 1% of total emissions. In addition, forward-looking assessments of impacts, risks, and opportunities involve uncertainty as methodologies, data quality, and external factors continue to evolve. Detailed descriptions of the calculation methods and their application are provided in section "Methodologies and assumptions used to measure GHG emissions".

In the reporting period, several factors contributed to changes in reported sustainability metrics compared to the previous year. The most significant changes relate to improvements in energy sourcing, operational adjustments, and changes in logistics patterns. The transition to renewable energy sources in certain locations, including district heating and electricity procurement, reduced fossil energy consumption and related emissions. In addition, lower production volumes and temporary downtime at selected manufacturing sites decreased energy and material use. A significant reduction in greenhouse gas emissions was driven by decreased use of air freight, although year-on-year comparability is partially affected by updates in emission factors applied to logistics. Changes in resource use and circularity indicators are also influenced by improvements in data quality and coverage.

GOVERNANCE

The role of the administrative, management and supervisory bodies (GOV-1)

Composition and diversity of the members of the undertaking's administrative, management and supervisory bodies

The Group's administrative, management and supervisory bodies include the Board of Directors and the Global Management Team (Executive Committee). At the end of the financial year 2025 the Board of Directors consisted of six external experts and the Global Management Team (Executive Committee) consisted of eight members. There were no non-executive members. Employees or other workers are not specifically represented in the administrative, management, and supervisory bodies; for instance, there are no employee representatives on the Board of Directors or the Global Management Team. Currently, 7,1% of the members of these bodies represent diversity in terms of gender. The Board of Directors' gender diversity ratio is 20%, and 83% of its members are classified as independent.

The Board collectively represents extensive experience across manufacturing, business-to-business operations, and brand-oriented consumer industries. Members bring strong international backgrounds from both studies and professional roles, including executive positions in listed companies, and possess in-depth knowledge of Rapala VMC Group's key markets in Europe and North America. All Global Management Team members have extensive background working for the Rapala VMC Group, hence providing notable sector specific experience. The work histories of the members vary from manufacturing orientated business to consumer brand businesses. Summarized CVs of the Board of Directors and Global Management Team members are available on Rapala VMC investor relations website.

The roles and responsibilities of the administrative, management and supervisory bodies

The duties of the Board of Directors are based on the Finnish Limited Liability Companies Act, the company's Articles of Association, and the Board's Charter. The Board holds ultimate responsibility for Rapala VMC's strategic direction, oversight, and key decisions, including the approval of sustainability strategy and monitoring of related KPIs. The President and CEO, who also chairs the Global Management Team, is responsible for operational management and implementing strategies approved by the Board.

The Global Management Team supports the CEO in planning, coordinating, and executing the Group's strategy, including sustainability objectives. Management ensures compliance and accountability through an internal control framework guided by the Code of Conduct, Internal Control Manual, and Authorization Limits, which set clear standards for ethical conduct, risk management, and decision-making across the Group.

Oversight and management of sustainability impacts, risks, and opportunities (IROs) are delegated to Group Sustainability Management, with overall supervision by the Global Management Team and the CEO. The function, led by the Head of Sustainability reporting directly to the CEO and supported by the Sustainability Manager, is responsible for strategic planning, goal-setting, performance monitoring, and regulatory compliance. No separate sustainability committee has been established.

The CEO reports to the Board of Directors on strategic, operational, and sustainability-related matters. The group's business units are grouped under three different regions: APAC, EMEA & LATAM and North America. Regional heads have a chair in the Global Management Team. Global Management Team members report to the CEO. Business unit heads report to regional heads, and other functions report either to Global Management Team members or directly to the CEO.

Dedicated sustainability controls are integrated into Rapala VMC's

broader governance and internal control systems. The Code of Conduct, Internal Control Manual, and Authorization Limits ensure consistent ethical and operational standards. Internal reviews by Group Finance and external audits provide assurance on control effectiveness, while sustainability processes are embedded in everyday operations where relevant.

The Board of Directors approves strategic guidelines, including sustainability objectives, and monitors progress through key KPIs. Indicators may also be linked to management remuneration under the Short-Term and Long-Term Incentive schemes. The Global Management Team, follows up regularly on performance, while regional results are reviewed in monthly business meetings and summarized for the Board when needed.

Determining appropriate skills and expertise

The Board of Directors evaluates the availability and development of sustainability-related expertise based on reporting and management presentations. Although no formalized evaluation process exists, the Board reviews the adequacy of skills as part of its oversight of the control and reporting environment.

Sustainability expertise is integrated throughout Rapala VMC's governance. The Board ensures ESG aspects are embedded in decision-making, supported by the Global Management Teams experience in finance, operations, and compliance. The Sustainability Management Team provides focused expertise on compliance, performance monitoring, and the integration of sustainability goals into daily operations.

Available skills have not been assessed separately by the management comparing them to the identified IROs. However, the Group has a wide employee base with a strong background, for example material know-how and efficiency as manufacturer. The Group has had an initiative to formalize the annual process on talent mapping that would address the possible skill gaps, career paths and consider the necessary training and development paths.

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

Head of Sustainability would inform the Group Management Team about material IROs, implementation of due diligence, and the results and effectiveness of policies, actions, metrics, and targets adopted to address them. So far, the reporting has been ad hoc and needs based and no systematic reporting in 2025 has been made. Based on the reporting to the Global management Team, management reports would be provided to the Board of Directors. According to the allocation of sustainability related duties within Rapala VMC, the Board of Directors reviews sustainability progress.

The Board of Directors has approved the IROs as part of the CSRD report approval in the spring of 2025. New sustainability related targets with associated metrics were set late 2025 for the upcoming years emphasizing certain themes, such as employee health and safety and overall workplace well-being (Lost Time Injury Frequency "LTIF" and Employee Net Promoter Score "eNPS") KPIs, which is also aligned with the relevant results of the stakeholder survey conducted in summer 2025.

Rapala VMC applies a high-level risk management framework that provides an oversight of key risks relevant to the Group's operations. This framework is designed to support strategic and operational decision-making. The Board of Directors oversees risk management and reviews the Group's overall risk profile twice a year. Global Management Team reviews the enterprise risks before they are validated by the Board of Directors. In 2025 the Board of Directors validated the material risks in two separate meetings. Material sustainability IROs have been provided as background information for this work.

Rapala VMC identified its sustainability-related impacts, risks, and opportunities ("IROs") for the first time as part of the inaugural DMA in

2024. In 2025 these risks were re-evaluated and determined to remain relevant with no material changes. Group sustainability function worked diligently to allow the consideration of IROs as part of the Group's overall risk management process. Rapala VMC has not prioritised or otherwise valued IROs relative to one another, and therefore has not identified conflicting objectives between them. As a result, no trade-offs between IROs have been made as part of the risk management process.

The Global Management Team has validated the inaugural DMA that includes the identified material IROs in its meeting on 29.2.2024. In 2025 Global Management Team reviewed the results of a stakeholder study conducted in the summer of 2025 and noted that material subjects were in line with previous DMA and stakeholder surveys. Results were also presented to the Board of Directors in meeting 8.10.2025. Compiled DMA remains valid. The summary of the identified material IROs is presented in Chapter "Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)" and described in more detail at the beginning of each material topic chapter.

In addition to this the Global Management Team or the Board of Directors have not specifically addressed material IROs. However, Group conducted a global employee survey partly to address the material topic theme "Working conditions, Equal treatment and opportunities" of which the Group reports under the reporting standard S1 - Own workforce. Results of the employee survey has been reviewed by the local management and the Global Management Team and the Board of Directors.

Integration of sustainability-related performance in incentive schemes (GOV-3)

Rapala VMC has performance-based remuneration schemes for the President & CEO, and the Executive Committee. Current Remuneration Policy, approved by the Board of Directors and presented to the Annual

General Meeting in 2024 does not include sustainability-linked remuneration goals or components. 2025 Short-Term Incentive (STI) scheme did not incorporate sustainability specific targets for management, nor does the Long-Term Incentive (LTI) program started during 2025.

Variable remuneration is tied to targets set by the Board of Directors to support competitiveness, shareholder value, and long-term success. STI targets are set and assessed annually, while LTI programs cover multiple years. Schemes may include financial and non-financial criteria, including sustainability-related targets.

In 2025, 0% of variable remuneration is linked to sustainability-related targets. Climate-related considerations are not included in remuneration. The Board of Directors approves the company's Remuneration Policy. The Remuneration Policy is submitted to the General Meeting for a consultative vote at least once every four years. The Remuneration Policy was most recently presented to the General Meeting in 2024. Based on the framework set by the remuneration policy, the Board of Directors annually approves the STI targets for the President & CEO and the Global Management Team. The Board also approves the targets for each respective LTI period. The Board's Remuneration Committee prepares the remuneration policy and target proposals for the Board's decision. Performance is reviewed by the Remuneration Committee, which makes payout proposals to the Board of Directors for final approval. Assessments are conducted at Group level, ensuring uniform application without individual performance adjustments. More information on the STI metrics is included in the Group's Remuneration Report.

Statement on due diligence (GOV-4)

Rapala VMC is strengthening and developing its sustainability due diligence practices to systematically identify, assess and manage impacts, risks and opportunities across its value chain. The process builds on stakeholder engagement, double materiality assessment and benchmarking to enhance alignment with strategic and regulatory expectations. Identified issues are being integrated into management and monitoring processes, with sustainability management and the Global Management Team overseeing the continued development, implementation and transparent reporting of material IROs.

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	GOV-1, GOV-2, GOV-3, SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	GOV-2, SBM-2, IRO-1, MDR-P, MDR-T
c) Identifying and assessing adverse impacts	IRO-1, SBM-3, MDR-A
d) Taking actions to address those adverse impacts	MDR-A
e) Tracking the effectiveness of these efforts and communication	MDR-T

Risk management and internal controls over sustainability reporting (GOV-5)

The Group's sustainability reporting process is guided by a risk-based approach, emphasizing the identification and management of the most material risks associated with sustainability reporting. Consolidated sustainability reporting is centrally coordinated by the Group's sustainability team, which is responsible for preparing the sustainability statement. The process has been strengthened through the engagement of external experts to enhance its design and implementation. Additionally, the Group has adopted dedicated sustainability reporting tools to collect, store, and analyse sustainability data, ensuring data integrity and an audit trail.

The risk assessment approach for sustainability reporting focuses on evaluating risks related to data accuracy and availability, competence of key participants, and risks associated with reporting software. Risks are prioritised based on their potential impact on reporting reliability, regulatory compliance, and stakeholder expectations. While these aspects are assessed, the current approach operates independently and requires further development, particularly in terms of documentation and standardization.

The Group's sustainability reporting risks include challenges in data collection, timing, specialized expertise, and collaboration with value chain partners. Mitigation strategies involve centralized reporting tools, clear schedules, training, and data-sharing agreements to improve data quality, ensure timely reporting, and enhance expertise.

The Group integrates findings from sustainability reporting risk assessments and related internal controls into its governance and operational frameworks. While the process is still being formalised, measures such as centralized reporting tools, standardized templates and validation protocols support consistency and reliability. Ongoing efforts focus on strengthening internal controls, data quality, and competencies across key functions and partners.

Sustainability reporting risks are included in the Group's overall sustainability risk mapping, which has been further aligned with the Group's enterprise risk management process. The findings from sustainability risk assessments and related controls are reviewed as part of the Group's regular risk management reporting to senior management and the Board of Directors.

STRATEGY

Strategy, business model and value chain (SBM-1)

Business model and value chain

Rapala VMC is a fishing tackle company focusing on recreational fishing and operating in over 40 countries. The Group's business model is built on its a brand portfolio, including Rapala, VMC, Sufix, Storm, Blue Fox, Dynamite Baits, and others. Capabilities include its own manufacturing facilities, a sourcing unit in Taiwan for subcontracted products, and a research and development function. North America and Europe accounting for most of its revenue.

The Group's value chain integrates upstream and downstream activities to deliver fishing and outdoor products. Rapala VMC's own manufactured products account for approximately 42% of the net sales. The Group's own manufacturing facilities in Finland, France, Estonia, the UK and Indonesia produce a wide range of products, including lures, hooks, knives, and baits. The sourcing unit in Taiwan complements this by managing subcontracted products, such as lines, reels, rods, and accessories. Products are distributed through a global network, with nearly 50,000 retail outlets across 120 countries.

Table: Headcount of employees per geographical area

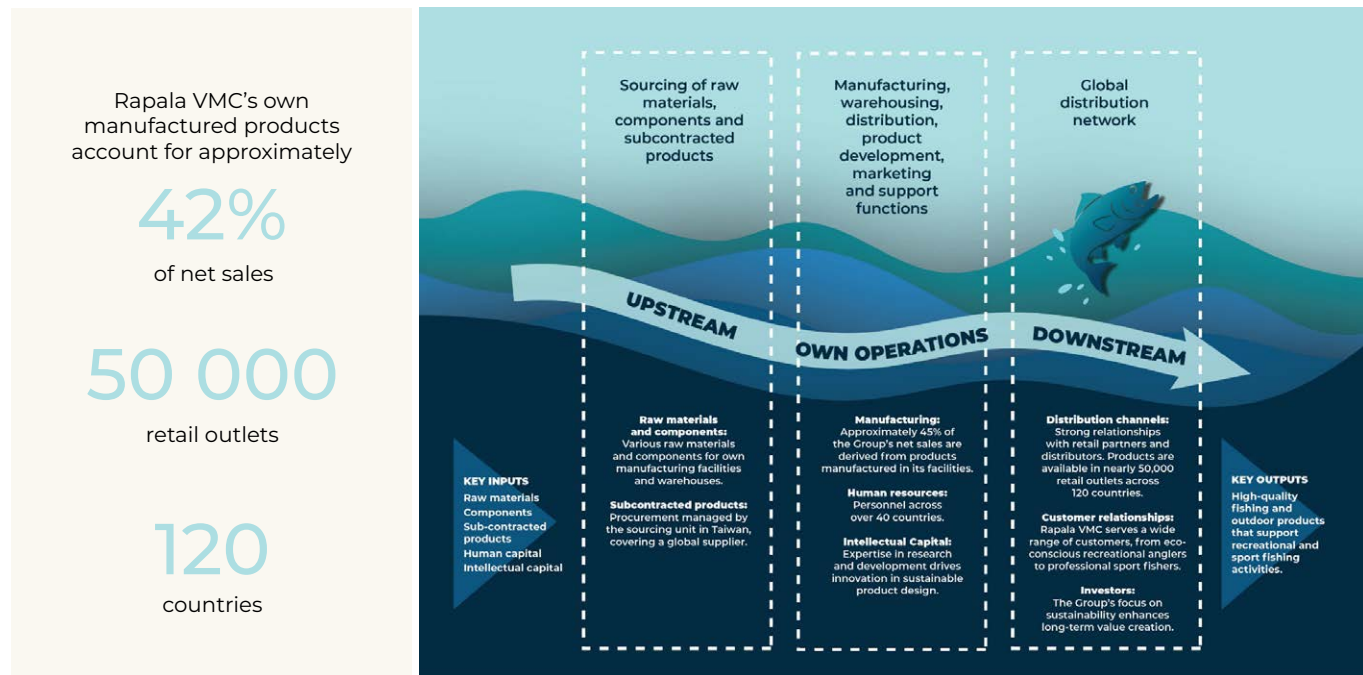
Geographical area	2024	2025
Europe	985	974
North America	130	142
Rest of the World	258	262
Total HC	1 373	1 378

*Headcount 31.12.2025

Rapala VMC serves a diverse global market, with a strong focus on North America and Europe. These regions represent the Group's most significant markets. North America is the largest and most important market, driven by the Group's leadership in the fishing lure segment and nearly all revenue originating from Group branded products. 2025 external net sales by area were: North America 122.8 Meur, Nordic 23.4 Meur, Rest of Europe 56.2 Meur and Rest of World 25.0 Meur.

The Group's customer base includes small independent fishing tackle shops, large multinational retail chains, and regional distributors, ensuring broad accessibility across various market segments. In the reporting period, the Group continued to strengthen its presence in key markets, expanding its reach and maintaining robust relationships with its diverse customer groups.

Rapala VMC's value chain spans upstream and downstream activities.



Strategy and its development

In 2025, the focus shifted from capability building to execution and measurable impact. The Group established quantifiable sustainability targets for the new strategy period, initiated Group-wide human rights due diligence, and integrated sustainability risks into the overall risk management framework. In addition, the Group began measuring employee engagement through the eNPS as part of its annual wellbeing survey, continued product development efforts to increase the use of sustainable materials in products and packaging while reducing overall material consumption, and achieved its first comprehensive view of the total carbon footprint and main emission sources, supporting better prioritization of projects with meaningful emission-reduction potential.

The Group's strategy was last updated in fall 2025, covering the 2026–2028 period and approved by the Board of Directors. The sustainability strategy update builds on the previous 2024–2026 strategy, which focused on strengthening the sustainability organization, improving material efficiency and emissions performance, and advancing employee wellbeing, while recognizing the need for clearer target setting and stronger alignment across business units, particularly in light of the challenge of engaging the entire organization to work toward common targets with limited resources and navigating a changing legislative landscape that creates uncertainty. During 2025, the Group transitioned to a rolling strategy process, under which the previous strategy was replaced by the updated strategy. The previous strategy did not include interim targets. As the updated strategy was approved in fall 2025, the timing of the approval did not allow for the establishment of meaningful targets for 2025. The updated strategy covers the 2026–2028 period and includes annual interim targets.



The key upcoming projects essential for progressing sustainability work are the Group-wide transition plan, the development of Ecodesign guidelines for main product categories supported by LCAs, improvements in employee health and safety, and detailed supply chain environmental and social risk mapping and mitigation planning. The strategy now

centers on five focus areas presented below. Compared to the previous plan, the 2025 update introduces quantifiable targets and focused prioritization, reinforcing the Group's resilience and long-term value creation through sustainability-driven performance.

Products

The Group continuously assesses its significant products, services, markets, and customer groups to ensure alignment with its sustainability goals, integrating environmental and social considerations into its operations and product development strategies.

Designed for sport and recreational fishing, the Group's fishing products include:

- Fishing lures, hooks and baits: A shift toward soft plastic lures presents both a growth opportunity and a sustainability challenge for the Group. As these products have a shorter lifecycle than hardbaits, efforts focus on reducing waste, eliminating harmful substances, increasing recycled and renewable materials, and developing eco-friendly alternatives to minimize environmental impact.
- Reels, rods, and lines: The Group aims to increase collaboration with manufacturers to improve visibility into production emissions, set reduction targets, and enhance the recycled material content of these products and associated packaging.
- Tools and accessories: Efforts are centred on reducing packaging materials, increasing recycled material content, and ensuring product safety.
- The key brands in these categories include Rapala, VMC, Okuma, Suffix, 13 Fishing, Williamson, Storm, StrikeMaster, and Dynamite Baits.



In addition to the above-mentioned key brands, Rapala VMC has a selection of local and regional brands, and the Group also distributes select third-party brands to enhance its product portfolio and address diverse customer needs. There were no significant changes to products or services offered in the reporting period.

Generally, Rapala VMC's products are widely accepted, with no significant bans on any of the products or product categories, the Group manufactures, markets, or distributes in any market. Existing bans or restrictions typically relate to local fishing or environmental regulations and are local in nature. For example, in Denmark, there is a prohibition

on selling fishing lures containing lead. Consequently, the Group does not sell lead-containing products from its range in the Danish market.

On a broader scale, restrictions related to product materials are consistent with those applied to all consumer products. The Group actively monitors developments in material-related legislation and proactively seeks to replace components that may become restricted in major markets. For instance, in preparation for the European Commission's initiative, supported by the European Chemicals Agency, to ban lead in fishing (both in products sold and fishing gear used), the Group has already significantly reduced the use of lead in Rapala-branded lures.

Markets and customers

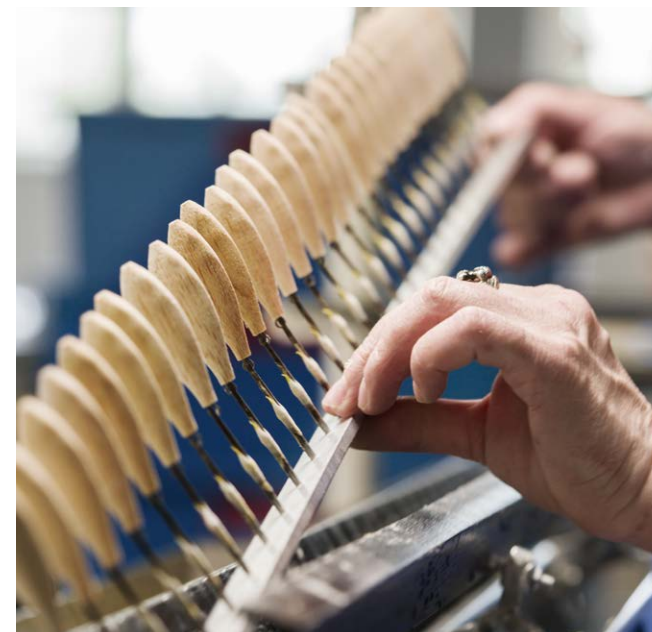
The Group's sustainability strategy is closely tied to its core markets: North America and Europe represent the largest opportunities for expanding sales of sustainable products, such as eco-friendly fishing tackle and lead-free lures, due to heightened regulatory and consumer expectations for environmentally friendly products.

The Group addresses diverse customer needs by tailoring its sustainability approach:

- Eco-conscious consumers: Growing demand for sustainable products drives the development of innovative materials and product designs that reduce environmental impact, such as lead-free lures, plastic free packaging and the use of renewable, certified and recycled materials.
- Retail partners: Collaboration with large retailers drives the need for supply chain transparency and sustainable packaging solutions, as these companies set strict sustainability criteria for their suppliers to align with regulatory requirements and consumer expectations.

Summary of sustainability related goals

Rapala VMC has updated its Sustainability Strategy for the period 2026–2028, continuing its long-term commitment to responsible and sustainable business practices. The sustainability-related goals presented in the table below reflect the latest strategy update that was approved during 2025 and are aligned with the European Sustainability Reporting Standards (ESRS) requirements. In addition to the targets presented below, the Group has other sustainability-related objectives. As these have not been defined in accordance with the ESRS guidelines, they have not been included in this sustainability statement.



Emissions	Biodiversity & Circular economy	Own employees
<ul style="list-style-type: none"> ■ 80% of electricity, heating and cooling from clean sources by 2028 ■ Total Scope 1 and 2 CO₂ emissions (tCO₂e market-based) 2 177 tCO₂e by 2028 	<ul style="list-style-type: none"> ■ No ESRS aligned goals defined 	<ul style="list-style-type: none"> ■ 9,1 total lost-time injury frequency rate (LTIFR) by 2028 ■ 20 Employee satisfaction score (eNPS) by 2028 ■ 100% of internal staff trained on updated Code of Conduct by 2028 including annually 100% of all new staff

Interests and views of stakeholders (SBM-2)

Rapala VMC engages with its stakeholders to align sustainability priorities with expectations, address material impacts, and support informed decision-making. Engagement fosters transparency, mutual understanding, and continuous improvement across operations.

Stakeholder engagement follows a structured framework coordinated by multiple teams to ensure alignment with sustainability objectives. The Group Sustainability Team oversees stakeholder surveys and supplier audits, analysing results and following up on corrective actions. HR manages employee engagement, while regional units and project teams handle customer, community, and regulatory interactions.

The purpose of engagement is to align the Group's sustainability strategy with stakeholder expectations, manage material impacts, and guide strategic focus. Continuous dialogue with employees, suppliers, consumers, and regulators ensures that emerging issues are promptly addressed.

Stakeholder input shapes key priorities such as sustainable product development, climate action, and employee well-being. Feedback has guided initiatives like clean energy, lead-free innovations, supply chain respon-

sibility, and workplace inclusivity. Engagement outcomes are reviewed and integrated into strategic processes, mainly the DMA, to strengthen decision-making.

In 2025, Rapala VMC reviewed its Double Materiality Assessment (DMA) using insights from the latest stakeholder and employee surveys. Stakeholders prioritised employee well-being, efficient resource use, nature conservation, fair supply chain conditions, and carbon emission reduction. These themes were reviewed against the Group's strategy and confirmed to remain closely aligned with its sustainability priorities.

The Global Management Team validates the DMA, with results presented to both management and the Board of Directors. These bodies review stakeholder findings, including employee survey outcomes and related action plans, to ensure alignment with sustainability objectives.

Table: Key stakeholders

Description of key stakeholder groups		Involved in engagement
Customers	Rapala VMC serves a diverse customer base ranging from individual anglers to major retailers. Customer satisfaction and sustainability preferences, such as the demand for eco-friendly products, are integral to product development and business strategy.	Yes
Consumers	The Group maintains a close relationship with its end-users through sponsorships, events, and feedback channels, ensuring its products meet the expectations of recreational fishing and outdoor enthusiasts globally.	Yes
Employees	With a global workforce operating in over 40 countries, the company's personnel are a cornerstone of its operations. Key focus areas include employee well-being, health and safety, professional development, and fostering an inclusive workplace culture.	Yes
Suppliers and business partners	Rapala VMC collaborates with suppliers and subcontractors globally. These partnerships are guided by the Supplier Code of Conduct, emphasizing ethical practices, sustainability, and compliance with environmental and human rights standards.	Yes
Investors and shareholders	As a publicly listed company, Rapala VMC maintains transparent communication with its investors and shareholders. The focus is on financial performance, long-term value creation, and integration of sustainability considerations into business strategies.	Yes
Local communities	Rapala VMC actively engages with local communities where it operates, contributing to environmental conservation and social initiatives.	Yes
Regulatory and industry bodies	Compliance with international and regional regulations is a priority. The company also collaborates with industry bodies such as the European Fishing Tackle Trade Association (EFTTA), American Sportfishing Association (ASA) and Canadian Sportfishing Industry Association (CSIA), to advance sustainable practices.	Yes
Environmental and conservation	Partnerships with organizations like the Virtavesien hoitoyhdistys Virho ry reflect Rapala VMC's commitment to preserving aquatic ecosystems and biodiversity.	Yes

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Rapala VMC's double materiality assessment identified material impacts linked to three ESRS standards and their sub-topics E1 Climate change, E5 Resource use and circular economy and S1 Own workforce. All identified material impacts were actual impacts and have short to long term time horizons. Risks and opportunities were identified for a total of four standards, E1 Climate change, E4 Biodiversity and ecosystems, E5 Resource use and circular economy and S1 Own workforce. Identified risks are either short- or medium-term risks. Based on the double materiality assessment process, no material impacts, risks or opportunities were identified for a total of five standards, E2 Pollution, E3 Water and marine resources, S2 Workers in the value chain, S3 Affected communities, S4 Consumers and end-users and G1 Business conduct.

No new material impacts, risks, or opportunities were identified compared to the previous reporting period. The existing topics remain consistent with the prior assessment. The identified material IROs are described in more detail at the beginning of each material topic chapter.



ESRS standards	Material sustainability topics
Environment	
E1 Climate change	Climate change adaptation Climate change mitigation Energy
E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss Impacts on the state of the species Impacts on the extent and condition of ecosystems Impacts and dependencies on ecosystem services
E5 Circular economy	Resources inflows, including resource use Resource outflows related to products and services Waste
Social	
S1 Own workforce	Working conditions Equal treatment and opportunities for all

Non-material ESRS standards
Environment
E2 Pollution
E3 Water and marine resources
Social
S2 Workers in the value chain
S3 Affected communities
S4 Consumers and end-users
Governance
G1 Business conduct

The material impacts identified are inherently connected to Rapala VMC's strategy and business model, which depend on global supply chains, manufacturing operations, and the recreational fishing market. Environmental and social impacts arise from logistics, production, and workforce practices, while opportunities are driven by strategic priorities such as sustainable product design, operational efficiency, and employee well-being. Integrating ESG considerations into the business model supports long-term competitiveness and resilience.

The identified material impacts affect both people and the environment through the company's operations, supply chains, and product lifecycle. Negative impacts include greenhouse gas emissions, resource use, and occupational health and safety risks, while positive impacts arise from initiatives improving resource efficiency, sustainable product design, and employee well-being.

The Group's material IROs shape its business model, value chain, strategy, and decision-making. The company has already initiated responses to these factors and is adapting its practices to address anticipated changes. Further information on the current and anticipated impacts of these IROs, as well as the actions taken or planned to respond to them, is provided in the relevant topical sections of this report.

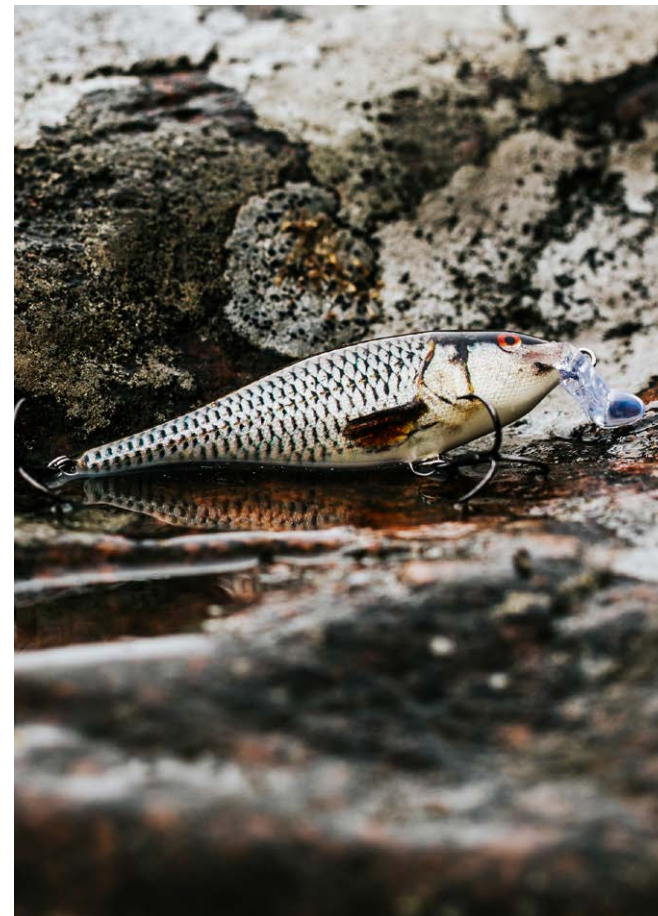
Rapala VMC is directly involved with its material impacts through manufacturing, logistics, and workforce management. Indirect impacts arise from

sourcing raw materials, such as timber and metals, through upstream suppliers, and from downstream relationships with distributors and retailers influencing product use and packaging. The company engages with stakeholders across the value chain to mitigate negative impacts and enhance positive outcomes.

The current financial effects of material risks and opportunities on financial performance have been assessed based on their estimated impact on revenue and costs. Risks and opportunities are not deemed to have a material impact on the company's financial position in the current reporting period, nor does the company see significant risks of material adjustments to the carrying amounts within the next annual reporting period.

Rapala VMC's strategy update for 2026–2028 strengthens its capacity to address material impacts and opportunities through five focus areas: Health & Safety, Rapala Do Good, Sustainable Materials, CO₂ Reduction, and Reliable Supply with Responsible Practices. While no formal resilience analysis has yet been conducted, a transition plan and related assessments are planned for 2026–2027 to evaluate and enhance strategic resilience.

All identified material impacts, risks, and opportunities are covered by ESRS Disclosure Requirements. No additional entity-specific disclosures were required for the reporting period. The material impacts and risks are described in more detail in connection with the information on each topical standard.



IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)

Rapala VMC identifies sustainability-related impacts, risks, and opportunities through its double materiality assessment using a structured methodology that includes internal workshops, stakeholder input, regulatory analysis, and a review of the Group's value chain. Impacts are assessed for severity and likelihood, and risks and opportunities are evaluated in line with ESRs criteria, including expected time horizons and potential effects on people, the environment, and the business.

The Group is working towards formalizing a due diligence framework. The process to identify, assess, prioritise, and monitor actual and potential impacts on people and the environment operates as follows:

- Identification: Impacts are identified at business unit and Group level, considering local conditions, regulatory requirements, and value chain dynamics. Stakeholder input, collected through surveys, workshops, audits, and supplier engagement, is used to identify key environmental and social issues such as resource use, emissions, and workforce well-being.
- Assessment: Impacts are assessed using harmonised criteria, including likelihood, severity, and expected time horizon. A consistent scoring scale is applied across the organisation to evaluate environmental and social impacts holistically, covering emissions, resource efficiency, labour conditions, and health and safety.
- Prioritisation: IROs are prioritised based on their assessed severity and strategic relevance. High-priority issues are reviewed by a Global management team to ensure alignment with regulatory expectations and business objectives.

- Monitoring and mitigation: Mitigation actions are defined for prioritised impacts and risks, with responsibilities assigned within the organisation. Progress is monitored through periodic audits, updates to the risk register, and performance reviews at business unit and Group level.
- Stakeholder input informs the identification and assessment process. Consultations include surveys and interviews with internal and external stakeholders, and external experts supported the previous DMA. This engagement helps identify how stakeholders may be affected by the Group's activities and informs the consolidation and validation of material IROs.

The results of the assessment are used to determine material sustainability matters for reporting purposes, applying the Group's scoring thresholds and ESRs impact materiality criteria. Negative impacts are prioritised based on relative severity and likelihood, while positive impacts are assessed for their potential scale, scope, and likelihood.

In addition to assessing impacts, the Group evaluates sustainability-related risks and opportunities for their potential financial effects. This assessment considers how the Group's impacts and dependencies across the value chain may give rise to financial risks or opportunities and is carried out using the same harmonised scoring scales applied in the enterprise risk management process. Likelihood, magnitude, and expected time horizons are used to classify potential financial effects in line with ESRs financial materiality criteria.

Sustainability-related risks are reviewed alongside other enterprise risks, using established risk-assessment tools and governance procedures. Global management team reviews high-priority risks and opportunities, and outcomes are incorporated into decision-making and internal control processes, including updates to the risk register and management reviews.

Opportunities linked to sustainable product design, resource efficiency,

and workforce-related improvements are considered in strategic planning and integrated into the Group's broader management processes where relevant.

The financial materiality assessment relies on the same input parameters used in the impact assessment, including operational data, stakeholder feedback, audit findings, regulatory analysis, and benchmarking. It covers upstream, own operations, and downstream activities.

Compared to the previous reporting period, the process has been updated through the integration of sustainability-related risks into the enterprise risk management framework and the harmonisation of the assessment methodology. Future updates will occur as the Group continues to formalise its due diligence framework.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Rapala VMC's DMA is the primary process for identifying and assessing climate-related IROs, supported by existing emission and risk management processes. The Group has not yet carried out formal climate scenario analyses for transition risks and opportunities over different time horizons. Current assessments rely on qualitative methods. The Group plans to adopt climate scenarios, such as a 1.5°C pathway, to improve future evaluations. The DMA process did not identify any assets or business activities currently incompatible with a climate-neutral economy. Efforts are mainly needed in high-emission areas such as sourced goods, materials, and logistics, where influence is limited. A formal climate transition plan is planned to be developed in 2026 to clarify alignment with climate-neutral requirements. As most activities fall outside the EU Taxonomy, no significant incompatibilities have been identified to date.

Table: Process to identify climate related IROs

Process	Description of the process
DMA	<p>The DMA evaluates the Group's impacts on climate change (outward impacts) and the effects of climate change on the Group's operations and value chain (inward impacts). This process incorporates stakeholder expectations, regulatory requirements, and sector-specific risks to identify material climate-related impacts, such as emissions from purchased goods, energy use, and transportation.</p> <p>In addition to identifying emissions, this assessment highlights key climate-related risks, such as exposure to stricter regulations on carbon emissions and energy efficiency, and opportunities, such as customer demand for sustainable products. These findings directly inform the Group's strategy and priorities for addressing climate-related challenges and leveraging opportunities.</p>
Other process to support IRO identification and assessment	<ul style="list-style-type: none"> ■ Scope 3 Relevant Emission Sources Assessment: This process focuses on analysing the most relevant Scope 3 emission categories, ensuring that significant sources of GHG emissions within the value chain are identified and prioritized. Categories such as purchased goods and services, upstream transportation, business travel, and waste generated in operations have been recognized as key contributors to Rapala VMC's overall emissions. The assessment provides a foundation for targeted action to mitigate value chain emissions. ■ GHG Inventory Process: The GHG Inventory Process calculates the Group's total GHG emissions, including Scope 1 (direct emissions), Scope 2 (indirect emissions from energy purchases), and Scope 3 (value chain emissions). This inventory adheres to the GHG Protocol framework and employs methodologies such as activity-based, spend-based, and distance-based methods to estimate emissions accurately. Tools such as DEFRA Conversion Factors, Ecoinvent databases, and Finnish Environment Institute ("SYKE") data are used to ensure precision in emissions reporting. ■ Sustainability Risk Management Process: The Sustainability Risk Management Process identifies and evaluates climate-related risks and opportunities across the Group's operations and value chain. Physical risks, such as extreme weather events affecting supply chains, and transition risks, including regulatory changes and material sourcing challenges, are assessed. The process also highlights opportunities, such as product innovation in sustainable materials and operational efficiency gains through energy savings and circular economy practices. The ESG risk management process supports a structured evaluation of climate-related risks at the operational and strategic levels.

As climate scenario analyses are not yet in place, no direct alignment exists between such scenarios and the assumptions in the Group's financial statements. However, future efforts will integrate scenario-based analyses into financial planning to ensure consistency with global climate targets. This will enhance the Group's ability to systematically assess the financial implications of transition and physical risks.

Identification and assessment of climate-related physical risks and related exposures

Rapala VMC has identified key physical climate-related hazards, such as storms, floods, droughts, and disruptions in critical materials and logistics, based on qualitative assessments. These hazards are considered over short-, medium-, and long-term horizons as part of the Group's ESG risk assessment process. Exposure to climate-related hazards is screened through the DMA and Sustainability Risk Mapping. Assessments consider the location of manufacturing facilities, the availability of critical materials, and the vulnerability of logistics networks to extreme weather. Although qualitative, these assessments provide an initial understanding of asset and value-chain exposure Rapala VMC defines short-term as the current reporting period, medium-term as 1–5 years, and long-term as over 5 years, aligned with the Group's overall risk management process, the ESRs standard, and its strategic planning and capital allocation priorities.

The Group also evaluates the sensitivity of its assets and business activities to these hazards through the DMA and Sustainability Risk Mapping. Assessments consider the likelihood and potential magnitude of climate hazards, focusing on key locations, materials, and supply chain dependencies. While geospatial analysis is not yet fully developed, regional climate conditions and the geographic distribution of critical facilities and suppliers are included qualitatively. Rapala VMC has not yet used high-emission climate scenarios to identify hazards or assess exposure and sensitivity. Current evaluations rely on expert judgment and existing reports. The Group plans to integrate high-emission scenario analysis to strengthen future physical risk assessments.

Rapala VMC has not yet applied climate-related scenario analysis to inform the identification and assessment of physical risks over short-, medium-, and long-term horizons. Current evaluations are qualitative and rely on expert judgment and existing reports. The Group plans to introduce structured climate scenario analysis, including a range of scenarios aligned with global warming pathways, to strengthen future assessments of physical and transition risks and opportunities across all time horizons.

Identification and assessment of climate-related transition risks and related exposures

Rapala VMC identifies transition events through its DMA and Sustainability Risk Mapping processes. These processes consider regulatory developments, market shifts, technological advancements, and material restrictions that may influence the Group's operations and value chain. Transition events relevant across the short-, medium-, and long-term horizons include tightening environmental requirements for raw materials such as tungsten and plastics, the expansion of eco-labelling and product sustainability standards, and increasing customer expectations for low-impact and responsibly sourced products. The identification of these events supports the Group's understanding of how the transition toward a climate-neutral economy may affect operational activities over different timeframes.

The Group screens its assets and business activities for exposure to transition events by assessing manufacturing facilities, sourced materials, and logistics networks. The screening examines how regulatory changes, sustainability criteria, and market expectations may influence production processes, sourcing practices, and supply chain resilience. This analysis highlights potential areas of exposure such as increased compliance obligations, the need for material substitutions, and evolving product design requirements. These insights form the basis for identifying where transition pressures may affect business continuity and long-term competitiveness.

Rapala VMC also assesses the sensitivity of its assets and business activities to transition events. This evaluation considers the likelihood and magnitude of regulatory, market, and technological changes, and examines dependencies on specific materials and supplier relationships. Sensitivity is analysed qualitatively and focuses on identifying functions, materials, and processes that may require adaptation in response to evolving transition drivers. These assessments guide the prioritisation of risk mitigation measures and support long-term strategic planning.

At present, the Group has not yet integrated climate-related scenario analysis into the identification or assessment of transition events. Current evaluations draw on qualitative methods, expert judgment, and existing external reports. Rapala VMC intends to incorporate structured scenario analysis aligned with international climate pathways, including 1.5°C-aligned scenarios, to strengthen its assessment of potential regulatory, technological, and market shifts and to deepen its understanding of transition-related risks and opportunities across all time horizons.

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Rapala VMC has conducted a screening process as part of its DMA to evaluate pollution-related IROs across its own operations, upstream supply chain, and downstream value chain. This process included screening of site locations and business activities to ensure that all relevant pollution-related impacts were assessed. However, pollution was ultimately deemed not material, as the evaluated topics did not exceed the materiality assessment threshold.

A cross-functional team of management representatives, including members from the Board of Directors, business development & strategy, manufacturing, sourcing, legal & sustainability, and HR, led the screening process. The team evaluated pollution-related impacts using a struc-

ture framework based on significance, stakeholder expectations, and potential financial and operational implications. The evaluation process included stakeholder engagement, although consultations with directly affected communities were not explicitly conducted.

Key pollution-related topics were assessed across Rapala VMC's operations, supply chain, and downstream activities. The focus included VOC emissions, solvent and paint emissions, waste generation, effluents, and wastewater impacts on local water systems. In the supply chain, emissions and effluents from raw material mining and processing, as well as waste, water use, and biodiversity impacts, were considered. Downstream activities were reviewed for fishing-related waste and potential lead contamination. The screening relied on qualitative analyses, internal expertise, and stakeholder input, with assumptions based on historical data, industry benchmarks, and geographic factors.

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Rapala VMC has conducted a screening process as part of its DMA to evaluate water- and marine resources-related IROs across its own operations, upstream supply chain, and downstream value chain. This process involved evaluating specific topics to ensure that all relevant water- and marine-related impacts were systematically assessed.

A cross-functional team of management representatives, including members from the Board of Directors, business development & strategy, manufacturing, sourcing, legal & sustainability, and HR, led the screening process. The team utilized a structured framework to evaluate the significance, stakeholder expectations, and potential financial and operational implications of water- and marine resources-related impacts. The evaluation process included stakeholder engagement, although consultations with directly affected communities were not explicitly conducted.

Water and marine resource-related impacts were assessed across Rapala VMC's operations, supply chain, and downstream activities. Key considerations included water use and wastewater generation in production, localized effects of effluents, and biodiversity impacts from land use and transportation. In the supply chain, water use and wastewater from raw material sourcing, forestry-related land-use changes, and mining activities were evaluated. Downstream activities focused on fishing-related impacts on water systems and fish stocks. The screening applied qualitative analyses, internal expertise, and stakeholder input, with assumptions based on historical data and geographic factors relevant to the company's value chain.

While these topics are important to the Group, they were ultimately deemed non-material as standalone issues. Instead, their significance has been integrated into the Group's broader approach to addressing biodiversity-related IROs. By managing these impacts under biodiversity topics, Rapala VMC ensures a more comprehensive and cohesive strategy for mitigating environmental risks across its value chain. This approach enables the Group to systematically monitor and adapt to evolving regulatory requirements, stakeholder expectations, and operational challenges while upholding its commitment to environmental stewardship.

Rapala VMC's operations are not highly water-intensive and do not generate significant amounts of wastewater. However, for operations where water consumption and wastewater generation are higher, such as hook manufacturing, consumption and effluents are closely monitored, and actions have been taken to reduce impacts.

Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

Rapala VMC assessed actual and potential impacts on biodiversity and ecosystems at its own site locations and across its value chain through its DMA. The assessment summarised material impacts, risks, dependencies, and opportunities and covered upstream sourcing, production, and downstream product use. Key considerations included habitat disturbance



and water-use impacts from production, deforestation risks linked to timber and balsa sourcing, and biodiversity risks associated with metals such as steel, tin, and tungsten. Downstream impacts examined pollution from fishing gear and packaging waste and the dependency of recreational fishing on healthy aquatic ecosystems. The screening applied qualitative analyses, internal expertise, stakeholder input, and criteria such as impact scale, likelihood, and relevance. The DMA also assessed Rapala VMC's dependencies on biodiversity and ecosystem services across the upstream and downstream value chain. These dependencies relate to sustainably sourced timber and balsa, mined metals used in manufacturing, and healthy aquatic ecosystems supporting recreational fishing. The

assessment considered short-, medium-, and long-term time horizons and broader systemic ecological trends.

The DMA did not identify any Rapala VMC sites, raw material production, or sourcing activities with significant negative impacts on affected communities or on biodiversity-sensitive areas. No operations were found to be located in or near protected or sensitive habitats, nor to pose risks related to land degradation, desertification, soil sealing, or impacts on threatened species. Rapala VMC recognises the need for more detailed site- and material-specific assessments in future evaluation cycles to maintain a comprehensive understanding of potential biodiversity-related risks.

Table: Description of how different types of risks were identified and assessed

Risk description	Identification
<p>Physical risks related to biodiversity and ecosystems include habitat degradation, water scarcity, and changes in fish populations due to climate change. These pose localized risks to operations and market demand.</p>	<p>Acute Risks: Events such as environmental degradation or pollution affecting ecosystems that sustain recreational fishing.</p> <p>Chronic Risks: Long-term degradation of ecosystems, such as declining water quality or deforestation impacting material sourcing.</p> <p>Physical opportunities include the potential for improved fish stocks and ecosystem restoration to create new market opportunities.</p>
<p>Transition risks stem from regulatory changes, market shifts towards sustainable materials, and stakeholder expectations for sustainable practices.</p>	<p>Policy and Legal Risks: Potential regulatory developments, such as enhanced biodiversity reporting requirements and stricter product regulations under frameworks like the EU Timber Regulation.*</p> <p>Market Risks: Volatility in raw material availability and costs, particularly for biodiversity-intensive inputs like timber.*</p> <p>Reputation Risks: Shifting societal expectations and potential reputational impacts from biodiversity-related incidents.</p> <p>Aligning operations with biodiversity protection trends, sustainable fishing practices and conservation efforts which strengthen customer trust and ensure market resilience were identified as transition opportunities.*</p>
<p>Systemic risks related to biodiversity and ecosystems, such as large-scale ecosystem collapse, or loss of fish habitats could significantly affect the recreational fishing industry</p>	<p>Ecosystem Collapse Risks: The risk of ecosystem tipping points, such as significant declines in fish populations or habitat degradation, which could disrupt recreational fishing and associated product demand. This was evaluated in relation to dependencies on healthy aquatic ecosystems for product use and customer engagement.*</p> <p>Aggregated Risks: The analysis considered the compounded effects of biodiversity loss on material sourcing, particularly for critical inputs like timber and tungsten. This includes the potential for increased regulatory pressures or supply chain disruptions stemming from ecosystem degradation.</p> <p>Contagion Risks: While the assessment primarily focused on direct impacts to Rapala VMC's operations and value chain, the potential for cascading financial or reputational risks across the broader economic system due to ecosystem collapse was acknowledged as a long-term concern. This includes risks related to market shifts or increased stakeholder scrutiny of biodiversity impacts.</p>

Because the DMA did not identify significant impacts on affected communities, shared biological resources, or priority ecosystem services, Rapala VMC did not conduct direct consultations with affected communities, nor were communities involved in the materiality assessment. The evaluation was based on internal expertise, regulatory frameworks, and external benchmarks. As no negative impacts on priority ecosystem services were identified, no avoidance or mitigation measures were required. Rapala VMC remains committed to sustainable practices, including the use of FSC-certified timber where possible, and acknowledges that future assessments may require community engagement if new or emerging risks are identified.

Rapala VMC does not have sites located in or near biodiversity-sensitive areas, and the DMA did not identify any negative impacts that would lead to the deterioration of natural habitats or the disturbance of protected species. As no such impacts were observed, the assessment concluded that biodiversity mitigation measures are not required at this stage, and no triggers were identified under relevant EU conservation directives, environmental impact assessment legislation, or equivalent international standards.

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Rapala VMC has screened its assets and activities to identify actual and potential impacts, risks, and opportunities related to resource use and circular economy across its operations and value chain. This screening was conducted as part of the DMA and covered resource inflows, resource outflows, and waste. The process included assessing material impacts, risks, dependencies, and opportunities linked to resource use practices within the Group's own operations and in the upstream and downstream value chain.

*) Material IROs

The screening applied qualitative analyses, internal expertise, and stakeholder input. Assumptions were based on historical data, industry benchmarks, and geographic factors. Feedback from internal stakeholders and external partners, including suppliers and regulatory authorities, was used to support the understanding of key risks and opportunities. The assessment considered compliance with applicable regulations and market expectations related to sustainable and circular resource use.

Resource use and circular economy topics were reviewed across Rapala VMC's operations, supply chain, and downstream activities. The screening focused on resource consumption in production, such as the use of timber and tungsten, and waste generation at manufacturing facilities. In the supply chain, critical resource inflows and the sustainability of sourcing practices were examined, including risks associated with extraction, transportation, and processing. Downstream assessment covered waste impacts linked to packaging disposal.

Rapala VMC has not conducted direct consultations with affected communities specifically related to resource inflows, resource outflows, and waste. The DMA incorporated input from internal stakeholders and broader stakeholder groups, but no targeted engagement with affected communities was undertaken for these topics. The Group recognizes the importance of expanding stakeholder engagement in future assessments to include community consultations where material impacts may be identified.

Description of the processes to identify and assess material business conduct-related impacts, risks and opportunities

IROs related to business conduct were identified and assessed as part of Rapala VMC's DMA. For business conduct topics (ESRS G1), the assessment covered all the sub-topics: corporate culture, protection of whistle-blowers, animal welfare, political engagement and lobbying activities, supplier relationships, and corruption and bribery. The topic was ultimately deemed not material, as the evaluated sub-topics did not exceed the materiality assessment threshold.

Criteria used in the process include:

- **Activity:** The Group engages primarily in private business-to-business manufacturing and distribution, with no material involvement in public procurement or government-related business, which reduces exposure to corruption and undue influence risks.
- **Sector:** Operating in the recreational consumer goods sector, Rapala VMC is not exposed to systemic business conduct risks typically associated with high-risk industries or sectors with elevated regulatory scrutiny.
- **Location:** Rapala VMC operates in over 40 countries with own production sites mainly in Europe. While the Group has operations and suppliers in regions generally considered to carry higher business conduct risks, the scale and nature of potentially affected activities are considered limited. Consequently, their overall relevance in terms of material impacts, risks or opportunities for the Group is assessed not to be material.
- **Transaction structure:** The Group's supplier base is diverse, and procurement transactions are decentralised and typically of limited value. Internal approval procedures and risk controls are in place to ensure integrity throughout the purchasing process.

No incidents of corruption or bribery have been identified during reporting period. The company continues to monitor related risks and compliance across its operations and value chain.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

The material impacts, risks and opportunities disclosed have been identified and evaluated during Rapala VMC's double materiality assessment, covering all sustainability matters covered in topical ESRS (ESRS 1 AR 16). No entity specific-topics were identified. The thresholds used adhere to EFRAG guideline.

Disclosure of the list of ESRS Disclosure Requirements complied with in preparing the sustainability statement based on materiality assessment can be found in the sustainability statements annex section as well as disclosure of a list of data points derived from other EU legislation and their location in the sustainability statement.



SUSTAINABILITY STATEMENT

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THE EU TAXONOMY

General

The EU taxonomy serves as the legal classification system established to meet the EU's climate and energy targets and reach the objectives outlined in the European Green Deal. Businesses' taxonomy eligibility is based on the assessment of whether the business operations are among the economic activities described in the taxonomy legislation. The selected activities are central to achieving the international climate and environmental goals. To be eligible for the taxonomy, a specific activity must align with the description of an economic activity included in the taxonomy classification. To be aligned with the taxonomy, the activity must make a substantial contribution to at least one of the six environmental objectives without causing significant harm to any of the other objectives. Minimum safeguards must also be met for an economic activity to be considered Taxonomy-aligned.

The Taxonomy Regulation establishes six environmental objectives, of which two (climate change mitigation and climate change adaptation) were finalized first:

- Climate change mitigation
- Climate change adaption
- Protection and restoration of biodiversity and ecosystems
- Pollution prevention and control
- Transition to a circular economy
- Sustainable use and protection of water and marine resources

Reporting principles

Vast majority of the Group's business, i.e. the manufacturing and distribution of fishing tackle equipment, as well as outdoor and winter sports equipment, to consumers, does not currently fall within the scope of the taxonomy.

Rapala VMC's electric ice auger, along with certain other electric tools manufactured by the Group's subcontractors and sold in limited quantities, fall within the scope of taxonomy-eligible economic activity 1.2 Manufacture of electrical and electronic equipment, aligned with the circular economy objective. There have been no significant changes in the Company's product portfolio or operations that would affect the determination of taxonomy-eligible activities. During 2025, minor investments related to the renovation of premises were made that meet the taxonomy eligibility criteria. However, due to their low value, these investments are rounded to zero in the reported figures.

2025 Taxonomy KPIs

Rapala VMC's revenue, investments, and operating expenses indicators adhere to International Financial Reporting Standards ("IFRS"). The taxonomy-eligible revenue is compared to the Group's total revenue, taxonomy-eligible investments to total investments, and taxonomy eligible operating expenses to total operating expenses. 4.65% of the Group's revenue, 0% of investments and 0% of operating expenses are taxonomy eligible. Rapala VMC's taxonomy-eligible revenue mainly derives from manufacturing of electronic equipment.

	Total, MEUR	Taxonomy eligible, MEUR	Not taxonomy eligible, MEUR
Revenue	227,5	10,1	217,4
Capital expenditures	4,3	0,0	4,3
Operating expenses	105,9	0,0	105,9

Table: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TABLE 2: PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN 2025 (MEUR)

Financial year 2025	2025		Substantial contribution criteria						DNSH criteria (DNSH: 'Does Not Significantly Harm')					Proportion of taxonomy aligned or eligible CapEx, year 2024	Category enabling activity	Category transitional activity		
	Code	CapEX MEUR	Proportion of CapEX %	Climate change mitigation Y;N;N/EL	Climate change adaptation Y;N;N/EL	Water Y;N;N/EL	Pollution Y;N;N/EL	Circular economy Y;N;N/EL	Biodiversity Y;N;N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N				Circular economy Y/N	Biodiversity Y/N
Economic activities																		

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy aligned)																	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																	
Of which Enabling																	
Of which Transitional																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																	
			KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL	KEL; E/KEL								
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0,0	0,0 %															
CapEx of Taxonomy-eligible activities (A.1 + A.2)	0,0	0,0 %															

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities (B)	4,3	100,0 %
Total (A + B)	4,3	100,0 %

TABLE 3: PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN 2025 (MEUR)

Financial year 2025	2025		Substantial contribution criteria						DNSH criteria (DNSH: 'Does Not Significantly Harm')						Proportion of taxonomy aligned or eligible OpEx year 2024	Category enabling activity	Category transitional activity	
	Code	OpEx MEUR	Proportion of OpEx %	Climate change mitigation Y;N;N/EL	Climate change adaptation Y;N;N/EL	Water Y;N;N/EL	Pollution Y;N;N/EL	Circular economy Y;N;N/EL	Biodiversity Y;N;N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N				Biodiversity Y/N
Economic activities																		

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy aligned)																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																		
Of which Enabling																		
Of which Transitional																		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
			EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL									
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0,0	0,0 %															
OpEx of Taxonomy eligible activities (A.1 + A.2)		0,0	0,0 %															

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities (B)		105,9	100,0 %
Total (A + B)		105,9	100,0 %

E1 – CLIMATE CHANGE

Transition plan for climate change mitigation (E1-1)

Rapala VMC has not yet developed a formal climate transition plan. In 2025, the Group included the drafting and approval of a climate transition plan in its Board-approved sustainability targets. The updated timeline foresees preparing the plan in 2026 and securing Board approval no later than 2027. The Group is not excluded from EU Paris-aligned Benchmarks, which set strict sustainability and emission reduction requirements to support the transition to a low-carbon economy.



Material impacts, risks and opportunities related to climate change and their interaction with strategy and business model (ESRS 2 SBM-3)

Table: Material impacts, risks and opportunities related to climate change

Material impacts related to climate change				
Value chain	Time horizon	Nature of impact	Description	Management
Climate change mitigation				
Upstream	Short to long term (Emissions have immediate impact on global warming and have a long-lasting effect. Negative impacts can reduce overtime if Rapala VMC successfully reduces emissions.)	Negative	Rapala VMC value chain generates GHG emissions that contribute to global warming. Main emission categories are Scope 3.1 Purchased goods and services, Scope 3.4 Upstream transportation and distribution. The emissions are concentrated in the company's upstream value chain, with logistic operations generating emissions also downstream.	<ul style="list-style-type: none"> Rapala VMC has developed its GHG emission reporting and tools and has a better understanding of main emission sources. The Group has set a target to develop a formal transition plan and targets for emission reductions also for main Scope 3 categories
Own operations	Short to long term	Negative	Rapala VMC's own operations generate GHG emissions (Scope 1 and 2). The most significant source of emissions is from the energy used in own manufacturing operations.	<ul style="list-style-type: none"> Rapala VMC has set Scope 1 & 2 emission reduction targets The Group has set a target to develop a formal transition plan
Material risks related to climate change				
Value chain	Time horizon	Nature of risk	Description	Management
Ilmastonmuutoksen hillintä				
Whole value chain	Short to long term (Expected to intensify over the next one to five years)	Transition risk	Increasing regulation targeting GHG emissions within the EU and other jurisdictions. Failure to adhere to evolving GHG emission standards can result in substantial fines, legal liabilities, and reputational damage. Implementing necessary changes to meet regulatory requirements may lead to increased operational costs, potential disruptions in the supply chain, and necessitate investment in new technologies or processes.	<ul style="list-style-type: none"> Rapala VMC has invested in tools and resources to meet increasing requirements The Group has set emission reduction targets and plans to adopt a formal transition plan The Group is planning to conduct a detailed value chain risk mapping to identify more precisely the location and activity specific risks and impacts in order to better mitigate and manage these.
Whole value chain	Short to long term (Expected to intensify over the next one to five years)	Transition risk	Efficient and fast logistics network important due to global supply and product distribution. Transition to low carbon technologies in logistics supply chain can increase costs and reduce transportation capacity.	<ul style="list-style-type: none"> The Group is strengthening planning and inventory management to optimize transport flows and minimize the need for air freight.
Climate change adaptation				
Own operations and downstream	Medium to long term	Transition risk	Potential for recreational fishing restrictions and risks for fish stock. The attitudes towards recreational fishing might change and this can have a negative impact to the Groups revenue and profitability. This is also a biodiversity related risk.	<ul style="list-style-type: none"> Managed through active participation in conservation initiatives, collaboration with regulators, and advocacy for sustainable fishing practices that strengthen fish stocks and public trust in the sport.
Whole value chain	Short to long term	Physical risk	Extreme weather events, temperature extremes and rising sea levels can cause disruptions in raw material availability, transportation, own and vendors manufacturing operations and negatively impact the Group's operations and profitability.	<ul style="list-style-type: none"> The Group is planning to conduct a detailed value chain risk mapping to identify more precisely the location and activity specific risks and impacts in order to better mitigate and manage these.
Own operations and downstream	Short to long term	Physical risk	Physical climate impacts, such as droughts, storms, and mild winters, influence product demand and disrupt downstream market stability. This risk is especially relevant in winter products.	<ul style="list-style-type: none"> The Group manages this risk by monitoring weather patterns, adjusting production and inventory levels accordingly, and diversifying product offerings to reduce dependence on single-season categories.
Material opportunities related to climate change				
Value chain	Time horizon	Description		
Climate change mitigation				
Whole value chain	Medium to long term	Adopting clean energy sources and enhancing energy efficiency in logistics, own manufacturing and sourcing, which reduces GHG emissions can enhance the Group's reputation and meet the growing consumer demand for sustainable products. This can also lead to long-term cost savings and increased operational resilience.		
Climate change adaptation				
Own operations and downstream	Medium to long term	Season cycle changes can extend the season and markets for some product categories. Especially mid-season product demand can increase.		

Rapala VMC has not yet conducted a formal resiliency analysis of its business model in relation to climate change. The Group plans to conduct a resiliency analysis that systematically evaluates the exposure to physical and transitional climate risks across its operations and value chain. This will include developing a transition plan to address identified risks and integrating climate change considerations into strategic planning and decision-making processes.

The process for identifying and assessing impacts, risks, and opportunities is described in the General information section of the sustainability statement titled "Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)" and "Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)"

Policies related to climate change mitigation and adaptation (E1-2)

Rapala VMC does not currently have a dedicated climate change policy but manages its material impacts, risks and opportunities related to climate change mitigation and adaptation through its Procurement Guideline and Supplier Code of Conduct. These policies form the Group's existing framework for addressing energy efficiency, environmental responsibility and the transition to clean energy within its operations and upstream value chain.

Both policies define the principles guiding responsible procurement and supplier practices, and set out the expectations for managing environmental impacts, including those related to climate change. The Procurement Guideline outlines objectives for integrating environmental, social and ethical considerations into procurement decisions, promoting energy-efficient procurement and reducing emissions. The Supplier Code of Conduct sets the requirements for suppliers to operate responsibly, identify and minimize environmental risks, comply with applicable environmental laws and maintain an environmental management system suited to their operations. Suppliers are encouraged to monitor their environmental performance, calculate their carbon

footprint and set an ambitious science-based emission reduction target.

The policies address material impacts, risks and opportunities related to climate change mitigation and adaptation by emphasizing emission reduction, lifecycle considerations, environmental risk management and measures that support resilience within the upstream supply chain. They also include principles related to energy efficiency and renewable energy, such as promoting energy-efficient products and encouraging suppliers to increase their use of renewable energy where possible.

The Procurement Guideline applies to all procurement activities across Rapala VMC's global operations and focuses on supplier selection and purchasing practices. The Supplier Code of Conduct applies to all suppliers, subcontractors and partners involved in producing products that use Rapala VMC intellectual property, and requires suppliers to cascade its standards within their own supply chains. Stakeholder interests, including those of suppliers, customers and regulatory bodies, were considered when defining responsible procurement and supplier requirements.

The Group's Global Management Team, chaired by the President & CEO, is accountable for implementing both policies. Monitoring includes supplier assessments, compliance reviews and, in the case of the Supplier Code of Conduct, the use of third-party audits and follow-up on corrective action plans.

The Procurement Guideline and the Supplier Code of Conduct are available to all Group personnel via the intranet. The Supplier Code of Conduct is also made available to suppliers and relevant stakeholders, and internal stakeholders responsible for implementation receive training to ensure effective application and to respond to supplier questions.

Actions and resources in relation to climate change policies (E1-3)

The Group continued to prioritise the purchase of clean energy as a key action to reduce market-based Scope 2 CO₂ emissions. In 2025, clean electricity was sourced in the same sites as before, and clean district heating was introduced at the Group's largest Finnish unit, reducing market-based district heating emissions by 77%. The Group also improved heating energy efficiency at the site by installing air-source heat pumps. At the Estonian manufacturing site, clean electricity covered 100% of total consumption in 2025. These actions represent decarbonisation levers related to the use of renewable and clean energy as well as energy-efficiency measures.

These measures support the Group's objective to increase the share of clean energy in operations. Based on a 2024 baseline of 55.5% clean energy, the Group has set targets to reach 62% in 2026, 70% in 2027 and 80% in 2028, replacing the previous goal of achieving zero market-based Scope 2 emissions by 2026.

To improve insight into climate impacts and focus mitigation efforts where they matter most, the Group will prepare life-cycle assessments (LCAs) for key product categories by 2028. Prioritizing categories that represent the largest share of sales will enable identification of emission hotspots and support low-carbon design choices where they have the greatest effect. The results of the LCAs will be used to inform product development and decision-making aimed at advancing lower-carbon solutions.

The Group has also set a target to draft and implement a Group-wide transition plan during the next three-year strategic period, with resources allocated to its development. This plan will guide the definition of further actions and emission-reduction targets. The Group-wide transition plan will also assess the financial and technical resources needed to implement future emission-reduction actions. The ability to carry out these actions may depend on having sufficient resources, as some measures could require additional investment or technical capabilities that are not yet available. Cost constraints and gaps in technical expertise may limit implementation in certain locations.

The actions taken in 2025 cover the Group's largest manufacturing site in Estonia and Finnish units where energy procurement is managed directly by the Group. The overall target to reduce market-based Scope 2 emissions applies to all of the Group's own operations, while more detailed location-specific action plans will be developed as part of the upcoming transition plan. Clean energy procurement and energy-efficiency improvements are ongoing, and the updated clean-energy targets are intended to be met by 2026, 2027 and 2028. The heat pump installations are expected to deliver emission reductions over the medium term, and work on the transition plan will be carried out during the next strategic period.

No actions were required in the reporting year to provide or support remedy for individuals or communities harmed by environmental impacts linked to Scope 2 emissions. Compared with the prior period, the Group expanded clean energy sourcing through clean district heating and increased coverage of clean electricity, with Estonia rising from 85% to 100%. Energy certificates continue to be used where relevant. The Group does not yet have a formal transition plan aligning financial resources with its sustainability strategy, but resource allocation for its preparation has now begun. No significant Capex or Opex has been allocated to the current action plan, and the financial resources used do not relate to EU Taxonomy-aligned activities.

Targets related to climate change mitigation and adaptation (E1-4)

Rapala VMC Corporation has set a specific target to ensure that all Scope 2 energy purchases come from clean energy sources, including nuclear power but excluding hydropower. Hydropower is excluded from the target due to its negative impact on ecosystem functioning and biodiversity. Based on a 2024 baseline of 55.5% clean energy, the Group has set targets to reach 62% in 2026, 70% in 2027 and 80% in 2028, replacing the previous goal of achieving zero market-based Scope 2 emissions by 2026. This includes all indirect energy consumption within the Group's own facilities and manufacturing sites, ensuring

comprehensive coverage of emissions from purchased energy. The Group has also set a target for total Scope 1 & 2 emissions, in line with the clean electricity target. This target applies to all Scope 1 and 2 emissions across the Group, encompassing the purchased electricity and consumed fuels for all Rapala VMC operations globally. These targets directly address material climate-related impacts, risks, and opportunities by focusing on reducing greenhouse gas (GHG) emissions associated with the Group's electricity consumption and supporting the clean energy transition.

Material topic	Type of IRO related to target	Target	Base year 2024	Actual 2025	Target 2026	Target 2027	Target 2028
Climate change mitigation, adaptation and energy	Actual negative impact, risk and opportunity	% of electricity, heating and cooling from clean sources	55,5%	86,3 %	62 %	70 %	80 %
Climate change mitigation, adaptation and energy	Actual negative impact, risk and opportunity	Total Scope 1 and 2 CO ₂ emissions (tCO ₂ e market-based)	3 592	3 080	2 949	2 599	2 177

Stakeholders were not involved in the target setting. The 2024 baseline value has been determined as it marks the first year of comprehensive GHG emission reporting across all Group entities. No major structural or operational changes occurred during the year, and external factors such as extreme weather conditions did not significantly influence energy consumption. Therefore, the 2024 data is considered representative and provides a reliable basis for tracking progress toward the targets. Rapala VMC's strategy cycle is three years, and the Group has not yet set greenhouse gas emission reduction targets beyond 2028. The Group aims to prepare a transition plan and approve the related targets during 2026–2027, in connection with which it is expected that emission reduction targets will also be set for 2030 and 2050. Rapala VMC has not validated these targets with the Science-based target initiative and thus can't claim the target to be aligned with the 1,5 degree scenario. These targets align with the use of renewable/carbon neutral energy decarbonization lever contributing 100% to achieving the target.

Energy consumption and mix (E1-5)

Fossil energy consumption decreased compared to the previous reporting period. The reduction was primarily driven by changes in energy sourcing, including the transition to renewable district heating and electricity in certain locations, as well as changes in the energy production mix. These changes reduced the share of fossil fuel-based energy in total energy consumption.

Operational factors, such as fluctuations in production volumes, temporary downtime at certain facilities, and changes in electricity consumption at individual units, also influenced energy use during the reporting period. Despite these factors, total energy consumption increased, mainly due to the overall development of business, as well as weather variability, which increased heating demand, particularly during colder periods.

Energy consumption and mix	2025	2024
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	2 399	2 466
Fuel consumption from natural gas (MWh)	5 149	4 238
Fuel consumption from other fossil sources (MWh)	2	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	1 818	6 146
Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	9 368	12 850
Share of fossil sources in total energy consumption (%)	44,8	62,4
Consumption from nuclear sources (MWh)	2 756	2 380
Share of consumption from nuclear sources in total energy consumption (%)	13,2	11,6
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	98	83
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	8 566	5 098
The consumption of self-generated non-fuel renewable energy (MWh)	132	180
Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	8 797	5 361
Share of renewable sources in total energy consumption (%)	42,0	26,0
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	20 920	20 592
Renewable energy production (MWh)	168	202

Energy intensity per net revenue	2025	2024	Muutos, %
Total energy consumption from activities in high climate impact sectors (MWh)	14 091	14 342	-1,7%
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/MEUR)	149,1	142,9	4,3%

The high climate impact sector used to determine energy intensity is Manufacturing. Total energy consumption from activities in high climate impact sectors is derived from the reported energy usage across all Rapala VMC's own manufacturing sites. Net revenue is calculated based on revenue generated from products manufactured within the Group's own production facilities.

Net revenue by sector	2025	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity (MEUR)	94,525	100,338
Net revenue (other) (MEUR)	132,930	120,566
Total net revenue (Financial statements) (MEUR)	227,456	220,904

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

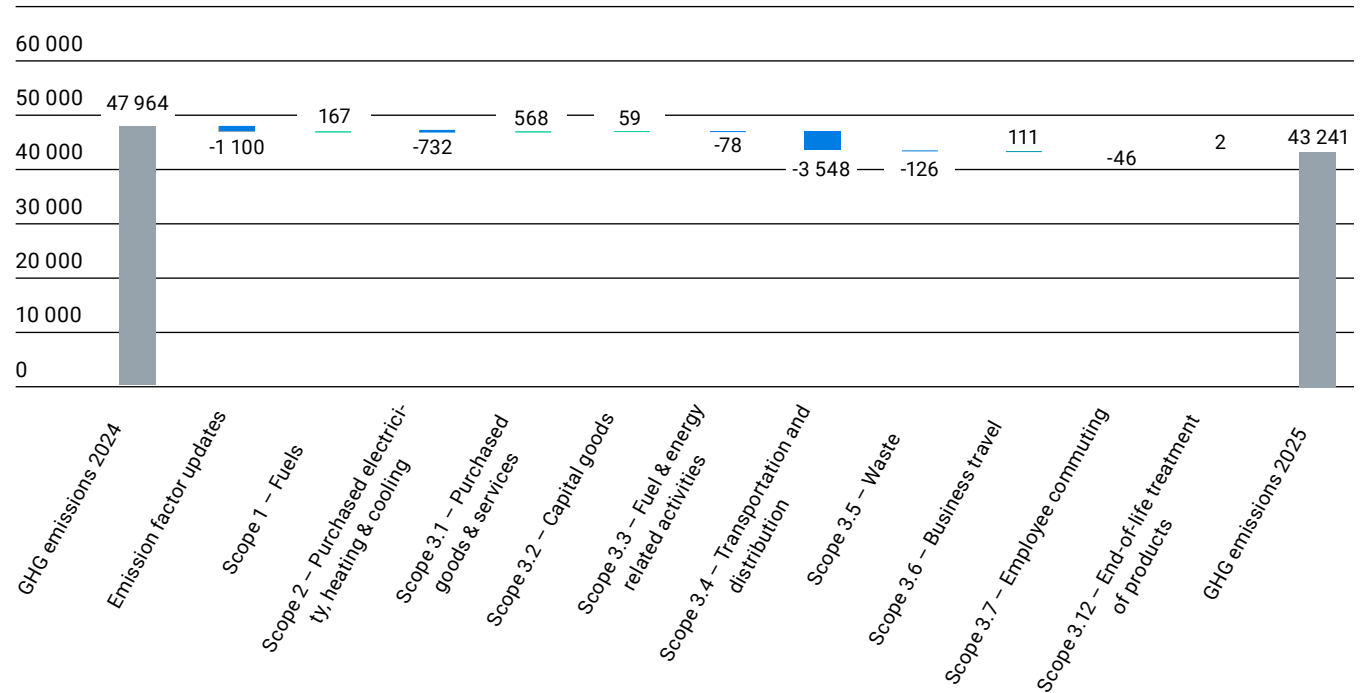
	Retrospective				Milestones and target years		
	Base year (2024)	2025	2024	Change, %	2026	2027	2028
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO ₂ eq)	1 518	1 687	1 518	11,2%			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0%			
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	4 023	3 471	4 023	-13,7%			
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	2 074	1 392	2 074	-32,9%	1 615	1 265	844
Significant scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	44 372	40 161	44 372	-9,5%			
1 Purchased goods and services	27 098	27 017	27 098	-0,3%			
2 Capital goods	420	466	420	10,9%			
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	1 273	1 238	1 273	-2,7%			
4 Upstream transportation and distribution	13 292	8 853	13 292	-33,4%			
5 Waste generated in operations	531	737	531	38,7%			
6 Business traveling	447	396	447	-11,4%			
7 Employee commuting	1 288	1 243	1 288	-3,5%			
12 End-of-life treatment of sold products	23	211	23	804,1%			
Total GHG emissions							
Total GHG emissions (location-based) (tCO ₂ eq)	49 913	45 320	49 913	-9,2%			
Total GHG emissions (market-based) (tCO ₂ eq)	47 964	43 241	47 964	-9,8%			
Percentage of GHG Scope 3 calculated using primary data	57,5	48,4	57,5	-15,8%			

GHG intensity per net revenue	2025	2024
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/MEUR)	199,2	225,9
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/MEUR)	190,1	217,1
Net revenue used to calculate emission intensity (MEUR)	227,5	220,9

Market-based greenhouse gas emissions decreased by a total of 4,723 tCO₂e compared to the previous reporting period. The changes in emissions were driven by several factors across different emission categories. Scope 2 emissions decreased primarily due to changes in energy sourcing, as electricity and heating procurement increasingly shifted towards renewable energy sources and nuclear power. This significantly reduced the emission intensity of purchased energy. In Scope 3.4 (transportation and distribution), emissions decreased notably due to a significant reduction in the use of air freight. This was the most important single driver behind the overall decrease in emissions. In Scope 3.5 (waste), waste volumes decreased during the reporting period. However, the introduction of more precise country- and region-specific emission factors increased the reported emissions. In Scope 3.12 (end-of-life treatment of products), emissions increased mainly due to the use of more detailed and updated emission factors, improving the accuracy of calculations but limiting comparability with the previous reporting period. Overall, the development of emissions was influenced by both operational changes and improvements in reporting methodologies.

The "Greenhouse gas emissions variance analysis 2024-2025" chart below illustrates the change in total emissions between reporting periods, distinguishing between the effects of updated emission factors and underlying operational changes across emission categories.

Greenhouse gas emissions variance analysis 2024–2025



Methodologies and assumptions used to measure GHG emissions

Rapala VMC's GHG inventory follows the GHG Protocol framework and adopts an operational control approach for consolidation. The inventory covers the entire Group, including Scope 1, Scope 2, and relevant Scope 3 categories. The reporting period aligns with the financial year (01/01–31/12). Scope 2 emissions are calculated using both market-based and location-based approaches. The inventory includes all activities relevant to the Group across its operations and value chain during the reporting year. During 2025, the data collection and calculation processes were refined. As a result, adjustments were also made to the 2024 baseline year Scope 1 emissions and energy consumption data as well as Scope 3.1 and Scope 3.3 emissions.

Scope 1 emissions from stationary and mobile combustion are calculated using activity-based methodologies relying on fuel consumption data by volume or mass, and for energy generation using renewable sources such as solar and hydropower the emission factors are set to zero. Scope 2 emissions from purchased electricity, heating and cooling are calculated based on energy consumption (kWh), applying both location-based and market-based calculation approaches, with market-based emissions using residual mix factors where available. Scope 3 emissions are calculated using various methodologies depending on the category. Radiative forcing is included for aviation emissions under business travel, and employee commuting emissions are partially estimated based on survey data.

In cases where supplier-specific information is not available, default emission factors are applied, particularly for the calculation of Scope 2 heating and cooling emissions. Employee commuting estimates are partly based on employee survey responses, and radiative forcing is included when calculating aviation emissions related to business travel.

Emissions are calculated using standardized emission factor databases, such as DEFRA, EPA, IEA and Ecoinvent, which are integrated into Tofuture Oy's reporting systems. For Scope 1, DEFRA conversion factors (2025 edition) are applied for fuels including diesel, natural gas and LPG. For Scope 2, location-based factors include IEA Emission Factors (2025) and national data sources such as Fingrid for Finland and AIB Residual Mixes for European countries. The Scope 3 emission factors for each category are provided in the table "Scope 3 categories included in the GHG inventory" at the end of this chapter.

Rapala VMC calculates Scope 2 GHG emissions using both the market-based and location-based methods, in alignment with international standards. The Group utilizes Energy Attribute Certificates ("EACs") and Residual Mix Factors ("RMFs") as contractual instruments for the market-based calculation of Scope 2 emissions. Both bundled contracts and unbundled Energy Attribute Certificates ("EACs") are utilized as contractual instruments to support the Group's clean energy targets and ensure transparency in Scope 2 GHG emissions reporting under the market-based method.

- Energy Attribute Certificates (EACs): EACs, including Guarantees of Origin (GOs), are purchased to cover the electricity consumption of specific sites. These certificates verify the renewable origin of the electricity consumed, allowing the Group to report reduced Scope 2 emissions under the market-based approach.
- Unbundled Energy Attribute Certificates (EACs): EACs, such as Guarantees of Origin (GOs), are purchased separately to cover the electricity consumption of specific sites. These certificates verify the renewable origin of the electricity consumed, enabling the Group to report reduced Scope 2 emissions under the market-based method.
- Bundled Contracts: For units that do not utilize EACs, the energy mix reported is based on the energy supplier's generation mix when available, which includes bundled attributes of the purchased energy. This information is used in the calculation of market-based emissions, reflecting the emissions intensity of the supplier's energy portfolio.
- Residual Mix Factors (RMFs): For sites where EACs are not applied, RMFs are used. RMFs represent the average emissions intensity of the grid, excluding renewable energy claims covered by EACs.

Contractual instrument	MWh		Share % of MWh		tCO2e		Share % tCO2e	
	2025	2024	2025	2024	2025	2024	2025	2024
Unbundled energy attribute certificates (EACs)	4 719	3 348	35,9	24,6	0	0	0,0	0,0
Bundled Contracts	6 076	3 913	46,2	28,7	268	303	19,3	14,6
Total Scope 2	13 139	13 625			1 392	2 074		
All contractual instruments	10 795	7 261	82,2	53,3	268	303	19,3	14,6

Rapala VMC evaluates Scope 3 GHG emissions across its value chain and includes the most relevant categories in its GHG inventory. This process focuses on analysing the most relevant Scope 3 emission categories, ensuring that significant sources of GHG emissions within the value chain are identified and prioritized. Categories such as purchased goods and services, upstream

transportation, business travel, and waste generated in operations have been recognized as key contributors to Rapala VMC's overall emissions. List of included and excluded Scope 3 categories, calculation methods and main sources of emission factors per category are presented in the tables below:

Scope 3 categories included in the GHG inventory			
Scope 3 category	Reasoning	Calculation method	Main sources of emission factors
3.1 Purchased goods and services	Largest emission source. Relevant in terms of size, influence, risk and stakeholder expectations.	Activity-based average-data and spend-based methods	<ul style="list-style-type: none"> Materials and equipment for production: Ecoinvent 3.11. Purchased finished goods for retail and purchased indirect goods and services: EPA Supply Chain GHG Emission Factors, USD 2022, Inflation corrected for 2024 and converted to EUR.
3.2 Capital goods	Capital goods investment is irrelevant in size but due to annual fluctuations it is included in the calculation to ensure comprehensive GHG inventory.	Average spend-based method	<ul style="list-style-type: none"> EPA Supply Chain GHG Emission Factors, USD 2022, Inflation corrected for 2024 and converted to EUR.
3.3 Fuel-and energy-related activities	Emission source is directly related to the Group's own energy consumption.	Activity-based average-data method	<ul style="list-style-type: none"> Primary energy fuels: DEFRA conversion factors 2025; Global Logistics Emissions Council Framework v3.1 (2025). Purchased electricity: IEA Life Cycle Upstream Emission Factors 2024 annual edition. Purchased heating/cooling: Combination of DEFRA and IEA emission factors.
3.4 Upstream transportation and distribution	Second largest emission source. Relevant in terms of size and influence. Includes downstream third-party transportation paid by the Group.	Distance-based method	<ul style="list-style-type: none"> DEFRA conversion factors 2025
3.5 Waste generated in operations	Relevant in terms of size and influence. Emission source is directly related to the Group's production and other operations.	Waste-type-specific method	<ul style="list-style-type: none"> Ecoinvent 3.11 ADEME Base Carbone V23.7 (for Rapala VMC locations in France) EPA Emission factors hub 2025 (for Rapala VMC locations in USA).
3.6 Business travel	Relevant in terms of influence.	Distance-based method	<ul style="list-style-type: none"> DEFRA conversion factors 2025
3.7 Employee commuting	Relevant in terms of size and influence.	Distance-based method	<ul style="list-style-type: none"> DEFRA conversion factors 2025
3.12 End-of-life treatment of sold products – packaging	The Group's products are durable and rarely enter waste streams, making this category less relevant. However, packaging waste is addressed to meet stakeholder expectations.	Waste-type-specific method	<ul style="list-style-type: none"> Ecoinvent 3.11

Scope 3 categories excluded from the GHG inventory	
Scope 3 category	Reasoning
3.8 Upstream leased assets	The Group doesn't have relevant upstream leased assets.
3.9 Downstream transportation and distribution	Emissions from downstream transportation purchased by Rapala VMC are included in Category 3.4. However, third-party storage and transportation of products to end-users, organized by retailers or other third parties, are excluded due to a lack of reliable information, limited availability of reasonable data, and lack of influence over these activities.
3.10 Processing of sold products	Not applicable, as Rapala VMC primarily sells finished and ready-to-use products that do not require additional processing.
3.11 Use of sold products	Excluded as the majority of the Group's products do not consume energy during their use phase. For the small proportion that do, the associated emissions are minimal and not considered material.
3.13 Downstream leased assets	Rapala VMC does not have downstream leased assets relevant for inclusion in this category.
3.14 Franchises	Rapala VMC does not operate franchise activities.
3.15 Investments	Rapala VMC does not have strategic investments that would be significant from a GHG emissions perspective.

E4 – BIODIVERSITY AND ECOSYSTEMS

Transition plan and consideration of biodiversity and ecosystems in strategy and business model (E4-1)

Rapala VMC has not yet conducted a comprehensive resiliency analysis, and a biodiversity-specific impact assessment is still under development. However, as part of the DMA process, Rapala VMC assessed the resilience of its strategy and business model to biodiversity- and ecosystems-related physical, transition, and systemic risks across its own operations and key parts of the upstream and downstream value chain. This assessment considered variations in risk significance depending on geographic location, type of activity, and dependency on the value chain, and concluded that the strategy and business model demonstrate resilience to the identified risks. The process for identifying and assessing impacts, risks, and opportunities is described in more detail in the section of the sustainability statement titled "GENERAL INFORMATION - IMPACT, RISK AND OPPORTUNITY MANAGEMENT"

The evaluation is based on several key assumptions that guide the identification of risks, the development of mitigation strategies, and the integration of biodiversity considerations into the Group's strategic planning processes.

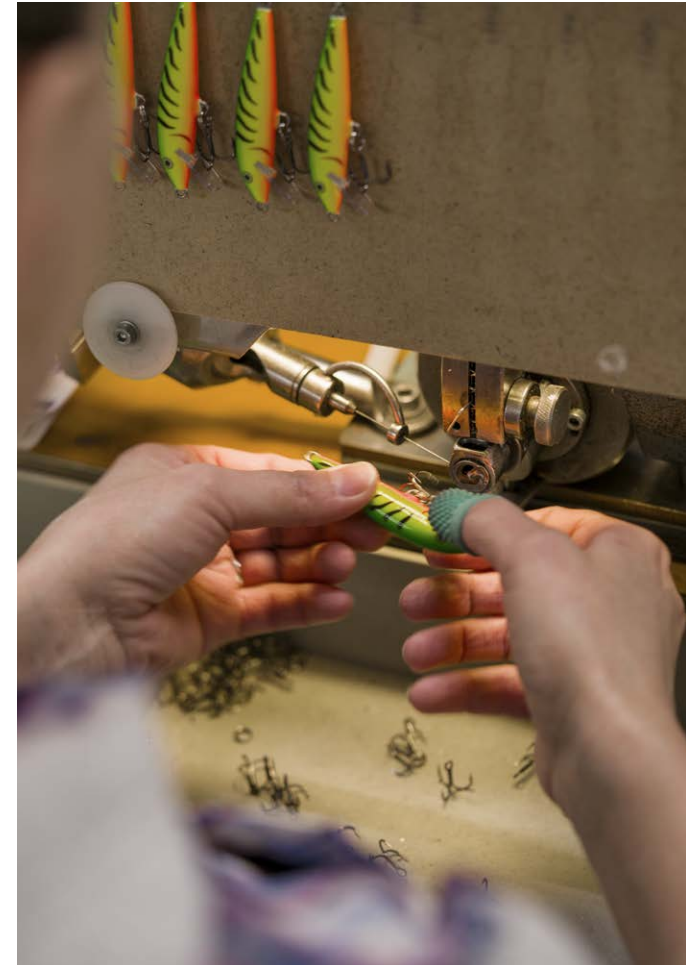
- **Impact scope and materiality:** Biodiversity and ecosystems-related risks are assumed to have varying levels of significance depending on the geographic location, activity type, and supply chain dependency. While these risks are material to the Group, their financial and operational impacts are considered manageable through proactive mitigation and adaptation strategies.
- **Global market diversification:** The Group's diversified product portfolio and presence in global markets are assumed to reduce dependency on specific ecosystems or regions, mitigating the impact of localized biodiversity loss.
- **Resource availability and regulation:** It is assumed that regulatory changes related to biodiversity, such as restrictions on land use or raw material extraction, will evolve gradually, providing the Group time to adapt operations and supply chain practices.
- **Ecosystem resilience:** The resilience of ecosystems is assumed to vary, with some ecosystems expected to recover from minor disruptions while others may require significant conservation efforts to mitigate long-term degradation.
- **Stakeholder expectations:** Increasing stakeholder expectations for sustainable practices are assumed to influence market demand and regulatory priorities, driving the need for sustainable materials, circular economy initiatives, and transparency in biodiversity-related impacts.
- **Technological and product innovation:** The Group assumes that advances in product design and material technology will continue to support the transition to more sustainable materials and practices, reducing biodiversity-related risks.
- **Climate-biodiversity interconnection:** The interconnection between climate change and biodiversity is assumed to exacerbate physical risks, such as habitat degradation and changes in fish populations, necessitating integrated strategies for climate and biodiversity resilience.

The Group's diversified product portfolio and global market presence help mitigate physical risks related to biodiversity and ecosystems, including habitat degradation, water scarcity, and changes in fish populations due to climate change. These pose localized risks to operations and market demand but have not been identified as material risks. To further support resilience, Rapala VMC actively monitors and reduces operational impacts such as land use and water consumption in manufacturing. The Group also supports research and collaborates with external partners to better understand ecosystem changes that influence fishing practices, ensuring it can understand and address ecosystem changes affecting fishing practices.

Identified as material risks for the Group, transition risks stem from regulatory changes such as EU Deforestation regulation, market shifts towards sustainable materials, and stakeholder expectations for sustainable practices. Ongoing efforts in product innovation and circular economy practices support the Group's resilience. These efforts include incorporating sustainable materials into product design and reducing reliance on high-impact resources such as lead, which is harmful to aquatic ecosystems. Rapala VMC is also adapting its supply chain practices to meet stricter biodiversity-related regulations, including requirements connected to forestry and land-use management. In addition, the Group is developing circular economy initiatives to improve material efficiency and minimize waste, thereby decreasing the use of virgin materials and reducing the associated impacts of forestry and mining on ecosystems.

Systemic risks related to biodiversity and ecosystems, such as large-scale ecosystem collapse or the loss of fish habitats, could have significant impacts on the recreational fishing industry. Rapala VMC's global presence and diverse product offering reduce the Group's dependency on any single region or ecosystem, strengthening its ability to withstand such broad-scale disruptions. By engaging with stakeholders, including scientists and environmental organizations, Rapala VMC further enhances its understanding of systemic risks and its capacity to respond to them.

The Group's approach to biodiversity and ecosystems-related risks includes stakeholder involvement through its DMA. Key stakeholders, including suppliers, industry experts, and environmental organizations, contribute input on biodiversity challenges and opportunities across the value chain. While the Group has not yet evaluated the need to engage directly with holders of indigenous or local knowledge, it recognizes the importance of conducting a more thorough evaluation and plans to integrate broader stakeholder perspectives into future biodiversity-related analyses and strategies. This approach supports the development of a resilient business model aligned with global conservation efforts and stakeholder expectations.



Material impacts, risks and opportunities related to biodiversity and ecosystems and their interaction with strategy and business model (ESRS 2 SBM-3)

Table: Material impacts, risks and opportunities related to biodiversity and ecosystems

Material impacts related to biodiversity and ecosystems				
<p>Rapala VMC's DMA did not identify any material sites within its operations, including those under its operational control. No activities were found to negatively affect biodiversity-sensitive areas, and no material negative impacts related to land degradation, desertification, or soil sealing were identified. The Group also did not identify any operations that would directly affect threatened species. However, Rapala VMC recognizes the need for a more detailed assessment to enhance its understanding of potential biodiversity-related impacts. Future evaluations will incorporate site- and material-specific analyses to ensure that sustainability efforts remain aligned with environmental considerations and regulatory expectations.</p>				
Material risks related to biodiversity and ecosystems				
Value chain	Time horizon	Nature of risk	Description	Management
Own operations and upstream	Long term	Transition risk	Depleting natural resources used in products such as wood. Availability of key materials can reduce due to biodiversity loss and ecosystem health impacting operations and increasing operational costs.	<ul style="list-style-type: none"> The Group has set targets to increase the use of certified, renewable materials in its products and packaging. Increasing recycled material content in products and reducing material use in packaging
Own operations and upstream	Short to medium term	Transition risk	Introduction of stricter biodiversity related regulations that can impact operations and increase operating costs. Such as the EU Deforestation regulation and SUP directive increase the reporting requirements and cost of operations. Impacts own operations and upstream value chain.	<ul style="list-style-type: none"> Regulatory monitoring and lobbying as well as adapting processes, systems and liabilities to changing operational environment.
Own operations and downstream	Short to medium term	Transition risk	Reduced demand due to biodiversity loss and ecosystem health impacting fish populations. These risks also extend to customer satisfaction and the long-term sustainability of fishing ecosystems, which are central to the company's product offerings.	<ul style="list-style-type: none"> Support conservation initiatives and education regarding responsible fishing practices.
Own operations and downstream	Medium to long term	Transition risk	Potential for recreational fishing restrictions and risks for fish stock. The attitudes towards recreational fishing might change and this can have a negative impact to the Groups revenue and profitability. This is also a climate change related risk.	<ul style="list-style-type: none"> Managed through active participation in conservation initiatives, collaboration with regulators, and advocacy for sustainable fishing practices that strengthen fish stocks and public trust in the sport.
Material opportunities related to biodiversity and ecosystems				
Value chain	Time horizon	Description		
Own operations and downstream	Medium to long term	Aligning operations with biodiversity protection trends, sustainable fishing practices and conservation efforts which strengthen customer trust and ensure market resilience.		

The process for identifying and assessing impacts, risks, and opportunities is described in the General information section of the sustainability statement titled "Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)" and "Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)"

Policies related to biodiversity and ecosystems (E4-2)

Rapala VMC does not currently have a dedicated biodiversity or ecosystem policy but considers the potential need for one. The Group manages its material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems through its Supplier Code of Conduct and Procurement Guideline. Together, these policies form the Group's existing framework for addressing environmental responsibility, sustainable resource use and biodiversity-related risks within its operations and upstream value chain.

Both policies define principles for responsible procurement and supplier practices and set expectations related to environmental management, including impacts relevant to biodiversity and ecosystems. The Supplier Code of Conduct requires suppliers to minimise environmental harm, promote sustainable resource use and comply with applicable environmental laws. The Procurement Guideline supports responsible sourcing by encouraging the use of sustainable alternatives and practices that help reduce deforestation, habitat destruction and other ecosystem impacts. The Procurement Guideline also indirectly addresses social consequences by promoting ethical sourcing that reduces ecosystem degradation and supports sustainable livelihoods in sourcing regions.

The policies relate to material biodiversity and ecosystem impacts by requiring suppliers to manage environmental impacts and by promoting sourcing practices that reduce pollution, habitat destruction and ecosystem degradation. They relate to material dependencies by recognising the reliance on natural resources for production and by requiring suppliers to support sustainable resource use. The policies also relate to material physical and transition risks by helping mitigate the physical risks associated with biodiversity loss and by aligning sourcing and supplier practices with evolving environmental expectations, regulations and customer requirements.

The policies do not support traceability of products, components or raw materials with material biodiversity impacts along the value chain. They do not address production, sourcing or consumption from ecosystems that are specifically managed to maintain or enhance conditions for biodiversity, and they do not address direct exploitation. They also do not include specific measures addressing the state of species or the detailed assessment of ecosystem conditions beyond general requirements for environmental compliance and impact reduction.

Relation to the matters in ESRS E4 AR4

Rapala VMC's Supplier Code of Conduct and Procurement Guideline align with some of the matters specified in ESRS E4 AR4 (climate change, land-use change, freshwater-use change, sea-use change, direct exploitation, invasive alien species, pollution and others). The Supplier Code of Conduct addresses climate change as a driver of biodiversity loss by requiring suppliers to reduce environmental harm, improve resource efficiency and comply with applicable environmental legislation. Both policies relate to land-use change, including impacts connected to deforestation, habitat destruction and freshwater- or sea-use change, by promoting responsible sourcing practices, sustainable material use and the reduction of environmental degradation within the supply chain. Pollution is addressed through requirements to minimise waste generation, limit hazardous materials and implement environmental management practices.

The policies do not explicitly address direct exploitation or invasive alien species. However, the Group recognises the relevance of invasive species as a potential risk and notes plans to consider this in future policy development.

The policies do not directly address impacts on the state of species, such as changes in species population size or extinction risk. They support the mitigation of ecosystem degradation by promoting sustainable procurement practices that reduce pressures on ecosystems and natural habitats. While the policies do not include specific measures

related to land degradation or soil sealing, they contribute indirectly to maintaining ecosystem condition by guiding suppliers toward environmental compliance and improvements.

The policies relate to ecosystem services through actions that promote reduced environmental footprints, sustainable resource use and participation in conservation-related practices. These measures help safeguard ecosystem services on which supply chains depend, although the policies do not establish explicit frameworks for identifying or assessing specific ecosystem services. They do not include traceability requirements for products or raw materials with material biodiversity impacts.

Governance, scope and availability

The Procurement Guideline applies to all procurement activities across Rapala VMC's global operations and focuses on purchasing practices and supplier selection. The Supplier Code of Conduct applies to all suppliers, subcontractors and partners involved in the production of products using Rapala VMC intellectual property, and requires suppliers to cascade its requirements throughout their supply chains. Stakeholder interests, including those of suppliers, customers and regulatory bodies, were considered in setting expectations for responsible sourcing and supplier performance.

The Group's Global Management Team, chaired by the President & CEO, is accountable for implementing both policies. Monitoring includes supplier self-assessments, compliance reporting, evaluations of supplier practices and, for the Supplier Code of Conduct specifically, third-party audits and follow-up on corrective action plans. The Procurement Guideline is available to all personnel via the Group intranet. The Supplier Code of Conduct is available internally via the intranet and is also distributed externally to suppliers. Internal stakeholders responsible for implementation receive training to ensure effective application and to address supplier questions.

Rapala VMC has not adopted a biodiversity or ecosystem protection policy covering operational sites in or near protected or biodiversity-sensitive areas. It has not adopted policies related to sustainable land and agriculture, sustainable oceans or seas, or deforestation. The Group has not identified products, components or raw materials with significant actual or potential biodiversity impacts along its value chain.

Actions and resources related to biodiversity and ecosystems (E4-3)

In 2025, Rapala VMC advanced several actions aimed at reducing biodiversity and ecosystem impacts. The Group prepared for the forthcoming EU Deforestation Regulation by mapping all relevant material flows and started developing the Due Diligence process needed to ensure these do not contribute to deforestation. It also continued product development efforts to reduce harmful substances by expanding the use of lead-free materials in Rapala-branded lures, and advanced packaging redesign by reducing the use of plastics, increasing recycled content and expanding the adoption of FSC-certified cardboard sourced from responsibly managed forests.

In addition, to enhance future target-setting and drive more impactful product development decisions, the Group is working to improve material-level data visibility across its operational footprint. This includes developing a consolidated methodology to track FSC-certified materials across all packaging types and establishing a Group-wide target for packaging to transition to FSC-certified materials. Additionally, the Group is drafting eco-design guidelines for all main brands and product categories. During 2026, the Group will define a measurable target for the share of new items developed in alignment with these guidelines. These measures aim to prevent or mitigate material biodiversity-related

impacts, reduce pollution and support the transition to more sustainable materials, while reducing the climate and biodiversity footprint of the product portfolio at the design stage, where most of the environmental impact is determined.

The actions taken during the reporting year reflect the continued implementation of initiatives introduced in the previous period, with no changes to methodologies. In parallel, the Group updated its sustainability strategy for the 2026–2028 period. As part of the updated strategy, the Group set targets for all subsidiaries to contribute to aquatic biodiversity conservation, either through the allocation of working time or financial support. Restoration- and rehabilitation-related targets include annual biodiversity contributions within business units, financial and time support to organisations focused on ecosystem recovery, and participation in at least 30 aquatic conservation projects per year by 2028. These activities support improvements in habitat quality, strengthen fish populations, enhance water conditions and contribute to the long-term resilience of local aquatic ecosystems in areas where the Group operates and engages.

The Group also contributes to conservation outcomes through statutory mechanisms, most notably the U.S. federal excise tax on fishing equipment. Under the Dingell–Johnson Sport Fish Restoration Act, a 10% excise tax applies to fishing tackle and certain related products. These funds are directed to the Sport Fish Restoration Program, supporting aquatic habitat restoration, fish stocking, water access infrastructure, invasive species management, and angler education. As a producer of fishing equipment sold in the United States, Rapala VMC contributes financially to this conservation system each year. Tax revenues are directed to the Sport Fish Restoration program, which funds state level programs across the U.S. focused on restoration of

aquatic ecosystems, fish stocking, infrastructure for boating and fishing sites, the management of invasive species, and angler education. These measures create an indirect positive impact on biodiversity. In 2025, the Group's total excise tax contribution amounted to 5.2 MUSD.

In Europe, the Group has been actively involved in the development and implementation of Extended Producer Responsibility (EPR) systems for fishing gear containing plastic, in line with the EU Single-Use Plastics Directive. Rapala VMC participates in national working groups and industry organisations to support harmonised, meaningful, and impactful EPR implementation. Under these schemes, producers are responsible for the costs of collection, waste management, reporting, and awareness activities related to fishing gear that becomes waste, including abandoned, lost, or discarded fishing gear (ALDFG). Well-designed EPR systems aim to reduce marine litter, increase recycling and retrieval rates, improve end-of-life management, and ultimately mitigate ecosystem degradation in European waters. Through active involvement, the Group seeks to contribute to solutions that generate the most significant environmental benefits while remaining operationally workable for the industry.

The actions taken in 2025 were implemented across the Group's operations and value chain. Lead-reduction measures apply to Rapala-branded lures, where lead has traditionally been used, while packaging-related actions apply to all product lines that involve plastic or cardboard materials. The new measures introduced during the year relate to all material flows relevant to the EU Deforestation Regulation and to product-level material data development for all active products. These actions form part of the ongoing sustainability strategy period and represent continuous development work rather than one-time initiatives.

No actions were required during the reporting year to provide or support remedy for individuals or communities harmed by material biodiversity impacts. No biodiversity offsets were used in the Group's action plans, and the Group has not incorporated local or indigenous knowledge or nature-based solutions into its biodiversity-related actions. Financial resources allocated to biodiversity-related actions continue to be embedded within operational and R&D budgets across Group companies, and exact cost attribution cannot yet be tracked. Over recent years, significant manhours and financial investments have been directed toward replacing lead with alternative materials. The transition to certified materials and the substitution of lead with tungsten have increased production material costs, while packaging redesign has required additional manhours and external consultancy. These costs are partly offset by reductions in material consumption. Future financial resources are expected to remain integrated within ongoing development budgets, although precise estimates cannot be provided

Targets related to biodiversity and ecosystems (E4-4)

Rapala VMC has established biodiversity- and ecosystem-related targets; however, these are not fully aligned with ESRS requirements and are therefore not disclosed in this report. As a result, no ESRS-aligned targets related to biodiversity and ecosystems are reported for the period. This approach reflects current limitations in data availability, methodological maturity and the nature of the Group's relationship with biodiversity-related impacts and dependencies.

The Group is significantly dependent on healthy fish populations and aquatic ecosystems, while its direct operational impact on biodiversity and ecosystem conditions is limited. Accordingly, the most meaningful

contributions relate to conservation and restoration efforts rather than direct control of biodiversity outcomes. The Group has set targets related to biodiversity conservation and restoration activities; however, these do not meet the ESRS criteria for outcome-oriented target disclosure. In addition, setting biodiversity conservation and restoration targets in line with ESRS, particularly where they are not directly linked to the Group's own operations, remains challenging due to the evolving nature of biodiversity impact methodologies and the lack of harmonised approaches to impact measurement.

Notwithstanding the absence of measurable outcome-oriented targets, the Group tracks the effectiveness of its biodiversity- and ecosystem-related policies and actions in relation to its material sustainability-related impacts, risks and opportunities. Monitoring focuses on the implementation and progress of actions related to product materials, packaging, hazardous substance reduction and regulatory preparedness, as described under Actions and resources related to biodiversity and ecosystems (E4-3).

The effectiveness of these actions is tracked through internal processes embedded in operational, R&D and sustainability management practices. These include monitoring the phase-out of hazardous substances in product development, tracking material choices and certification status in packaging, and mapping and reviewing material flows relevant to deforestation risk. In addition, the Group is progressing the development of product-level material data visibility to support more systematic monitoring and future target-setting. These processes are applied across the Group's operations and value chain and form part of ongoing development work rather than standalone initiatives.

The Group's level of ambition is to prevent or mitigate material biodiversity-related impacts, reduce pollution and support the transition to

more sustainable materials, while strengthening positive contributions to aquatic ecosystems. Progress is currently evaluated using qualitative and quantitative indicators related to the implementation status of actions, material substitution progress, certification uptake and compliance with emerging regulatory requirements. Where quantitative indicators are used, the 2024 reporting year is considered representative as a base period, as no structural or operational changes occurred that would materially affect biodiversity-related performance data.

The Group also monitors indirect contributions to biodiversity conservation through statutory mechanisms and collective industry actions, including annual contributions under the U.S. federal excise tax on fishing equipment and participation in Extended Producer Responsibility systems for fishing gear containing plastic in Europe. These mechanisms are considered part of the broader assessment of the Group's effectiveness in contributing to biodiversity-related outcomes, even though they are not linked to specific outcome-oriented targets.

As monitoring practices, data availability and impact measurement methodologies continue to mature, the Group expects to further refine its indicators and evaluation processes. The definition of measurable outcome-oriented targets will be considered in future reporting periods once sufficient methodological consistency and decision-useful data have been achieved.

E5 – RESOURCE USE AND CIRCULAR ECONOMY

Material impacts, risks and opportunities related to resource use and circular economy and their interaction with strategy and business model (ESRS 2 SBM-3)

Table: Material impacts, risks and opportunities related to resource use and circular economy

Material impacts related to resource use and circular economy				
Value chain	Time horizon	Nature of impact	Description	Management
Own operations and upstream	Short to long term	Negative	The use of virgin materials such as wood, metals and plastics and limited adoption of recycled content in production and packaging has a negative impact to circular economy and resource availability. These impacts are particularly concentrated in upstream sourcing and internal manufacturing processes, where inefficiencies in material handling and disposal create environmental and operational challenges.	Rapala VMC is redesigning packaging and products to prioritize sustainable, recyclable or reusable material solutions that support circular resource use and reducing overall material use. The Group engages suppliers to strengthen responsible sourcing practices.
Material risks related to resource use and circular economy				
Value chain	Time horizon		Description	Management
Own operations and upstream	Short to long term		Material inefficiencies in production and process inefficiencies in resource management have a significant impact on operational costs and environmental impact.	Rapala VMC responds to resource inefficiencies by incorporating recycled materials into its packaging and product components and sourcing certified materials. This aligns with evolving regulatory requirements for circular economy practices and reduces material costs while improving environmental performance.
Own operations and downstream	Short to long term		Developing and progressive circular economy and resource efficiency regulation pose a compliance and operational risk. Circular economy legislation varies between regions, can be conflicted and the development is rapid. Examples of such legislation is the proposed lead ban on fishing gear, EU Packaging regulation and plastic content-based taxes. There is a risk of non-compliance, impact on operations and increase operational costs. Non-compliance can lead to fines, reputational damage and non-desirable products. High plastic or non-recycled content can lead to excessive duties or taxes.	Regulatory monitoring and lobbying as well as adapting processes, products, systems and liabilities to changing operational environment.
Material opportunities related to resource use and circular economy				
Value chain	Time horizon		Description	
Own operations and downstream	Short to long term		Integrating recycled content into packaging and products, which improves regulatory alignment and reduces material costs, while advancing sustainability goals. In certain cases, cost associated to market areas, such as import duties or taxes can be reduced by altering the content to more resource efficient and environmentally friendly. Meeting expectations can open possibilities in the evolving market. In a complex market environment possibility to gain market share with compliant product offering.	

The process for identifying and assessing impacts, risks, and opportunities is described in the General information section of the sustainability statement titled “Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)” and “Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)”

Policies related to resource use and circular economy (E5-1)

Rapala VMC manages its material impacts, risks and opportunities related to resource use and circular economy through its Procurement Guideline and Supplier Code of Conduct. These policies form the Group's current framework for promoting efficient use of resources, increasing the use of recycled and reusable materials, reducing waste and encouraging circular practices within its operations and upstream value chain.

The Procurement Guideline defines the principles and instructions that guide responsible, efficient and ethical procurement across the Group. Its objective is to support profitable and sustainable business by integrating environmental considerations into procurement decisions and ensuring alignment with the Group's values and objectives. The Guideline aims to promote the use of recycled and reusable products and materials and encourages lifecycle assessments to minimise reliance on primary resources. In defining responsible procurement practices, stakeholder interests, including those of suppliers, regulatory bodies and customers, were taken into account. The Procurement Guideline applies globally to all procurement activities in the upstream value chain, including supplier selection, material sourcing and procurement planning.

The Supplier Code of Conduct promotes ethical and environmentally responsible procurement and production processes. It encourages increased use of recycled materials, minimisation of waste and adoption of circular economy practices such as repair, reuse, remanufacturing and recycling. Suppliers are encouraged to apply lifecycle thinking and integrate responsibility into product design. The Code applies to all suppliers, subcontractors and partners involved in producing products that use Rapala VMC intellectual property, and suppliers are required to cascade its standards throughout their own supply chains.

The Supplier Code of Conduct is made available to all relevant stakeholders and is distributed externally to suppliers, who must adhere to its principles. Both documents are also available to all Group employees through the corporate intranet. Internal stakeholders responsible for implement-

ation of the Code receive training to ensure effective application and to respond to supplier questions.

Implementation of both policies is overseen by the Group's Global Management Team, chaired by the President & CEO. Monitoring of the Procurement Guideline includes maintaining procurement competence, assessing supplier compliance through evaluations and ensuring alignment with the Group's objectives for responsible, safe and ethical operations. Monitoring of the Supplier Code of Conduct includes supplier self-assessments and reporting, as well as audits or assessments when needed. Third-party auditors evaluate selected suppliers annually, review findings and follow up on corrective actions. Non-compliance may lead to corrective measures or, if unresolved, termination of the business relationship.

The policies address material impacts, risks and opportunities related to resource use and circular economy by promoting the transition away from virgin resources through increased use of recycled and reusable materials and lifecycle assessments. They also encourage suppliers to adopt circular approaches and integrate these practices into product design and production processes.

Actions and resources related to resource use and circular economy (E5-2)

During the reporting period, Rapala VMC continued to implement actions aimed at improving resource efficiency and advancing circular economy principles within product development and packaging. These actions support the Group's sustainability strategy objectives and contribute to managing material impacts, risks and opportunities related to resource use. The sustainability strategy update, approved in 2025, strengthens this work by introducing clearer, quantifiable expectations for sustainable materials, product design practices and category-level environmental assessments.

Actions taken during the year focused on reducing harmful materials and improving product design. The Group expanded the use of lead-free materials in Rapala-branded wobblers, aiming to eliminate toxic substances and reduce environmental risks. Developing environmentally friendly

material solutions continued with the aim of enabling future replacement of non-sustainable plastics in fishing tackle, with expected benefits including reduced waste, lower pollution and decreased dependence on non-renewable resources. These actions apply primarily to product categories that contain lead or plastics and are especially relevant for the Rapala-branded lure category.

Packaging-related actions advanced through reductions in plastic use and the adoption of more ecological materials. The Group continued replacing conventional plastic packaging with recycled or biodegradable alternatives and increased the use of FSC-certified cardboard. To enhance future target-setting and support more impactful circular economy and material-efficiency decisions, the Group is improving visibility into material-level data across its operations. This work includes developing a consolidated methodology to track FSC-certified materials consistently across all packaging types and developing product data management processes and systems to gain full visibility into current packaging materials and future developments across the entire portfolio, to support future target-setting. Unlike the previous focus, which covered only own-manufactured products, this work extends to both own-manufactured and sourced goods.

The sustainability strategy update defines further actions to be completed during the 2026–2028 period. These include creating Ecodesign guidelines for priority brands and product categories and expanding the use of life-cycle assessments (LCAs) across key product groups. These actions are intended to strengthen circular design practices and improve product-level environmental performance, including reducing resource use and supporting the reduction of climate impacts and biodiversity footprint of the product portfolio at the design stage, where most environmental impacts are determined. The expected outcome is the systematic integration of circular design principles and improved environmental performance throughout the value chain. These actions represent ongoing and evolving practices rather than one-time initiatives.

No actions were required during the year to provide or support remedy for individuals or communities affected by material impacts. As this is the second reporting cycle, progress has been monitored against the foundations established during the previous year. Financial resources allocated to these actions remain embedded within operational and R&D budgets across multiple Group companies, and costs related to the action plan are not tracked separately. Replacing lead with alternative materials and adopting sustainable packaging materials has increased production costs, and packaging redesign has required additional internal work and external consultation. These costs are partly offset by increased material efficiency.

Targets related to resource use and circular economy (E5-3)

Rapala VMC has established resource use- and circular economy-related targets; however, these are not fully aligned with ESRS requirements and are therefore not disclosed in this report. As a result, no ESRS-aligned targets related to resource use and circular economy are reported for the period. This approach reflects current limitations in material-level data visibility and the ongoing development of methodologies needed to support consistent target-setting across the Group's portfolio. The Group plans to set ESRS-aligned measurable outcome-oriented targets during 2026, supported by ongoing development of data structure and improved visibility into material-level data.

Notwithstanding the absence of measurable outcome-oriented targets, the Group tracks the effectiveness of its resource use- and circular economy-related policies and actions in relation to its material sustainability-related impacts, risks and opportunities. Monitoring focuses on the implementation and progress of actions related to product materials, packaging, hazardous substance reduction, eco-design practices and category-level environmental assessments, as described under Actions and resources related to resource use and circular economy (E5-2).

Resource inflows (E5-4)

Key materials used in manufacturing include tungsten (a critical raw material classified as a conflict mineral), balsa wood, birch wood, steel, plastics, and various chemicals, such as paints, lacquers, solvents, and glues. Packaging materials are a significant part of the Group's resource inflows. Cardboard constitutes the majority of packaging materials consumed.

During the reporting period, data on materials used to manufacture Rapala VMC's products and services was collected from the Group's own manufacturing sites. The data is based on direct measurement of materials purchased and used during the reporting period, measured in tons or kilograms. For sourced finished goods, the data is an estimate derived from direct measurements at the Group's own manufacturing facilities. The estimation process accounts for the proportional volume split between products manufactured internally and those sourced externally. To enhance the accuracy of data on outsourced products, the Group is actively developing more detailed data collection methods. These improvements aim to provide a more precise understanding of the weights and material composition of externally sourced products in future reporting periods. This approach combines direct measurements and estimations, with key assumptions including the consistency of material usage patterns and the proportionality of material consumption across own and sourced production volumes. During 2025, the data collection and calculation processes were refined. As a result, adjustments were also made to the 2024 baseline year material inflows data.

Material inflows	2025	2024
Overall total weight of products and technical and biological materials used during the reporting period (t)	3 701	4 183
Percentage of certified biological materials (and biofuels used for non-energy purposes) (%) (FSC certification)	8,2	4,0
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging) (t)	703	300
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials (%)	19,0	7,2

Total material consumption decreased compared to the previous reporting period. The reduction was primarily driven by operational changes, including the exit of certain activities and reduced production volumes at selected manufacturing sites. Temporary downtime at specific facilities also contributed to lower material use. In addition, reduced consumption of specific material categories reflects both operational adjustments and changes in production volumes. These changes are consistent with overall activity levels during the reporting period.

Changes in the reported share of certified and recycled materials are primarily driven by improvements in data quality and reporting coverage. During the reporting period, the Group enhanced its data collection processes and increased the availability of supplier-level information. While these improvements provide a more accurate representation of material use, the data does not yet fully cover all material flows across the value chain. As a result, comparability with the previous reporting period is partially limited, and further improvements in data coverage are expected in future periods.

Resource outflows (E5-5)

Rapala VMC produces a range of fishing and outdoor equipment designed to be durable. The Group has integrated circular principles into its production processes by focusing on durability, reusability, repairability, recycling, and optimizing resource use. Products are designed for long-term use. Many of Rapala VMC's products, including lures, rods and reels, are designed to allow for repairs, extending their usability through replacement parts and repair services such as the rods and reels repair centre in the Rapala VMC premises in Pärnu. Recyclable materials, such as FSC-certified cardboard, are incorporated into the packaging.

Defining exact durability in years for fishing gear presents challenges, as there are no established industry standards. The longevity of these products varies significantly depending on user behaviour, environmental conditions, and intensity of use. To comply with the ESRS data point E5-5, 36a, "Disclosure of expected durability of products", the Group assessed how its products compare to the industry average in terms of durability. Internal category experts, who have extensive experience with these products and the industry, provided estimates based on their knowledge and analysis. These experts evaluated the key factors that contribute to product lifespan, identified common causes of premature wear, and assessed how the Group's products address these issues relative to industry norms. The information presented in the "Expected durability of products" table remains unchanged from the previous year, and the table also reflects the 2024 figures.

Expected durability of products		
Product	Expected durability index	Industry average index
Lures – Rapala hardbaits	150	100
Lures – Rapala soft baits	120	100
Lures - Other	120–150	100
VMC hooks	110–150	100
VMC jigheads	120	100
Terminal tackle	110–120	100
Okuma rods	120	100
Okuma reels	120	100
Rapala tools & accessories	120	100

Material outflows	2025	2024
The rate of recyclable content in products (%)	2,5	0,3
The rate of recyclable content in products packaging (%)	59,7	27,9
Total Waste generated (t)	1 571	1 938
Hazardous waste diverted from disposal (t)	33	80
Hazardous waste diverted from disposal due to preparation for reuse (t)	13	43
Hazardous waste diverted from disposal due to recycling (t)	18	15
Hazardous waste diverted from disposal due to other recovery operations (t)	1	23
Non-hazardous waste diverted from disposal (t)	1 048	1 159
Non-hazardous waste diverted from disposal due to preparation for reuse (t)	90	33
Non-hazardous waste diverted from disposal due to recycling (t)	345	581
Non-hazardous waste diverted from disposal due to other recovery operations (t)	612	546
Hazardous waste directed to disposal (t)	232	267
Hazardous waste directed to disposal by incineration (t)	119	47
Hazardous waste directed to disposal by landfilling (t)	8	2
Hazardous waste directed to disposal by other disposal operations (t)	105	218
Non-hazardous waste directed to disposal (t)	258	432
Non-hazardous waste directed to disposal by incineration (t)	129	86
Non-hazardous waste directed to disposal by landfilling (t)	105	106
Non-hazardous waste directed to disposal by other disposal operations (t)	24	240
Non-recycled waste (t)	490	699
Percentage of non-recycled waste (%)	31	36
Total amount of hazardous waste (t)	265	347
Total amount of radioactive waste (t)	0,00	0,00

Waste generation decreased compared to the previous reporting period. The change is mainly linked to lower production volumes in certain manufacturing locations, particularly in the UK and Estonia. The reduction reflects operational activity levels rather than structural changes in waste management practices.

The Group's manufacturing and distribution operations generate several key waste streams, primarily associated with material processing, packaging, and operational activities. These include:

- Production Waste: Metal shavings, wood and plastic trimmings, and coatings/byproducts from the manufacturing of fishing lures, hooks, and other equipment.
- Packaging Waste: Cardboard, wooden pallets, plastic wrapping, and mixed packaging waste from product distribution.
- Chemical and Hazardous Waste: Paint residues, adhesive and coating waste, cleaning solvents, and contaminated absorbents from manufacturing processes.
- General and Operational Waste: Wastewater from production processes, biowaste, energy waste, and mixed municipal waste from facilities.

The total waste generated amounts to 1 571 tonnes, consisting of both hazardous and non-hazardous waste materials.

Non-Hazardous Waste (1 307 t):

- Process wastewater generated from manufacturing and operational activities (593 t).
- Biomass: Cardboard, paper, wood chips, wooden packaging, and biowaste (363 t).
- Non-Metallic Minerals: General mixed waste, energy-related waste, and recyclable materials (217 t).
- Metals: Scrap metal and machining residues from manufacturing (85 t).
- Plastics: Packaging materials, ABS plastic waste, and shrink plastic (48 t).

Hazardous Waste (approx. 265 tonnes)

- Hazardous Substances: Waste chemicals, chemical residues, solvents, contaminated filter cakes, pickling acids, sludges from industrial processes and fluorescent lamps containing mercury (264 t).
- Metals: Residues from metal plating and surface treatments, including nickel and gold (1 t).

The Group is actively developing its methods for capturing data on product outflows and recycled content to improve accuracy and consistency across its reporting. Rapala VMC has data on products manufactured in its own facilities, and calculations are based on materials used in production, providing precise information on material composition and recycled content. The reported share of recycled materials is calculated relative to the total weight of all materials used in production during the reporting period. This data forms the foundation for the Group's methodology. Precise item-level material reporting development is ongoing, and this will significantly improve the accuracy of recycled content reporting.

Each local unit is responsible for reporting waste types and disposal methods through the Group's sustainability reporting system. For waste streams generated by products placed on the market, the calculations are limited to packaging waste, as the Group lacks visibility to how consumers use and discard its products. The methodology for calculating waste involves direct reporting of waste types and disposal methods from operational units, ensuring consistency and transparency across the organization. Packaging waste is calculated based on the packaging materials put to market from own manufacturing sites and scaling this volume to encompass the Groups whole product portfolio and annual sales.

The classification of products designed along circular principles is based on clear criteria. Products are considered circular if they are designed for durability, reusability, or utilize materials that align with circular economy goals, such as recyclability or the inclusion of renewable resources. This classification assumes that product materials are

intended to remain in use for extended periods. The Group's products are designed to be durable and many have components that are replaceable, extending the life span. The Group does not have visibility to the average life span of products, the longevity of these products varies significantly depending on user behaviour, environmental conditions, and intensity of use. Thus, packaging waste is prioritized in calculations due to its higher relevance compared to the materials used in the products themselves.

The data for these classifications is derived from both direct measurements and estimations. Operational waste data is directly measured and reported by local units, while estimates are applied to packaging waste based on standardized assumptions regarding waste volume.





SUSTAINABILITY STATEMENT

Social information

S1 – OWN WORKFORCE	58
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S1 – OWN WORKFORCE

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

Table: Material impacts, risks and opportunities related to own workforce

Material impacts related to own workforce				
Value chain	Time horizon	Nature of impact	Description	Management
Own operations	Short to long term	Negative	Health, safety and well-being of employees. Physical risks are higher for manufacturing and warehouse workers due to machinery use, heavy lifting, and chemical exposure, while office-based specialist or managerial employees may face greater psychosocial strain.	Workforce-related impacts and risks have led to investments in workplace safety, inclusivity, and professional development programs. These actions aim to attract and retain skilled talent, reduce turnover, and improve operational stability, supporting long-term organisational success.
Own operations	Short to long term	Positive	Rapala VMC offers employment and opportunities for professional development. This fosters employee stability, security, and job continuity and strengthens commitment to the company.	
Material risks related to own workforce				
Value chain	Time horizon	Description		Management
Own operations	Short to long term	Unsafe working environments create operational disruptions, reputational challenges, reduce productivity and hinder talent retention. Impacts own operations.		<ul style="list-style-type: none"> Reporting and follow-up of accidents and sick leave. KPIs on own manufacturing sites and warehouses with set improvement targets. Employees are encouraged to engage in proactive safety work. For example, factories focus on preventive identification of hazards and risks.
Own operations	Short to long term	Unequal treatment and low diversity cause reputational challenges, hinder organisational resilience and talent retention.		<ul style="list-style-type: none"> Nominated harassment contact persons in each legal unit. Employee and management training. Target to update the Group Code of conduct and create regular training and review process for all employees. Group level reporting setup during 2025 to track the amount of complaints and cases of discrimination.
Material opportunities related to own workforce				
Value chain	Time horizon	Description		
Own operations	Short to long term	Investing in workforce well-being and inclusivity offers opportunities to attract and retain skilled talent, enhance productivity, and build organisational resilience. Impacts own operations.		

The process for identifying and assessing impacts, risks, and opportunities is described in the General information section of the sustainability statement titled "Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)" and "Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)"

Rapala VMC's double materiality assessment covers all people in its own workforce who could be materially impacted by the Group's operations. This includes employees and non-employees working in own operations across all geographies. The assessment focuses on impacts arising from the Group's strategy, business model, and operational practices, particularly related to occupational health and safety, equal treatment, work-life balance, and workers' rights. All materially impacted individuals are included in the disclosure scope under ESRS 2.

The types of people in Rapala VMC's own workforce subject to material impacts include full-time and part-time employees, as well as non-employees such as self-employed contractors and people provided by third-party undertakings primarily engaged in employment activities. Rapala VMC recognises that certain groups within its workforce may be at greater risk of harm due to the nature of their roles or working conditions. Employees working in manufacturing and warehouse environments face higher physical risks related to machinery use, heavy lifting, and chemical exposure. In office environments, specialist and managerial employees may experience increased psychosocial strain related to workload and role demands. The Group's understanding of these differentiated risks is informed by regular occupational safety risk assessments, audits, employee feedback channels, surveys, and engagement with worker representatives.

Material negative impacts related to the own workforce are primarily associated with occupational accidents, unsafe working conditions, unequal treatment, and psychosocial strain. These impacts are mainly linked to individual incidents or local conditions rather than being widespread or systemic across specific regions. Where issues are identified, they are assessed based on severity, scale, and likelihood, with

involvement from relevant internal stakeholders and, where necessary, external experts.

Rapala VMC also generates material positive impacts for its own workforce by providing stable employment and opportunities for professional development. Training, on-the-job learning, and flexible working arrangements support employee well-being, skills development, and work-life balance. These positive impacts apply broadly across own operations and contribute to workforce stability and engagement.

Impacts on the own workforce are closely linked to Rapala VMC's strategy and business model. The Group's operations depend on a skilled, healthy, and engaged workforce, particularly in manufacturing, logistics, and specialist functions. In 2025, employee well-being was further strengthened as a strategic priority, reflecting the Group's dependency on its workforce for operational continuity, productivity, and long-term value creation. Material risks arising from impacts and dependencies on the own workforce include operational disruptions, reduced productivity, reputational damage, and challenges in attracting and retaining skilled employees. These risks are particularly relevant for roles with higher safety exposure or specialised skill requirements, rather than affecting the workforce uniformly.

Material opportunities relate to continued investments in workforce well-being, safety, and engagement. In 2025, the Group established a unified employee satisfaction score to monitor year-over-year development through the annual employee satisfaction survey. Rapala VMC has also set Group-level annual targets for accident reduction and employee net promoter score (eNPS) for the period 2026–2028. These measures support improved retention, productivity, and organisational resilience.

Actual and potential impacts are monitored through a combination of quantitative metrics, employee surveys, audits, and local follow-up by HR and management. Key workforce metrics, including sick leave and accidents, are reported biannually at Group level. From 2026, the Group aims to implement monthly Group-level follow-up of accident reporting and to develop a Group health and safety policy. To further strengthen ethical conduct and consistent practices, the Group is plan-

ning to update its Code of Conduct, supported by mandatory training for all employees, an ongoing review cycle, and integration into onboarding processes.

Policies related to own workforce (S1-1)

Rapala VMC is committed to respecting and promoting internationally recognised human rights across all its operations. This commitment is reflected in the Group's Human Rights Policy, Code of Conduct, Zero Tolerance Policy and Whistleblowing Policy, which together address the material impacts, risks and opportunities related to the Group's own workforce.

The Human Rights Policy is aligned with the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact principles. The policy sets out Rapala VMC's commitment to respect labour and human rights in its own operations and supply chain, including the prohibition of child labour, forced labour, human trafficking and other forms of modern slavery. The Group applies a zero-tolerance approach to child labour and does not employ persons under the age of 15 or below the minimum legal age defined by local legislation, whichever is higher. The minimum age for hazardous work is strictly 18 years.

In addition to its Human Rights Policy, Rapala VMC applies a Supplier Code of Conduct, which defines the Group's expectations for responsible practices in its supply chain. The Supplier Code of Conduct includes provisions related to workers' health and safety, the prohibition of child labour and forced labour, voluntary employment, reasonable working hours, fair compensation, and respect for freedom of association and collective bargaining. These requirements are aligned with internationally recognised labour and human rights standards, including the core principles and rights at work defined by the International Labour Organization (ILO).

The Code of Conduct establishes the Group's expectations regarding ethical business practices and responsible employment. It promotes a safe and inclusive working environment, prohibits discrimination, harassment and sexual harassment, and safeguards employees' rights to freedom of association and collective bargaining. The Group's zero-tolerance approach to discrimination covers, among other grounds, ethnicity, gender, sexual orientation, age, religion, political opinion and national origin, and the policies prohibit discrimination based on other personal characteristics in accordance with applicable legislation. Recruitment, employment and promotion decisions are based on qualifications and capabilities.

The Zero Tolerance Policy further defines unacceptable conduct related to discrimination and harassment and affirms employees' right to a safe, healthy and respectful workplace. While Rapala VMC does not have specific policy commitments related to inclusion or positive action for groups at particular risk of vulnerability, its zero-tolerance approach to discrimination aims to protect all employees equally. Rapala VMC requires written employment contracts for all employees and complies with applicable local labour laws and binding collective agreements, applying the strictest standard where multiple requirements exist. Employees' rights to form, join or not join trade unions are respected, and employees are not penalised for union activity.

Rapala VMC currently lacks a Group-level accident prevention policy or management system. Instead, local units adhere to separate policies based on country-specific legislative requirements and have the necessary management systems in place.

Rapala VMC utilizes a global internal communication platform to distribute important information across the organization. All workforce-related policies are made available to employees through the Group intranet. The Whistleblowing Policy and reporting channel are also ac-

cessible to external stakeholders through the Group's website, ensuring that affected stakeholders and those responsible for implementation can access the relevant information. Regular global and local employee meetings are held to share updates on topics such as corporate strategy and financial performance. An annual global employee satisfaction survey is conducted to collect feedback and insights from staff. In certain circumstances, the Group may also communicate through shop stewards, who relay information to the employees they represent.

Additionally, the Group provides a whistleblowing channel managed by a third party, WhistleB, allowing employees to report suspicions of misconduct anonymously and in good faith. Concerns can be submitted through a web-based whistleblowing channel, with an option for anonymous messaging and dialogue. Access to messages received through the whistleblowing channel is restricted to appointed individuals with the authority to handle whistleblowing cases. Their actions are logged, and handling is confidential. When needed, individuals who can add expertise may be included in the investigation process. Upon receiving a message, the whistleblowing team decides whether to accept or decline the message based on the Whistleblowing guidelines and the applicable legislation. If the message is accepted, appropriate measures for investigation will be taken. The whistleblower will receive an acknowledgment of receipt of the report within seven days. The whistleblowing team will send appropriate feedback within three months upon the date of receiving the report. All messages are treated seriously and in accordance with these Whistleblowing guidelines.

Each Group entity also has a designated harassment contact person in place, providing employees with a direct point of contact in matters related to harassment or inappropriate conduct. These mechanisms support the identification, management and remediation of material impacts related to the Group's workforce.

The Group's Global Management Team, chaired by the President & CEO, is accountable for the implementation of the workforce-related policies and their monitoring as part of Rapala VMC's broader corporate governance practices. The policies apply to all employees across all business units and geographic areas where the Group operates, and, where relevant, extend to the supply chain.

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

Rapala VMC actively integrates workforce perspectives into its decision-making processes to address actual and potential impacts on employees. Engagement is facilitated through both global and local channels, ensuring employee insights shape policies and practices. This interaction occurs directly with the workforce and through workers' representatives, guided by local legislation and collective agreements. The frequency of engagement varies by location but typically occurs at least once per quarter. The stages of engagement depend on the material, actual and potential, positive and/or negative impact in question. The aim is to engage the workforce proactively to prevent issues, ongoingly to monitor and improve practices, and reactively to address specific concerns. Local leadership holds primary responsibility for ensuring engagement at the area level, while the global management team oversees this process globally. The Group does not currently have a global framework agreement in place. At present, the Group does not conduct dedicated engagement with its workforce or workers' representatives specifically regarding impacts on employees arising from the reduction of greenhouse gas emissions or the transition to greener or climate-neutral operations.

Globally, Rapala VMC conducted an employee satisfaction survey in 2025 focusing on equality, leadership, well-being, and workplace culture. The response rate was approximately 70% of the global workforce. The results were reviewed by senior leadership, and action plans were drafted based on the findings. The survey is conducted annually, with participation from all units globally. In addition, a stakeholder survey conducted in 2025, which included employees as a key respondent group, was used to map actual and potential impacts, both positive and negative. A global metric linked to the employee satisfaction survey, the Employee Net Promoter Score (eNPS), was introduced in the latest survey, and improvement targets were set for the following three-year strategic period.

Locally, engagement mechanisms include employee committees, such as health and safety committees and employee forums, which enable workers to bring issues to the attention of local management. Staff meetings provide opportunities for leadership to gather direct feedback from employees. In certain locations, regular meetings are held between local management and employee representatives, such as shop stewards, to address specific concerns. Development discussions and performance reviews also offer employees a platform to share feedback with their managers.

Process to remediate negative impacts and channels for own workers to raise concerns (S1-3)

Rapala VMC's general process for remedy if material negative impacts are caused consists of the following steps and actions. Local differences might occur:

- Encouraging reporting: The Group actively encourages employees to report any accidents and incidents, including cases of harassment or near-miss situations, through locally established reporting guidelines.

- Guidance for supervisors: Managers and supervisors are provided with guidelines on how to escalate reported concerns when necessary, ensuring appropriate action is taken.
- Investigation of incidents: All reported cases are thoroughly investigated to understand the circumstances and assess the impact on affected parties.
- Preventive measures: Based on the findings of the investigation, the Group identifies and implements measures to prevent similar incidents from occurring in the future.

The potential remedies, if material negative impacts are caused, vary based on the situation and its severity. In case of occupational accidents or harassment, the employer can provide medical care, such as covering health care expenses or offer possibilities for therapy. The Group can also implement training on, for example, workplace harassment, diversity, inclusion, or safety practices to raise awareness and reduce future incidents. If working conditions or methods turn out to be unsafe, the Group can act by, for example, upgrading equipment, providing protective gear, or redesigning work processes. The effectiveness of corrective actions is assessed on a case-by-case basis at the unit responsible for handling the matter. Such assessments may be based on follow-up of the incident, the outcomes of health and safety or HR investigations, and procedures required under applicable local legislation.

The workforce has a possibility to raise concerns through workforce representatives, such as occupational health and safety delegates or shop stewards. Each Group entity also has a designated harassment contact person in place, providing employees with a direct point of contact in matters related to harassment or inappropriate conduct. The representatives can then take the concerns to the local management. Some locations have an HR contact person or a team that can also discuss concerns or needs. Rapala VMC is also conducting a global

employee surveys annually to give employees an additional anonymous feedback mechanism. Some locations offer anonymous feedback or suggestion boxes. In addition to these mechanisms, concerns can be raised in local staff meetings, team meetings, development discussions or one to one meeting with the person's manager. In case of more serious incidents or suspicions of misconduct, Rapala VMC's own workforce or external parties can raise concerns through the Group's whistleblowing channel.

The Group supports the availability of channels for raising concerns by providing guidance to managers and supervisors on the escalation of reported issues, by offering multiple formal and informal reporting routes at local level, and by making anonymous reporting mechanisms available through employee surveys, feedback tools and the whistleblowing channel. Rapala VMC acknowledges the need to strengthen the availability and employee awareness of these channels by sending reminders to employees of the different ways they can raise concerns and report grievances.

The annual employee satisfaction survey allows monitoring of possible issues raised by the workforce by comparing the results to the previous year. HR or occupational safety personnel will also track issues that have been reported to them to ensure the situations are solved and corrections are made. The whistleblowing team tracks the topics raised through the whistleblowing channel to identify systemic issues and potential areas for policy or process enhancements. Key metrics, such as the number of reports received and the proportion of reports that lead to investigations, are monitored and reviewed to evaluate the effectiveness of the whistleblowing mechanism.

To ensure protection against retaliation for individuals who raise concerns all messages are encrypted. To ensure the anonymity of the person sending a message, WhistleB deletes all meta data, including IP addresses. The person sending the message does not need to state their identity in the subsequent dialogue with responsible receivers of the report.

Rapala VMC's employee satisfaction surveys are anonymous and include a minimal amount of background information to ensure that individual people cannot be connected to their responses. Also, the open comments are handled and summarized by the HR department in charge of the survey and will not be shown in their original form to a wider audience, such as the management.

In several countries where Rapala VMC operates, such as European countries, the employees' representatives are safeguarded by law so they can advocate effectively for the workforce without fear of dismissal or other negative consequences. Companies often need to meet stricter requirements before they can terminate a worker representative's employment. However, the Group recognizes that in certain countries protections may be less formalized, making it harder for worker representatives to raise concerns safely.

Currently, Rapala VMC has not conducted a formal evaluation of the workforce's level of trust in the mechanisms and structures for raising concerns. This area has been recognized as a potential focus for future assessment and improvement. The level of workforce awareness regarding the Group's whistleblowing channel was assessed by analysing the volume of reports received and consulting local HR personnel to evaluate awareness within their respective areas. Feedback from these evaluations indicates that awareness of the channel requires further improvement. A second channel for less serious grievance topics should be considered as well.

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)

Rapala VMC manages material impacts, risks and opportunities related to its own workforce through Group-level strategic targets and locally

implemented action plans. In 2025, the global employee satisfaction survey was harmonised across all units and a unified Employee Net Promoter Score (eNPS) was introduced to enable consistent year-over-year monitoring. Unit-level action plans were prepared based on the survey results. For the strategic period 2026–2028, the Group Board of Directors approved eNPS and Lost-Time Injury Frequency Rate (LTIFR) as the main workforce-related KPIs, with annual improvement targets defined for both indicators.

To prevent and mitigate occupational health and safety impacts, the Group has implemented concrete measures particularly in manufacturing operations. These include the modernisation and digitalisation of safety instructions, ensuring that guidance is available in languages understood by employees, crisis and hazard response training for employees, modernisation and improved availability of personal protective equipment, and technical safety upgrades to machinery. The Group plans to introduce monthly accident monitoring from 2026 onwards and to develop a Group-level health and safety policy to further harmonise practices.

Rapala VMC addresses actual negative impacts on its workforce on a case-by-case basis. Actions may include immediate support for affected employees, such as medical care or counselling, adjustments to workplace conditions, revisions to policies or procedures, or additional training. These actions are primarily managed locally.

The effectiveness of actions and initiatives is monitored through metrics and reports, occupational accident and sick leave data, employee satisfaction surveys, employee feedback, and observations by HR and leadership. Key workforce-related metrics are reported biannually through the Group's sustainability reporting software. Employee Net Promotore Score metric (eNPS) was introduced in the annual global employee satisfaction survey conducted in 2025 and will be repeated annually to track changes and evaluate the results of actions.

Actual and potential negative impacts on the workforce are identified

through multiple channels, including the double materiality assessment, whistleblowing channel, global employee satisfaction survey, feedback from worker representatives, and local occupational safety personnel, as well as audits and risk assessments. The identification of appropriate actions is based on case-specific evaluations involving local management, HR and occupational safety personnel, and, where necessary, external experts.

To mitigate risks related to unequal treatment and misconduct, the Group will update its Code of Conduct and provide mandatory training to all employees during the next two years. The training will be integrated into onboarding processes for new employees and refresher training will be required at regular intervals. Grievance and discrimination reporting has been centralised at Group level to strengthen oversight and consistency.

Material opportunities related to own workforce are pursued through continued investments in safety, engagement and competence development. The integration of eNPS into the strategic framework links employee engagement directly to long-term value creation and organisational resilience. The planned implementation of a Group-wide training platform is intended to strengthen internal training capabilities and systematic competence development. These measures are expected to support employee retention, improve productivity and enhance employer attractiveness.

Resources allocated to manage workforce-related impacts include investments in occupational health and safety improvements, machinery upgrades, personal protective equipment, training initiatives, HR capabilities and reporting systems. Workforce-related investments are embedded within operational budgets. The effectiveness of actions is monitored through biannual workforce reporting, annual employee surveys, accident data follow-up and progress against LTIFR and eNPS targets.

Rapala VMC ensures its operations do not cause or contribute to material negative impacts on its workforce by adhering to international standards such as the International Bill of Human Rights, UN Guiding Principles, and International Labour Organization conventions. Employment policies comply with local labour laws and collective agreements, prohibiting forced labour, child labour, and exploitative conditions. Manufacturing and warehousing units implement strict health and safety protocols, conduct audits, and hold regular training to minimize risks. A zero-tolerance policy against discrimination is enforced, supported by diversity training in key locations and harassment contact persons in multiple countries. The whistleblowing channel, managed by a third party, provides employees and non-employees with a confidential system to report concerns.

Resources are allocated across financial, human, and technological dimensions to manage workforce-related impacts. Investments support occupational healthcare, sustainability reporting, safety improvements, and training. Local HR professionals, safety specialists, and Group-level compliance and sustainability teams provide operational oversight. Technological tools, including a global sustainability reporting platform, enable the collection and analysis of workforce-related data such as sick leaves, accidents, and salary differences, ensuring informed decision-making and continuous improvement. Rapala VMC currently lacks the capability to track costs specifically tied to the action plan, as these expenditures are distributed across multiple Group companies and embedded within broader operational budgets.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

During 2025 the Group reassessed its workforce-related targets to ensure stronger alignment with the management of material negative and positive impacts, as well as material risks and opportunities related to its own workforce. As part of the new strategic period, the target framework was updated to better support impact mitigation and long-term value creation.

The updated targets are defined for the forthcoming three-year strategy period, replacing the earlier approach of fixed annual targets. Key changes include the introduction of an employee Net Promoter Score

(eNPS) to monitor overall employee satisfaction and wellbeing on an annual basis, and the continued use of the lost-time injury frequency rate (LTIFR) as the key occupational health and safety indicator, with target levels set based on benchmarking against peer companies. In addition, a new Code of Conduct training target has been introduced to strengthen company culture, working conditions, and equal treatment across the Group. The previously applied employee training expenditure target was discontinued due to data accuracy limitations and the absence of sufficiently harmonised training definitions and was replaced with indicators considered to provide a more meaningful and comprehensive view of workforce wellbeing and responsible conduct.

Material topic	Type of IRO related to target	Target	Base year 2024	Actual 2025	Target 2026	Target 2027	Target 2028
Working conditions	Actual negative impact, risk and opportunity	Total lost-time injury frequency rate (LTIFR)	26,1	18,2	20,9	15,7	9,1
Working conditions, equal treatment and opportunities for all	Actual negative impact, risk and opportunity	Employee satisfaction score (eNPS)	NA	4	10	15	20
Working conditions, equal treatment and opportunities for all, other work related rights	Actual negative impact, risk and opportunity	% of Internal staff trained on updated Code of Conduct	0%	0%	40%	100%	100% Of new employees

Stakeholders were not directly involved in target setting. At the Group's own manufacturing sites, employees are involved in monitoring performance against occupational health and safety targets and can follow indicators such as the number of workplace accidents at the local level. Other workforce-related targets, such as sick leave ratio and employee training expenditure, have not been regularly available for employees to follow. Improving the visibility and frequency of information related to the newly approved workforce targets is identified as a development area to strengthen employee involvement going forward.

The workforce is directly involved in identifying lessons learned and improvement actions related to performance, particularly in the area of occupational health and safety at the Group's manufacturing units. Employees participate in safety-related reviews and discussions aimed at identifying improvement needs at the local level. In addition, the results of the global employee survey are reviewed both globally and locally, and joint working groups consisting of employee and management representatives are established to identify lessons learned and define improvement actions based on the survey outcomes.

Characteristics of the undertaking's employees (S1-6)

Changes in workforce-related indicators compared to the previous reporting period are mainly driven by normal fluctuations in headcount and organizational adjustments across regions. In addition, certain indicators introduced or further developed during the reporting period, such as employee engagement metrics, may limit direct comparability with the previous year.

Gender	Number of employees (head count) 2025	Number of employees (head count) 2024
Female	699	673
Male	679	700
Other	0	0
Not reported	0	0
Total employees	1 378	1 373

		2025			
Female	Male	Other	Not disclosed	Total	
Number of employees (head count)					
699	679	0	0	1 378	
Number of permanent employees (head count)					
654	642	0	0	1 296	
Number of temporary employees (head count)					
39	33	0	0	72	
Number of non-guaranteed hours employees (head count)					
6	4	0	0	10	
		2024			
Female	Male	Other	Not disclosed	Total	
Number of employees (head count)					
673	700	0	0	1 373	
Number of permanent employees (head count)					
640	663	0	0	1 303	
Number of temporary employees (head count)					
31	35	0	0	66	
Number of non-guaranteed hours employees (head count)					
2	2	0	0	4	

These values are aligned with the most representative head count numbers (1 373) reported in the Financial Statement table. The difference is caused by differences in calculation methods in some of the legal units.

Country	Number of employees (head count) 2025	Number of employees (head count) 2024
Estonia	515	488
France	165	171
Finland	121	144
Indonesia	109	107
United States	109	101
United Kingdom	54	57
Other	305	305
Total HC	1 378	1 373

Employee turnover	2025	2024
Number of employees who have left undertaking during the period	319	404
Employee turnover	23,2 %	29,4 %

Employee numbers are reported based on year-end figures, specifically as of the end of December. The reported numbers represent headcount, not full-time equivalents (FTE). Headcount is defined as the total number of individuals with an existing employee agreement with the Group, regardless of their active working status. This includes employees who are temporarily inactive, such as those on parental leave, sick leave, or other forms of extended absence. Since the figures are reported as headcount and not FTE, no adjustments are made to account for part-time or full-time working arrangements. Each legal entity within the organization submits its data through the Group's sustainability reporting system. This data is aggregated at the Group level.

Diversity metrics (S1-9)

Gender distribution at top management level	2025	2025	2024	2024 %-share
Male	8	100 %	8	100%
Female	0	0	0	0

Employees age distribution	Under 30 years	30–50 years	Over 50 years
2025 Age distribution			
Distribution of employees by age (HC)	222	652	504
Distribution of employees by age (%)	16,2 %	47,1 %	36,7 %
2024 Age distribution			
Distribution of employees by age (HC)	211	715	447
Distribution of employees by age (%)	15,4 %	52,2 %	32,5 %

Health and safety metrics (S1-14)

Health & safety metrics	2025	2024
Workforce covered by health and safety management system (%)	96,0 %	98,3 %
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents for own workforce	43	65
Rate of recordable work-related accidents for own workforce (accidents per million working hours)	18,2	26,1

Health and safety metrics are reported at Group level. The reporting scope includes all Group entities and no geographic or operational exclusions have been applied. Data is collected from the units and consolidated at Group level. The number of work-related accidents is based on incidents reported by the units concerning the Group's own workforce. The definition of recordable accidents has not yet been fully harmonised across the Group. As a result, some units report all work-related accidents with time lost, while others report accidents that have resulted in at least eight hours of absence. The rate of recordable work-related accidents (accidents per million working hours) is calculated by dividing the total number of recorded accidents during the reporting period by the total number of working hours reported by the units and multiplying the result by one million. Working hours are based on the total hours worked reported by the units.

The Group intends to harmonise the definition of work-related accidents and further develop the monitoring and metrics related to accident reporting during 2026 in order to improve the consistency and comparability of reporting.

Remuneration metrics (pay gap and total remuneration) (S1-16)

Remuneration metrics	2025	2024
Gender Pay Gap (%)	20,8	29,0
Total Remuneration Ratio	15,7	17,6

The gender pay gap and annual total remuneration ratio are reported based on data collected from each legal entity within the Group. Due to the decentralized nature of HR and payroll systems, data compilation is performed locally, and access to sensitive payroll data is strictly limited to authorized personnel.

- Gender pay gap: Each legal entity calculates the average gross hourly pay for men and women separately. These values are submitted to the Group in a format that ensures individual employees cannot be identified. The Group-level gender pay gap is then calculated by weighting the unit-specific values based on the headcount of each unit, resulting in a weighted average.
- Annual Total Remuneration Ratio: Legal entities report the median total annual remuneration from their respective employee salary pools. To calculate the Group-level ratio, the highest total annual remuneration, which is the President & CEO's total annual remuneration, is used as the comparison figure. The unit-specific medians are also weighted by headcount to derive the aggregated Group-level value.

No significant changes to the underlying data or methodologies were made during the reporting period.

Incidents, complaints and severe human rights impacts (S1-17)

Incidents, complaints and severe human rights impacts	2025	2024
Number of incidents of discrimination	1	0
Number of complaints filed through channels for people in own workforce to raise concerns	1	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed (EUR)	0	0

Work-related grievances, incidents, and complaints related to social and human rights matters are now compiled through a centralized Group-level reporting process. As of 2025, all subsidiaries annually report the number of complaints and incidents using a common reporting framework established by the Group. The centralized process aims to improve data completeness, comparability, and consistency across the Group. Harmonized definitions and reporting instructions are applied to ensure that reported data is compiled on a consistent basis across entities. The reported figures include all work-related grievances, complaints, and incidents related to social and human rights matters that have been filed through recognized reporting channels. These channels include the Group's whistleblowing channels, complaints submitted to OECD National Contact Points, and local reporting channels established at subsidiary level in accordance with local processes and applicable legislation. In addition, each unit has a nominated harassment contact person who serves as an official reporting channel.

The Group recognizes that differences in local reporting maturity may affect data comparability, particularly in the initial implementation phase. The reporting framework will be further refined over time to enhance data quality and to ensure comprehensive coverage of grievances of varying severity levels. No severe human rights issues and incidents connected to own workforce have occurred during 2024 or 2025





SUSTAINABILITY STATEMENT

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1 ESRs DISCLOSURE REQUIREMENTS COMPLIED WITH IN PREPARING THE SUSTAINABILITY STATEMENT

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ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		The role of the administrative, management and supervisory bodies (GOV-1)
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		The role of the administrative, management and supervisory bodies (GOV-1)
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Statement on due diligence (GOV-4)
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14			Regulation (EU) 2021/1119, Article 2(1)		Transition plan for climate change mitigation (E1-1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Transition plan for climate change mitigation (E1-1)

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in sustainability statement
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Targets related to climate change mitigation and adaptation (E1-4)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Energy consumption and mix (E1-5)
ESRS E1-5 ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Energy consumption and mix (E1-5)
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Energy consumption and mix (E1-5)
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in, not reported for FY2025
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in, not reported for FY2025

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in sustainability statement
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in, not reported for FY2025
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in, not reported for FY2025
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in sustainability statement
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Resource outflows (E5-5)
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Resource outflows (E5-5)
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Policies related to own workforce (S1-1)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Policies related to own workforce (S1-1)
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Policies related to own workforce (S1-1)
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Policies related to own workforce (S1-1)
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Process to remediate negative impacts and channels for own workers to raise concerns (S1-3)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Health and safety metrics (S1-14)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Phase-in, not reported for FY2025
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Remuneration metrics (pay gap and total remuneration) (S1-16)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Remuneration metrics (pay gap and total remuneration) (S1-16)

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location in sustainability statement
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Incidents, complaints and severe human rights impacts (S1-17)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Phase-in, not reported for FY2025
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material

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



Rapala
VMC

REPORT OF THE BOARD OF DIRECTORS

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RISK MANAGEMENT

The objective of risk management at the Rapala VMC Group is to support the execution of the Group's strategy and the achievement of its business objectives. Risk management is based on the systematic identification, assessment and management of risks and uncertainties related to the Group's operations, as well as the active identification and utilization of opportunities.

RISK MANAGEMENT APPROACH

The Board of Directors regularly monitors and evaluates the Group's financial, operational and strategic risk position and defines the principles and guidelines for risk management to be implemented by Group management. Group management is responsible for coordinating risk management, while day-to-day risk management is delegated to the management of the business units.

In 2025, the key focus areas of Group-level risk management included foreign exchange, liquidity, interest rate and insurable risks. In addition, particular attention was paid to the management of trade receivables, Group-wide insurance programs and the development of the strategic supply chain.

The following presents a summary of the Group's key strategic, operational and financial risks and the related risk management measures. Sustainability and regulatory risks are addressed in the Group's sustainability reporting in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

STRATEGIC RISKS AND OPERATING ENVIRONMENT

The Group's business is affected by general economic, political and financial market conditions in its operating countries. A slowdown in economic growth, high inflation and interest rates, geopolitical tensions, changes in trade policy such as tariffs, and uncertainty in financial markets may weaken consumer demand, increase costs and limit access to financing.

In recent years, markets have been affected by, among other factors, Russia's ongoing invasion of Ukraine, conflicts in the Middle East, trade tensions, as well as inflation. The Group actively monitors developments in market and country risks and continuously evaluates measures to manage production and distribution costs and to enhance supply chain flexibility.

Demand for the Group's products is dependent on consumer purchasing power and confidence. Weak consumer demand may lead to reduced demand or postponed purchases, which may also affect sales with a delay due to supply chain lead times. This risk is mitigated through a broad geographical presence, a diversified customer base and continuous development of production planning.

The significant share of the United States in the Group's net sales exposes the Group to changes in U.S. trade policy and tariff regimes. The introduction of new tariffs or increases in existing tariffs may increase costs, weaken demand and put pressure on margins, as cost increases cannot always be fully passed on to sales prices. The Group actively monitors developments in trade policy and adjusts sourcing, production, logistics and pricing as necessary.

Competition may intensify due to new entrants, technologies and pricing models. Low barriers to entry, particularly in consumable products, may increase competition and lead to loss of market share or pricing pressure. Competitiveness is supported by strong product development, a broad brand portfolio, a global distribution network and the ability to serve local markets with tailored product assortments.

The Group's brands and corporate reputation are key intangible assets. Reputational damage, quality issues or failures in brand management may negatively affect demand and financial performance. These risks are managed through active brand development, quality management, marketing communication and the legal protection of trademarks and other intellectual property rights.

Sport fishing competes with other leisure activities for consumers' time and spending. The Group seeks to strengthen the attractiveness of sport fishing through active sales and marketing as well as continuous product innovation. Through its research and development activities, the Group aims to both meet existing demand and create new consumer demand.

OPERATIONAL RISKS

Demand for the Group's products is inherently seasonal and is subject to unpredictable factors such as weather conditions and environmental factors. Seasonal fluctuations are partly mitigated by winter fishing products and sales in the Southern Hemisphere. Production planning is continuously developed to enable timely responses to changes in market demand.

Due to seasonality, delivery peaks are concentrated within relatively short periods each year, increasing the impact of potential supply chain disruptions on sales. Conversely, lower-than-expected demand may lead to excess inventory, as modifying orders at short notice is limited. These risks are managed through demand forecasting, production planning, close monitoring of the supply chain and inventory management.

The Group's production and sourcing are geographically diversified across several countries, including emerging markets where political, economic and regulatory risks may be higher. These risks are mitigated by diversifying production and sourcing, maintaining multiple supplier relationships and actively monitoring changes in the operating environment and regulation.

Interdependencies within the supply chain expose the Group to disruptions that may affect production and distribution. These risks are managed through close cooperation between manufacturing and distribution units, safety stock levels, continuous supply chain development and improvements in forecasting and planning processes.

Fluctuations in raw material prices, particularly metals, plastics and wood-based materials, may have a significant impact on costs and margins. The Group seeks to pass on cost increases to sales prices either immediately or over time and monitors market risks as part of its financial risk management.

The Group's operations depend on manufacturing facilities, distribution centres and information systems. Disruptions such as fires, natural disasters, cyber incidents or system failures may interrupt operations and cause financial losses. Insurable risks are managed through comprehensive insurance programs, annual risk assessments and continuous development of risk awareness. Insurance programs take into account interdependencies between Group companies and cover property damage, business interruption, transportation and liability risks. In addition, the Group has strengthened its focus on fraud risk management.

The Group is not critically dependent on any single production fac-

tor, location or supplier. However, the availability of skilled personnel is important, and this is supported by maintaining a strong employer brand and good employee relations.

CUSTOMER AND MARKET RISKS

The Group's customer base is geographically and quantitatively diversified, and no single customer represents a significant share of net sales. Although the Group is not critically dependent on any individual customer, the loss of major customers could have an adverse effect on profitability. This risk is managed through a broad customer base, strong customer relationships and market diversification.

The Group does not engage significantly in direct-to-consumer sales. This is not considered a significant risk, as consumer demand is largely driven by brand loyalty and alternative sales channels can be developed if needed.

Structural changes in retail, particularly the growth of e-commerce, may affect distribution channels, pricing and market visibility. Failure to adapt to these changes could negatively impact sales and brand positioning. These risks are managed by developing market and customer insight, monitoring changes in distribution channels and strengthening the Group's presence across different channels.

The Group is also exposed to credit and default risks related to trade receivables. These risks are managed by actively monitoring customer payment behaviour and by diversifying credit exposure so that no single customer or customer group represents a material risk.

FINANCIAL RISKS

The Group's financial risks consist of market, credit, interest rate, foreign exchange and liquidity risks. The Board of Directors reviews these

risks several times a year, and Group management is responsible for their continuous monitoring and management.

Uncertainty in financial markets, rising interest rates and reduced availability of financing may affect the Group's financing costs and liquidity. The Group manages its capital structure, level of debt and funding sources centrally and seeks to ensure adequate liquidity, a balanced maturity profile of loans and sufficient available credit facilities.

The Group's financing agreements include financial covenants, which are monitored regularly. Group management and the Board actively monitor covenant compliance and assess necessary actions well in advance to manage potential risks.

Liquidity risk is managed by the Group Treasury, which monitors the Group's cash position through a cash pooling system, cash flow forecasting and regular reporting. The Group seeks to mitigate liquidity and refinancing risks by maintaining sufficient cash reserves and other liquidity buffers and by diversifying its funding sources.

Interest rate risk is managed centrally by the Group Treasury. The risk position is assessed regularly, and mitigation measures include managing the maturity profile of financing, selecting appropriate funding sources and, when necessary, using derivatives such as interest rate swaps.

Foreign exchange risk arises from operating activities, financing and net investments in foreign subsidiaries. Foreign exchange risks are managed in accordance with policies approved by the Board, primarily through operational means and, when appropriate, by using currency derivatives and foreign currency-denominated loans.

Credit and counterparty risks are managed centrally by limiting treasury transactions to approved counterparties. Excess cash balances of subsidiaries are centralized in cash pool accounts to reduce credit risk.

Financial risks are described in more detail in Note 21 to the consolidated financial statements in accordance with IFRS 7.

SHARES AND SHAREHOLDERS

Rapala VMC Corporation's shares have been traded on the Nasdaq Helsinki since 1998.

SHARES AND VOTING RIGHTS

On December 31, 2025, the share capital fully paid and reported in the Trade Register was EUR 3 552 160.41 and the total number of shares was 39 000 000. The average number of shares during the financial year was 39 000 000. Each share is entitled to one vote.

There were no changes in the share capital in 2025.

BOARD'S AUTHORIZATIONS

The AGM authorised the Board of Directors to resolve in accordance with the proposal of the Board of Directors on the issuance of a maximum of 3,900,000 shares through a share issue or by issuing options and other special rights entitling to shares pursuant to chapter 10, section 1 of the Finnish Limited Liability Companies Act in one or several tranches. The proposed maximum number of shares corresponds to 10% of all shares in the Company. The authorisation can also be used for incentive arrangements for the Company's management and key persons, however, no more than

900,000 shares in total may be granted for this purpose. The authorisation covers both the issuance of new shares and the transfer of treasury shares held by the Company, and the issuance may be carried out with or without payment. Under the authorisation, the Board of Directors may issue shares or options and other special rights entitling to shares also otherwise than in proportion to the shareholdings of the shareholders (directed share issue). The Board of Directors is entitled to resolve on all terms and conditions of share issues and the issue of option rights and other special rights entitling to shares. The authorisation is valid until 30 June 2026.

The AGM authorised the Board of Directors to resolve in accordance with the proposal of the Board of Directors to repurchase a maximum of 2,000,000 the Company's own shares by using the Company's unrestricted equity in one or several tranches. The proposed maximum number of shares corresponds to approximately 5.13% of the Company's total number of shares. The shares may be repurchased for developing the Company's capital structure, for financing or carrying out potential corporate acquisitions or other business arrangements, to be used as a part of the Company's remuneration or incentive plan or to be otherwise transferred further or cancelled, for example. The shares may be repurchased otherwise than in proportion to the existing shareholdings of the Company as directed repurchases at the market price of the shares quoted on the trading venues where the Company's shares are traded or at the price

otherwise established on the market at the time of the repurchase. The authorisation is valid until 30 June 2026.

OWN SHARES

At the end of the year, the company held 870 159 own shares, representing 2.2% of the total number and voting rights of shares. The cumulative average share price of all repurchased own shares held by the company was EUR 2.2.

Treasury shares include 746 268 shares owned by an external service provider. Rapala VMC Oyj has an agreement with Allshares Oy concerning the long-term share-based incentive schemes for key personnel. Pursuant to the agreement Allshares Hedging 6 Oy owns Rapala VMC Corporation's shares related to the incentive schemes until the shares are granted to employees participating in the scheme. As of December 31, 2025, Allshares Hedging 6 Oy held 746 268 shares reported as treasury shares. The legal ownership of Allshares Hedging 6 Oy is with an external service provider, but based on the agreement, Rapala VMC Corporation exercises control over the arrangement. Therefore the holding company is combined with the IFRS consolidated financial statements as a structured entity.

SHAREHOLDER REGISTER

The shares of the company belong to the Book Entry Securities System. Shareholders should notify the particular register holding their Book Entry Account about changes in address or account numbers for payment of dividends and other matters related to ownership of shares.

SHARE-BASED INCENTIVE PLANS

On July 23, 2025, the Board of Directors of Rapala VMC Corporation decided to establish a new share-based incentive plan for key employees of the group. The aim of the plans is to align the objectives of the shareholders and the plan participants for increasing the value of the company in the long-term, to retain the participants at the company and to offer them competitive incentive schemes that are based on earning and accumulating shares.

Details of share-based incentive plans are given on note 28.

MANAGEMENT SHAREHOLDING

On December 31, 2025, the members of the Board and the Executive Committee held directly a total of 194 451 company shares, corresponding to 0.5 % of all shares and voting rights. Details of management shareholdings are given in the 'Corporate Governance' section.

TRADING AND PERFORMANCE OF THE COMPANY'S SHARES

The company share (RAP1V) is quoted on the Nasdaq Helsinki. The closing price on December 31 2025, was EUR 1.28. The highest price in 2025 was EUR 1.99, the lowest price EUR 1.17 and the average price EUR 1.32. A total of 15 571 299 company's shares were traded in 2025. This represents 39.9% of all shares on December 31, 2025.

At the end of 2025, the market capitalization of all outstanding shares, excluding own shares, was EUR 48.8 million. Earnings per share (basic) were EUR -0.23 (EUR -0.07 in 2024). For more share related key figures see 'Key Financial Figures'.

DIVIDEND

The Board proposes to the AGM that no dividend will be paid for the financial year 2025.

PRINCIPAL SHAREHOLDERS ON DECEMBER 31, 2025

Shareholders	Number of shares	%
Viellard Migeon & Cie *	17 126 655	43.9
Nordea Funds	5 166 427	13.2
The State Pension Fund	1 290 000	3.3
Shimano Singapore Private Limited	889 680	2.3
Jocer Oy Ab	500 000	1.3
Aktia Capital Fund	420 000	1.1
Kelhu Markku Juhani	400 000	1.0
Kero Tamu-Petri Olavi	368 999	0.9
Ilmarinen Mutual Pension Insurance Company	292 007	0.7
UB Suomi Fund	280 000	0.7
Other shareholders total	12 266 232	31.5
Total number of shares	39 000 000	100.0

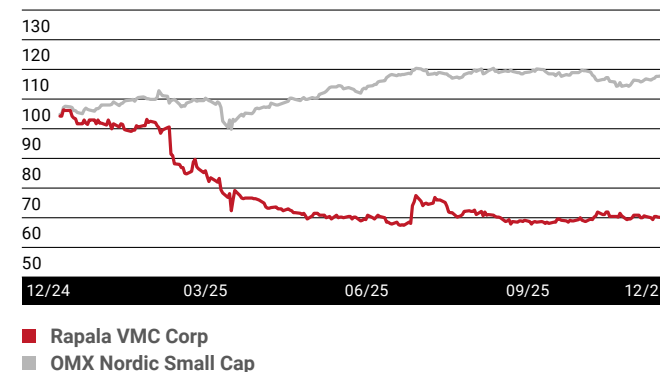
* Viellard Migeon & Cie's holds together with its subsidiary De Pruines Industries 17 231 965 shares, representing 44.2% of total number and the total voting rights of shares. Number of shares includes 870 159 own shares held by the group.

SHAREHOLDERS BY CATEGORY ON DECEMBER 31, 2025

Shareholder category	Number of shares	%
Private and public corporations	3 425 045	8.8
Financial and insurance companies	6 210 223	15.9
Public institutions	1 737 307	4.5
Non-profit organizations	53 047	0.1
Individuals	7 243 274	18.6
International shareholders	18 196 161	46.7
Administrative registrations	2 134 943	5.5
Total	39 000 000	100

DISTRIBUTION OF SHAREHOLDING ON DECEMBER 31, 2025

Number of shares	Number of shareholders	%	Total shares	%
1 - 100	2 996	45.1	123 683	0.3
101 - 500	1 899	28.6	508 563	1.3
501 - 1 000	667	10.0	536 849	1.4
1 001 - 10 000	903	13.6	2 811 547	7.2
10 001 - 1 000 000	179	2.7	10 115 762	25.9
1 000 001 -	4	0.1	24 903 596	63.9
Total	6 648	100	39 000 000	100

SHARE PRICE IN 2025, %**SHARE PRICE DEVELOPMENT IN 2021-2025, EUR**

BOARD AND MANAGEMENT

BOARD OF DIRECTORS

The current members of the Board and their shareholdings on December 31, 2025 are:

Alexander Rosenlew

Board Member since 2023
Chairman of the Board since 8th of May 2025
CEO of Orthex Oyj
Certificate in Global Management, Insead
Master of Science in Management (Leadership MBA)
Master of Science in Economics
Year of birth: 1971
Gender: male
Shareholding and options *: 66 095

Emmanuel Viellard

Board member since 2000
Chairman of the Board 2005-2016, 2024-2025
President of Viellard Migeon & Cie
CEO of LISI
MBA, CPA
Year of birth: 1963
Gender: male
Shareholding and options *: 2 000

Julia Aubertin

Board Member since 2014
Investor and advisor
M.Sc. (EDHEC)
Year of birth: 1979
Gender: female
Shareholding and options *: -

Vesa Luhtanen

Board Member since 2020
Board professional
Bachelor of Science in Business Administration
Year of birth: 1961
Gender: male
Shareholding and options *: -

Johan Berg

Board Member since 2024
Board professional
Swedish School of Economics Helsinki, 1983-1987: MBA
Year of birth: 1961
Gender: male
Shareholding and options *: 16 000

Pascal Lebard

Board Member since 2024
Senior Partner and Co-Founder, Montyon Capital
EDHEC Business School - MBA, 1986
Year of birth: 1962
Gender: male
Shareholding and options *: -

* Shares and share-based rights of each member and corporations over which he/she exercises control in the company and its group companies.

At its organizational meeting, the Board of Directors elected Alexander Rosenlew as Chair of the Board.

EXECUTIVE COMMITTEE

The Executive Committee (Global Management Team) assists the President and Chief Executive Officer in planning and managing the operations of the Group, in the preparation of strategic questions and in the execution of the strategic objectives set by the Board of Directors. The Executive Committee convenes under the leadership of the President and Chief Executive Officer and is composed of different Executive Committee members depending on the matters at hand. The President and Chief Executive Officer acts as the Chairman of the Executive Committee.

The members of the Executive Committee and their shareholdings on December 31, 2025 are:

Cyrille Viellard

President and Chief Executive Officer since the 7th of March 2025
Executive Committee member since 2015
MBA, ESSEC
Year of birth: 1977
Gender: male
Shareholding and options *: 32 435

Arto Nygren

Executive Vice President, Lure Manufacturing
Executive Committee member since 2017
Bachelor's degree in mechanical engineering
Year of birth: 1965
Gender: male
Shareholding and options *: 40 408

Jean-Philippe Nicolle

Chief Operating Officer, Business Performance,
Finance Controlling and Internal Auditing, Europe Focus
Executive Committee member since 2020
Executive MBA, Business School ICS, Paris and CPA
Year of birth: 1968
Gender: male
Shareholding*: 7 147

Marcus Twidale

Executive Vice President, Head of Distribution in USA
Executive Committee member since 2021
Brooksby College of Agricultural Management
Year of birth: 1965
Gender: male
Shareholding*: 3 868

Miikka Tarna

Chief Financial Officer
Executive Committee member since 2024
M.Sc. (Econ. & Bus. Adm.), University of Oulu, 2008
Year of birth: 1983
Gender: male
Shareholding*: 13 314

Tuomas Akkanen

Executive Vice President, Head of Group Supply Chain and Winter Sports
Executive Committee member since 2024
M.Sc. in Technology, Helsinki University of Technology
Year of birth: 1979
Gender: male
Shareholding*: 3 868

Tuomo Leino

Executive Vice President, General Counsel,
Secretary of the Board, Head of Sustainability
Executive Committee member since 2024
Master of Laws (LLM), University of Helsinki, 2013
Year of birth: 1985
Gender: male
Shareholding*: 5 468

Travis Tuma

Executive Vice President,
President Rapala VMC USA (starting 1st January, 2026)
Executive Committee member since 15th October 2025
University of Wisconsin-Madison (1994 graduate)
Year of birth: 1971
Gender: male
Shareholding*: 3 848

* Shares and share-based rights of each member and corporations over which he/she exercises control in the company and its group companies.

On the 17th of December 2024 Rapala VMC Corporation announced that Cyrille Viellard was appointed as the new President and Chief Executive Officer of Rapala VMC Corporation effective 7th March, 2025 replacing Lars Ollberg after his retirement. On the 15th October, 2025 company announced that Travis Tuma was appointed as the new member in the Global Executive Committee.

DEFINITIONS OF KEY FIGURES

Operating profit before depreciation and impairments (EBITDA)	=	Operating profit + depreciation and impairments
Items affecting comparability	=	Change in mark-to-market valuations of operative currency derivatives +/- other items affecting comparability
Other items affecting comparability	=	Restructuring costs + impairments +/- gains and losses on business combinations and disposals - insurance compensations +/- other non-operational items
Comparable operating profit	=	Operating profit +/- change in mark-to-market valuations of operative currency derivatives +/- other items affecting comparability
Net interest-bearing debt	=	Total interest-bearing liabilities - total interest-bearing assets - cash and cash equivalents
Capital employed (average for the period)	=	Total equity (average for the period) + net interest-bearing debt (average for the period)
Working capital	=	Inventories + total non-interest-bearing assets - total non-interest-bearing liabilities
Total non-interest-bearing assets	=	Total assets - interest-bearing assets - intangible and tangible assets - assets classified as held-for-sale
Total non-interest-bearing liabilities	=	Total liabilities - interest-bearing liabilities
Net interest-bearing debt to EBITDA	=	$\frac{\text{Net interest-bearing debt}}{\text{Operating profit before depreciation and impairments}}$
Return on capital employed (ROCE), %	=	$\frac{\text{Operating profit} \times 100}{\text{Capital employed (average for the period)}}$
Return on equity (ROE), %	=	$\frac{\text{Net profit for the period} \times 100}{\text{Total equity (average for the period)}}$
Debt-to-equity ratio (Gearing), %	=	$\frac{\text{Net interest-bearing debt} \times 100}{\text{Total equity}}$

DEFINITIONS OF KEY FIGURES

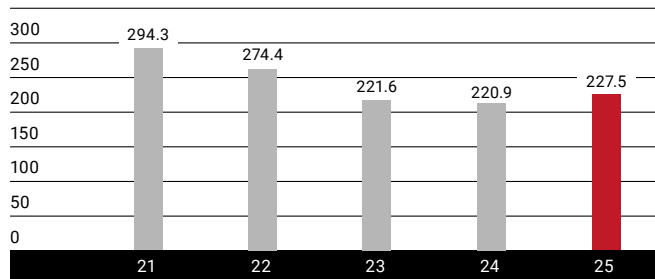
Equity-to-assets ratio, %	=	$\frac{\text{Total equity} \times 100}{\text{Total shareholders' equity and liabilities} - \text{advances received}}$
Earnings per share, EUR	=	$\frac{\text{Net profit for the period attributable to the equity holders of the parent Company} - \text{hybrid capital accrued unrecognised interests after tax}}{\text{Adjusted weighted average number of shares}}$
Dividend per share, EUR	=	$\frac{\text{Dividend for the period}}{\text{Adjusted number of shares at the end of the period}}$
Dividend/earnings ratio, %	=	$\frac{\text{Dividend for the period} \times 100}{\text{Net profit for the period attributable to the equity holders of the parent Company}}$
Equity per share, EUR	=	$\frac{\text{Equity attributable to equity holders of the parent Company}}{\text{Adjusted number of shares at the end of the period}}$
Effective dividend yield, %	=	$\frac{\text{Dividend per share} \times 100}{\text{Adjusted share price at the end of the period}}$
Price/earnings ratio	=	$\frac{\text{Adjusted share price at the end of the period}}{\text{Earnings per share}}$
Average share price, EUR	=	$\frac{\text{EUR amount traded during the period}}{\text{Adjusted number of shares traded during the period}}$
Year-end market capitalization, EUR	=	Number of shares at the end of the period, excluding own shares x share price at the end of the period
Average number of personnel	=	Calculated as average of monthly end personnel amounts

KEY FINANCIAL FIGURES

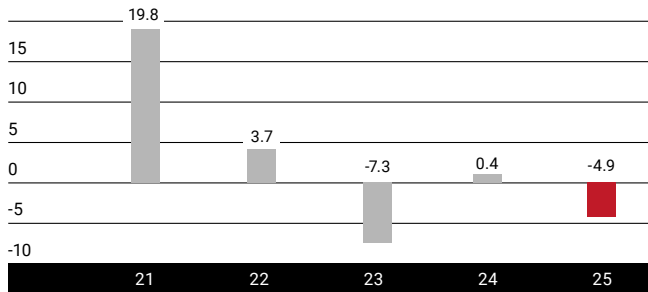
		2025	2024	2023	2022	2021
Scope of activity and profitability						
Net sales	EUR million	227.5	220.9	221.6	274.4	294.3
Operating profit before depreciation and impairments	EUR million	15.9	21.1	15.6	23.6	42.0
as a percentage of net sales	%	7.0	9.6	7.0	8.6	14.3
Operating profit	EUR million	4.2	8.6	4.0	12.3	32.1
as a percentage of net sales	%	1.9	3.9	1.8	4.5	10.9
Profit/loss before taxes	EUR million	-4.4	0.5	-6.7	8.8	28.0
as a percentage of net sales	%	-1.9	0.2	-3.0	3.2	9.5
Net profit/loss for the period	EUR million	-4.9	0.4	-7.3	3.7	19.8
as a percentage of net sales	%	-2.2	0.2	-3.3	1.4	6.7
Attributable to						
Equity holders of the company	EUR million	-4.9	0.4	-7.3	3.7	18.2
Non-controlling interest	EUR million	-	-	-	-	1.5
Capital expenditure	EUR million	4.3	4.2	11.4	11.5	14.0
as a percentage of net sales	%	1.9	1.9	5.2	4.2	4.8
Research and development expenses	EUR million	1.1	1.0	0.8	1.3	1.2
as a percentage of net sales	%	0.5	0.5	0.4	0.5	0.4
Net interest-bearing debt at the end of the period	EUR million	72.9	61.8	80.9	107.1	70.6
Capital employed at the end of the period	EUR million	209.3	217.1	237.2	246.1	209.8
Return on capital employed (ROCE)	%	2.0	3.8	1.6	5.4	16.1
Return on equity (ROE)	%	-3.4	0.3	-5.0	2.7	14.0
Equity-to-assets ratio at the end of the period	%	49.3	53.0	52.1	41.2	44.2
Debt-to-equity ratio (gearing) at the end of the period	%	53.5	39.8	51.8	77.0	50.7
Average personnel for the period	Persons	1 408	1 353	1 436	1 704	1 792
Personnel at the end of the period	Persons	1 373	1 375	1 374	1 543	1 757

KEY FINANCIAL FIGURES

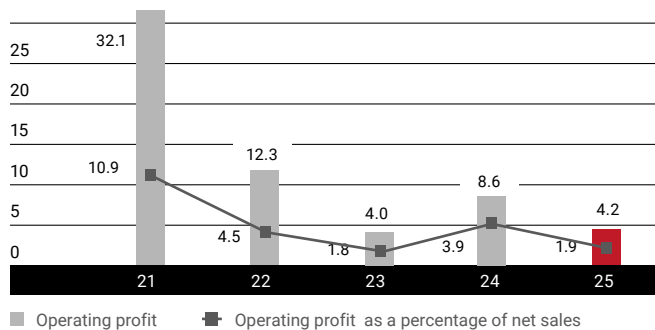
NET SALES, EUR million



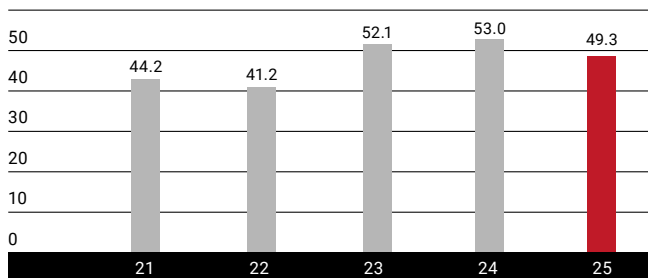
NET PROFIT/LOSS FOR THE PERIOD, EUR million



OPERATING PROFIT (EUR million),
as a percentage of net sales (%)



EQUITY-TO-ASSETS RATIO, %



KEY FINANCIAL FIGURES

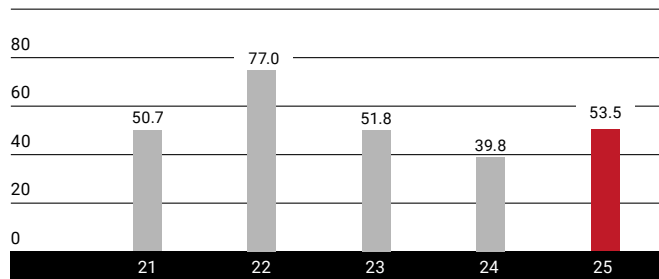
		2025	2024	2023	2022	2021
Share related key figures						
Earnings per share	EUR	-0.23	-0.07	-0.20	0.10	0.45
Diluted earnings per share	EUR	-0.23	-0.07	-0.20	0.10	0.44
Equity per share	EUR	2.92	3.22	3.25	3.58	3.58
Dividend per share ¹⁾	EUR	-	-	-	0.04	0.15
Dividend/earnings ratio ¹⁾	%	-	-	-	41.8	33.5
Effective dividend yield ¹⁾	%	-	-	-	0.80	1.72
Price/earnings ratio		-5.5	-29.1	-15.2	52.2	19.5
Share price at the end of the period	EUR	1.28	1.92	3.00	5.00	8.72
Lowest share price	EUR	1.17	1.89	2.53	4.08	4.36
Highest share price	EUR	1.99	3.44	5.14	9.16	10.95
Average share price	EUR	1.32	2.45	3.18	6.46	7.82
Number of shares traded	Shares	15 571 299	2 649 340	2 998 795	2 792 052	5 217 447
Number of shares traded of average number of shares	%	40.39	6.81	7.71	7.18	13.47
Share capital	EUR million	3.6	3.6	3.6	3.6	3.6
Dividend for the period ¹⁾	EUR million	-	-	-	1.6	5.8
Year end market capitalization ²⁾	EUR million	48.8	74.6	116.6	194.4	339.6
Number of shares at the end of the period excluding own shares ²⁾	1 000 shares	38 130	38 876	38 876	38 876	38 950
Number of own shares at the end of period	1 000 shares	870	124	124	124	50
Weighted average number of shares ²⁾	1 000 shares	38 550	38 876	38 876	38 890	38 732
Fully diluted number of shares at the end of the period	1 000 shares	39 000	39 000	39 000	39 000	39 000
Fully diluted weighted average number of shares	1 000 shares	39 000	39 000	39 000	39 000	39 000

¹⁾ Year 2025 board proposal.

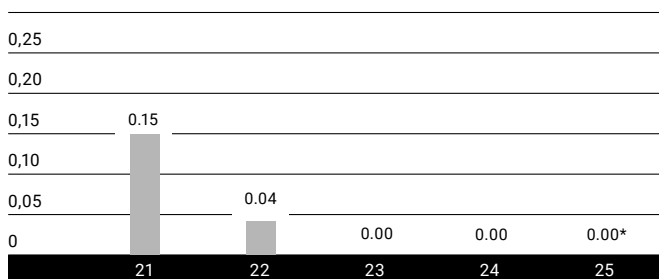
²⁾ Excluding own shares.

KEY FINANCIAL FIGURES

DEBT-TO-EQUITY RATIO (GEARING) at the end of the period, %

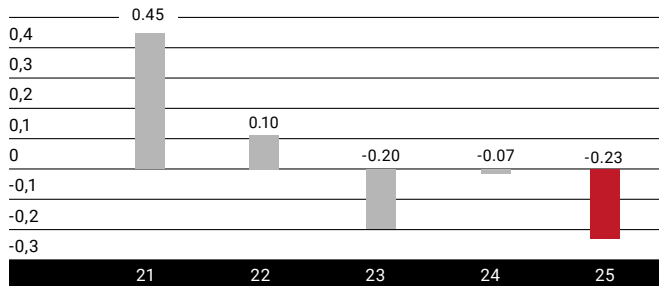


DIVIDEND PER SHARE, EUR

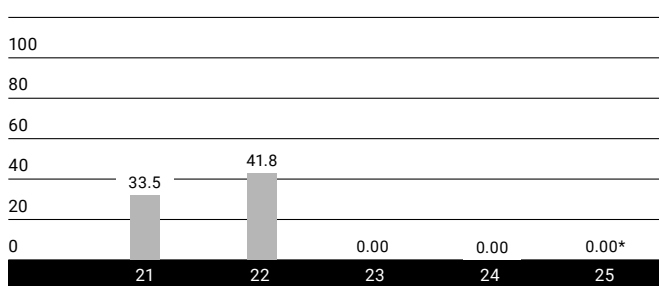


*Board proposal

EARNINGS PER SHARE, EUR



DIVIDEND/EARNINGS RATIO, %



*Board proposal



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CONSOLIDATED FINANCIAL STATEMENTS, IFRS

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2025	2024
Net sales	2	227.5	220.9
Other operating income	4	0.3	0.3
Change in inventory of finished products and work in progress		4.5	-2.5
Production for own use		0.2	0.2
Materials and services	6	-106.5	-95.4
Employee benefit expenses	7	-62.7	-63.6
Other operating expenses	5	-43.2	-45.1
Reclassification of translation difference on discontinued operations		-4.7	-
Gain on sale of assets		0.5	6.4
Share of results in associates	13	0.0	0.0
Operating profit before depreciation, amortization and impairments		15.9	21.1
Depreciation, amortization and impairments	11, 12, 26	-11.6	-12.5
Operating profit		4.2	8.6
Financial income and expenses	9	-8.6	-8.1
Profit before taxes		-4.4	0.5
Income taxes	10	-0.5	0.0
Net profit (loss) for the period		-4.9	0.4
Attributable to			
Equity holders of the parent company		-4.9	0.4
Earnings per share for profit attributable to the equity holders of the parent company 29			
Earnings per share, EUR		-0.23	-0.07
Diluted earnings per share, EUR		-0.23	-0.07
Weighted average number of shares, 1 000 shares		38 550	38 876
Diluted weighted average number of shares, 1 000 shares		38 550	39 000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	2025	2024
Net profit (loss) for the period	-4.9	0.4
Other comprehensive income, net of tax 1)		
Items that will not be reclassified to income statement		
Remeasurements of defined benefit liabilities	0.0	-0.1
Total items that will not be reclassified to income statement	0.0	-0.1
Items that may be reclassified subsequently to income statement:		
Change in translation differences	-8.4	1.1
Reclassification of translation difference on discontinued operation	4.7	
Net investment hedges	-0.2	-0.1
Total items that may be reclassified subsequently to income statement	-3.9	1.1
Other comprehensive income for the period, net of tax	-3.9	1.0
Total comprehensive income for the period	-8.8	1.4
Attributable to		
Equity holders of the parent company	-8.8	1.4

¹⁾ The income tax relating to each component of other comprehensive income is disclosed in note 10.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	Note	2025	2024
ASSETS			
Non-current assets			
Goodwill	11	61.5	66.3
Other intangible assets	11	34.9	38.0
Tangible assets	12	20.3	22.9
Right-of-use-assets	26	9.4	11.7
Investments in associates	13	0.0	0.0
Other shares	14	0.1	0.1
Interest-bearing receivables	15	0.7	0.7
Non-interest-bearing receivables	15	0.3	0.3
Deferred tax assets	10	17.2	15.0
Total non-current assets		144.3	155.0
Current assets			
Inventories	16	84.4	84.2
Trade and other non-interest-bearing receivables	15	29.1	31.2
Income tax receivables		0.9	1.5
Cash and cash equivalents	17	18.2	21.7
Total current assets		132.6	138.6
Total assets		276.9	293.6

EUR million	Note	2025	2024
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital		3.6	3.6
Share premium fund		16.7	16.7
Fund for invested non-restricted equity		4.9	4.9
Own shares		-4.0	-3.0
Translation differences		-13.7	-9.9
Retained earnings		103.8	113.0
Equity attributable to equity holders of the parent company	18	111.4	125.3
Hybrid bond	18	25.0	30.0
Total equity		136.4	155.3
Non-current liabilities			
Interest-bearing liabilities	23	63.5	49.4
Non-interest-bearing liabilities	24	0.5	0.8
Lease liabilities	23	5.6	7.6
Employee benefit obligations	19	1.5	1.5
Deferred tax liabilities	10	8.9	8.9
Total non-current liabilities		80.0	68.3
Current liabilities			
Interest-bearing liabilities	23	18.5	22.4
Trade and other non-interest-bearing payables	24	36.1	40.1
Lease liabilities	23	4.3	4.8
Income tax payables		1.4	2.5
Provisions	20	0.3	0.3
Total current liabilities		60.6	70.1
Total shareholders' equity and liabilities		276.9	293.6

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Note	2025	2024
Net profit for the period		-4.9	0.4
Adjustments			
Income taxes	10	0.5	0.0
Financial income and expenses	9	8.6	8.2
Reversal of non-cash items			
Depreciation and impairments	11, 12, 26	11.6	12.5
Share-based incentive plan	7, 28		0.1
Exchange rate differences	9	-0.5	0.4
Share of results in associated companies	13	0.0	0.0
Gains/losses on disposals of intangible and tangible assets		-0.5	-6.4
Other items		6.0	-2.4
Total adjustments		25.9	12.4
Financial items			
Interest paid		-7.1	-8.2
Interest received		1.6	1.7
Income taxes paid		-2.3	-1.3
Other financial items, net		-1.4	-1.4
Total Financial items		-9.1	-9.1
Change in working capital			
Change in receivables		0.7	4.4
Change in inventories		-5.8	5.1
Change in liabilities		-1.2	10.2
Total change in working capital		-6.3	19.7
Net cash generated from operating activities		5.5	23.4

EUR million	Note	2025	2024
Net cash used in investing activities			
Proceeds from sale of intangible assets	11	0.0	0.4
Acquisition of intangible assets	11	-0.5	-0.3
Proceeds from sale of tangible assets	12	1.6	8.7
Acquisition of tangible assets	12	-3.8	-3.9
DQC International Corp acquisition	3	-	-0.3
Total net cash used in investing activities		-2.7	4.6
Net cash generated from financing activities			
Purchase of own shares		-1.0	
Non-current loan withdrawals		40.0	
Current loan withdrawals		51.1	81.1
Non-current loan repayments		-23.0	-31.7
Current loan repayments		-58.5	-65.6
Payments of lease liabilities		-6.0	-4.9
Hybrid bond		-10.2	-3.8
Total net cash generated from financing activities		-7.6	-24.8
Change in cash and cash equivalents		-4.9	3.2
Cash and cash equivalents at the beginning of the period		21.7	20.0
Foreign exchange rate effect		1.4	-1.5
Cash and cash equivalents at the end of the period	17	18.2	21.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Attributable to equity holders of the Company								
	Share capital	Share premium fund	Fund for invested non-restricted equity	Own shares	Translation differences	Retained earnings	Non-controlling interest	Hybrid bond	Total equity
Equity on Jan 1, 2024	3.6	16.7	4.9	-3.0	-11.0	115.0	-	30.0	156.3
Net profit for the period						0.4			0.4
Other comprehensive income *									
Translation differences					1.1				1.1
Defined benefit plans						-0.1			-0.1
Net investment hedges					-0.1				-0.1
Total comprehensive income					1.0	0.4			1.4
Share-based incentive plan						0.1			0.1
Hybrid bond expenses						-3.0			-3.0
Other changes						0.6			0.6
Equity on Dec 31, 2024	3.6	16.7	4.9	-3.0	-9.9	113.0	-	30.0	155.3
Net profit for the period						-4.9			-4.9
Other comprehensive income*									
Translation differences					-8.4				-8.4
Reclassification of exchange differences on discontinued operations					4.7				4.7
Defined benefit plans						0.0			0.0
Net investment hedges					-0.2				-0.2
Total comprehensive income					-3.9	-5.0			-8.8
Purchase of own shares				-1.0					-1.0
Repayment of hybrid bond								-5.0	-5.0
Hybrid bond expenses						-4.1			-4.1
Share-based incentive plan						0.0			0.0
Other changes						-0.1			-0.1
Equity on Dec 31, 2025	3.6	16.7	4.9	-4.0	-13.7	103.8	-	25.0	136.4

* Net of tax

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED ACCOUNTS

Company's background

Rapala VMC Corporation ("company") is a Finnish public limited liability company organized under the laws of Finland, domiciled in Asikkala and listed on the Nasdaq Helsinki stock exchange since 1998. The parent company Rapala VMC Corporation and its subsidiaries ("the Group") operate in some 40 countries and the company is one of the leading fishing tackle companies in the world.

The consolidated financial statements have been prepared for the accounting period of 12 months from January 1 to December 31, 2025. The Board of Directors of the company has approved these financial statements for publication at its meeting on April 8, 2026. Under Finland's Limited Liability Companies Act, shareholders have the option to accept or reject the financial statements in a meeting of shareholders, which will be held after the publication of the financial statements. The meeting has also the option of changing the financial statements.

A copy of the consolidated financial statements is available at the Group's website www.rapalavmc.com or from Mäkelänkatu 87, 00610 Helsinki, Finland.

Basis for preparing the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), including IAS and IFRS standards as well as the SIC and IFRIC interpretations in effect on December 31, 2025. The term 'IFRS standards' refers to standards and interpretations which are approved and adopted by the European Union (regulation EY 1606/2002) and thus are in force in the Finnish legislation. The Group has not early adopted any new,

revised or amended standards or interpretations.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated.

Financial statements in accordance with the European Single Electronic Format (ESEF) reporting requirements are published in Finnish and English. In accordance with ESEF's requirements, the primary statements and notes to the consolidated financial statements have been tagged with XBRL tags. The ESEF report has been audited.

Application of new and revised standards or interpretations

The Group has applied the following new standards, interpretations, and amendments to existing standards as of 1 January 2025:

- Amendments to IAS 21

The amendments to the standards listed above have not had a material impact on the consolidated financial statements. The adopted new standards and interpretations did not have material impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which will be effective as of 1 January 2027, introduces new requirements for the presentation of financial statements and the related notes, and will replace IAS 1 Presentation of Financial Statements. The Group expects the adoption of IFRS 18 to have some impact on the presentation of the primary financial statements and the notes. The Group will apply the new standard from its effective date. Retrospective application is mandatory, and therefore the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

The Group has presented only material accounting policy information in these annual financial statements and has therefore not repeated all accounting policy information disclosed in the previous year's financial statements.

Consolidation principles

The consolidated financial statements comprise the financial statements of the company and its subsidiaries in which it has control. The control is based either to governing power established through direct or indirect holding of over 50% of the voting rights and/or control established through other means. The financial statements of the subsidiaries are prepared for the same accounting period as the company, using consistent accounting policies. The investments in subsidiaries have been eliminated using the acquisition cost method. All transactions between Group companies as well as assets and liabilities, dividends and unrealized internal margins in inventories and tangible assets have been eliminated in the consolidated financial statements.

Associated companies are companies where the Group holds voting rights of 20–50% and/or in which the Group has significant influence, but not control. Associated companies are included in the consolidated financial statements using the equity method. Under the equity method, the Group's share of the profit or loss is recognized in the consolidated income statement before operating profit.

Foreign currency transactions and translations

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. Non-monetary items denominated in foreign currency, measured at fair value, are translated using the exchange rates at the date when the fair value was determined. Other non-monetary items have been translated into the functional

currency using the exchange rate on the date of the transaction.

The consolidated financial statements are presented in euros, which is the company's functional and reporting currency. Income statements of subsidiaries, whose functional and reporting currencies is not euro, are translated into the Group reporting currency using the average exchange rate for the year. Their balance sheets are translated using the exchange rate of balance sheet date. All exchange differences arising on the translation are entered in the statement of other comprehensive income and presented in equity. The translation differences arising from the use of the purchase method of accounting and after the date of acquisition as well as fair value changes of loans which are hedges of such investments are recognized in statement of other comprehensive income and presented in equity. On the disposal of a subsidiary, whose functional and reporting currency is not euro, the cumulative translation difference for that entity is recognized in the income statement as part of the gain or loss on the sale.

Segment reporting

The Group is led as a whole and not organized nor managed in independent divisions. The Group's CODM is Group CEO together with the Board of Directors. Most of the units are also strongly interlinked i.e. some units do not have a sales or a production organization or some other functions or operations needed to operate on a stand-alone basis. Rapala VMC as a whole is considered as a single operating segment and a cash generating unit. As a consequence, goodwill and trademarks with indefinite lives are tested on the Group level.

Impairments of tangible and intangible assets

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If indication exists, the recoverable amount is

measured. Indications of potential need for impairment may be for example changes in market conditions and sales prices, decisions on significant restructurings or change in profitability.

Goodwill, intangible assets with indefinite useful lives and unfinished intangible assets are in all cases tested annually. For the purposes of assessing impairment, assets are grouped at the lowest cash generating unit level for which there are separately identifiable, mainly independent, cash inflows and outflows.

An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is determined by reference to discounted future net cash flows expected to be generated by the asset. Discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss is immediately recognized in the income statement.

Impairment losses attributable to a cash-generating unit are used to deducting first the goodwill allocated to the cash-generating unit and, thereafter, the other assets of the unit on an equal basis. The useful life of the asset to be depreciated is reassessed in connection with the recognition of the impairment loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. However, the reversal must not cause that the adjusted value is higher than the carrying amount that would have been determined if no impairment loss had been recognized in prior years. Impairment losses recognized for goodwill are not reversed.

Operating profit

The IAS 1 (Presentation of Financial Statements) standard does not define operating profit. The Group has defined it as follows: Operating

profit is the net amount arising from adding other operating income and share of results in associates and joint ventures to net sales, deducting cost of sales corrected for changes in inventories and cost of production for own use, deducting costs related to employee benefits, depreciation and possible impairments as well as other operating expenses. Foreign exchange differences and changes in the fair value of derivative financial instruments are included in operating profit in case they originate from operative business items; otherwise they are booked in financial income and expenses.

Cash flow statement

Cash and cash equivalents presented in the cash flow statement comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash generated from operating activities has been reported using the indirect method. All income taxes paid during the financial year are presented in Net cash generated from operating activities, unless they can be particularly allocated to net cash from (used in) investing or financing activities. Unrealized exchange gains and losses from cash and cash equivalents denominated in foreign currencies are presented on a separate row before cash and cash equivalents at the end of period, separate from cash generated from (used in) operating, investing and financing activities.

Waste electrical and electronic equipment

The Group is a distributor of electrical equipment that falls under the EU Directive on Waste Electrical and Electronic Equipment. Expected costs are recognized as part of other operating expenses and as a current non-interest-bearing payable.

Comparable operating profit and items affecting comparability

In order to reflect the underlying business performance and to enhance comparability between financial periods, the Group presents alternative performance measures. Comparable operating profit is operating profit excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability, which include material restructuring costs, impairments, gains and losses on business combinations and disposals, insurance compensations and other non-operational items. Alternative performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Critical accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires management to make certain estimates and assumptions that affect the amounts recognized in the consolidated financial statements and accompanying notes. Actual results may differ from these estimates. In addition, judgment has to be exercised in applying the accounting principles of the financial statements. Management's estimates and assumptions are based on historical experience and

plausible future scenarios, which are continually evaluated. Possible changes in estimates and assumptions are recognized in the accounting period during which estimates and assumptions were fixed and in all subsequent accounting periods.

The key assumptions concerning the future and other key sources of uncertainty related to estimations at the balance sheet date, that have significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next accounting period, are discussed below.

Impairment testing

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. Goodwill, intangible assets with indefinite useful lives and unfinished tangible assets are in all cases tested annually. For the purposes of assessing impairment, assets are grouped at the lowest cash generating unit level for which there are separately identifiable, mainly independent, cash inflows and outflows. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is determined by reference to discounted future net cash flows expected to be generated by the asset. These calculations require the use of estimates.

Rounding of figures

The consolidated financial statements are presented in millions of euros. All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

In the financial statements, EUR 0.0 million means the figure is less than EUR 50 000. If the amount is EUR 0, the cell is left empty.

2

**GEOGRAPHICAL AND
GROUP-WIDE INFORMATION****Accounting principles**

Net sales comprise of consideration received less indirect sales taxes, discounts and exchange rate differences arising from sales denominated in foreign currency. Revenue is recognized when the performance obligation is satisfied, and customer obtains control of that asset. Mainly, revenue is recognized on products, when they are delivered to the customer in compliance with the contract terms, and the point of time of transferring the control is identified in customer specific delivery terms in purchase orders and/or frame agreements. The costs of shipping and distributing products are included in other operating expenses. Revenues from services are recorded when the service has been performed.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. Royalty income is recorded according to the contents of the agreement. Interest income is recognized by the effective yield method. Dividend income is recognized when the company has acquired a right to receive the dividends.

The Group operates in four geographical areas which are North America, Nordic, Rest of Europe and Rest of the World. External net sales and non-current assets are presented separately in the countries which proportion is significant.

EXTERNAL NET SALES BY UNIT LOCATION

EUR million	2025	2024
Finland	20.3	22.8
Other Nordic Countries	3.1	3.0
Nordic total	23.4	25.8
Russia	3.8	4.8
France	34.9	35.8
Other European Countries	17.5	17.8
Rest of Europe Total	56.2	58.4
USA	105.5	98.3
Other North America	17.3	13.6
North America total	122.8	111.9
Rest of the World total	25.0	24.8
Total	227.5	220.9

The non-current assets exclude non-current financial assets and deferred tax assets.

The Group's customer base consists of a large number of customers in several market areas and no single customer represent by itself a significant part of the Group's net sales.

NON-CURRENT ASSETS BY UNIT LOCATION

EUR million	2025	2024
Finland	21.2	23.6
Other Nordic Countries	1.4	1.4
Nordic total	22.6	24.9
Russia	0.3	0.2
Other countries	24.5	25.8
Rest of Europe total	24.8	26.1
USA	36.5	41.7
Other North America	12.8	14.2
North America total	49.3	55.9
China (incl. Hong Kong)	26.6	28.7
Other countries	2.7	3.1
Rest of the World total	29.3	31.9
Total	126.0	138.8

3 ACQUISITIONS AND DIVESTMENTS

No acquisitions or divestments occurred in 2024 or 2025.

4 OTHER OPERATING INCOME

EUR million	2025	2024
Rental income	0.1	0.1
Other income	0.2	0.2
Total	0.3	0.3

5 OTHER OPERATING EXPENSES

EUR million	2025	2024
Selling and marketing expenses	-9.5	-9.3
Rents paid (outside of IFRS 16)	-1.3	-1.4
Freight out	-7.7	-7.9
Maintenance and utility expenses	-5.3	-5.7
Traveling expenses	-2.6	-2.4
Sales commissions	-4.0	-3.7
Consulting expenses	-1.7	-1.9
IT and telecommunication	-3.5	-3.7
Auditors' fees and services	-0.8	-0.8
Outsourced logistics	-0.7	-0.8
Currency derivatives	0.7	-0.7
Other expenses	-6.8	-6.7
Total	-43.2	-45.1

AUDITORS' FEES AND SERVICES

EUR million	2025	2024
Audit fees*	-0.8	-0.8
Non-audit fees	-0.0	-0.0
Total	-0.8	-0.8

*Audit fees rendered to the Group auditor Deloitte were 0.6 MEUR (2024: 0.5 MEUR). Audit fees also include the auditor's limited assurance report on the sustainability report.

6 MATERIALS AND SERVICES

EUR million	2025	2024
Materials, goods and supplies		
Purchases during the period	-104.7	-90.6
Change in inventory	0.0	-2.1
External services	-1.8	-2.7
Total	-106.5	-95.4

7 EMPLOYEE BENEFIT EXPENSES

EUR million	2025	2024
Wages and salaries	-49.1	-49.8
Pension costs - defined contribution plans	-2.6	-2.5
Pension costs - defined benefit plans	-0.2	-0.2
Other personnel expenses	-10.8	-11.1
Share-based incentive plan	0.0	-0.1
Total	-62.7	-63.6

The employee benefit expenses in 2025 included EUR 0.2 million employee related restructuring expenses (2024: EUR 1.6 million). For more details on employee benefits for top management and share-based incentive plans, see notes 27 and 28.

AVERAGE PERSONNEL

Persons	2025	2024
North America	140	133
Nordic	146	139
Rest of Europe	867	817
Rest of the World	255	264
Total	1 408	1 353

8 RESEARCH AND DEVELOPMENT EXPENSES

Net profit for the period includes research and development expenses of EUR 1.1 million recognized as an expense in 2025 (2024: EUR 1.0 million). Group has not capitalized development costs.

9 FINANCIAL INCOME AND EXPENSES

EUR million	2025	2024
Foreign exchange gains and losses		
From financial assets	-4.7	1.9
From financial liabilities measured at amortized cost	3.0	-1.2
From lease liabilities	0.0	0.0
Interest and other financial income		
Interest income from financial assets measured at amortized cost	1.6	1.6
Other financial income	0.0	0.0

Interest and other financial expenses

Interest expense on financial liabilities measured at amortized cost	-5.6	-7.4
Interest rate derivatives	0.0	-0.4
Currency derivatives	-0.2	-0.1
Interest expenses on lease liabilities	-0.5	-0.6
Other financial expenses	-2.3	-2.1
Total	-8.6	-8.1

RECOGNIZED IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME

EUR million	2025	2024
Gains and losses on hedges of net investments, net of tax	-0.2	-0.1
Total	-0.2	-0.1

EXCHANGE GAINS AND LOSSES IN OPERATING PROFIT

EUR million	2025	2024
In net sales	0.3	1.1
In purchases	0.2	-0.3
In other operating expenses		
Currency derivatives	0.7	-0.7
Total	1.1	0.0

10 INCOME TAXES

Accounting principles

The Group's income tax expense includes taxes of the Group companies based on taxable profit for the period, together with tax adjustments for previous periods and the change in deferred income taxes. The income tax effects of items recognized directly in other comprehensive income are similarly recognized. The current tax expense for the financial year is calculated from the taxable profit based on the valid tax rate of each country. The tax is adjusted with possible taxes related to previous periods. The share of results in associated companies is reported in the income statement as calculated from net profit and thus including the income tax charge.

Deferred taxes are provided using the liability method, as measured with enacted tax rates, to reflect the temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The main temporary differences arise from the depreciation difference on tangible assets, fair valuation of net assets in acquired companies, intra-group inventory profits, defined benefit plans, inventory allowances and other provisions, untaxed reserves and tax losses carried forward. Temporary differences are recognized as a deferred tax asset to the extent that it is probable that future taxable profits will be available, against which the deductible temporary difference can be utilized.

INCOME TAXES IN THE INCOME STATEMENT

EUR million	2025	2024
Current taxes	-1.9	-2.3
Deferred taxes	1.3	2.3
Total income taxes	-0.5	0.0

INCOME TAX RECONCILIATION

EUR million	2025	2024
Profit before taxes	-4.4	0.5
Income taxes at Finnish statutory tax rate (20%)	0.9	-0.1
Difference between Finnish and foreign tax rates	-0.5	-0.4
Prior year income taxes	0.0	1.0
Foreign withholding taxes	-0.1	-0.2
Effect of deferred taxes not recognized	-0.4	-0.4
Benefit arising from previously unrecognized deferred tax asset	0.5	1.8
Income taxes on undistributed earnings	0.1	-1.0
Effect of changes of tax rates	0.1	0.1
Other items	-1.0	-0.8
Income taxes in the income statement	-0.5	0.0

TAXES IN OTHER COMPREHENSIVE INCOME

2025

EUR million	Before tax	Tax expense/benefit	Net of tax
Translation differences	-8.4		-8.4
Remeasurement of defined benefit liabilities	0.0	0.0	0.0
Reclassification of translation difference on discontinued operation	4.7	0.0	4.7
Net investment hedges	-0.2	0.0	-0.2
Total	-3.9	0.0	-3.9

2024

EUR million	Before tax	Tax expense/benefit	Net of tax
Translation differences	1.1		1.1
Remeasurement of defined benefit liabilities	-0.1		-0.1
Net investment hedges	-0.1	0.0	-0.1
Total	0.9	0.0	0.9

Accounting principles

The Group reviews at each balance sheet date especially the carrying amount of deferred tax assets. Deferred taxes are provided using the liability method, as measured with enacted tax rates, to reflect the temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The main temporary differences arise from the depreciation difference on tangible assets, fair valuation of net assets in acquired companies, intra-group inventory profits, defined benefit plans, inventories and other provisions, untaxed reserves and tax losses carried forward. Temporary differences are recognized as a deferred tax asset to the extent that it is probable that future taxable profits will be available, against which the deductible temporary difference can be utilized. The likelihood for the recovery of deferred tax assets from future taxable income is assessed, and to the extent the recovery is not considered likely the deferred asset is adjusted in accordance. At each balance sheet date the Group reviews whether distribution of earnings in subsidiaries is in its control and probable, and books a deferred tax accordingly.

DEFERRED TAXES

EUR million	2025	2024
Lease liabilities	0.5	0.8
Tax losses and credits carried forward	12.6	11.2
Provisions	1.8	1.3
Employee benefits	0.4	0.4
Depreciation differences	2.5	2.5
Inventories	3.7	3.7
Total	21.5	19.9
Offset against deferred tax liabilities	-4.3	-4.9
Total deferred tax assets	17.2	14.9
Right-of-use assets	0.4	0.7
Depreciation differences and other untaxed reserves	2.7	2.9
Fair value allocations for acquired net assets	5.6	5.8
Undistributed earnings	4.2	4.2
Other temporary differences	0.2	0.2
Total	13.1	13.8
Offset against deferred tax assets	-4.3	-4.9
Total deferred tax liabilities	8.9	8.9
Net deferred tax assets (+) / liabilities (-)	8.3	6.0

MOVEMENT IN THE NET DEFERRED TAX BALANCE

EUR million	2025	2024
Net deferred tax assets (+) and liabilities (-) at January 1	6.0	3.1
Recognized in income statement	1.3	2.3
Recognized in other comprehensive income		0.0
Recognized in equity	1.0	0.7
Translation differences	-0.1	-0.1
Net deferred tax assets (+) and liabilities (-) at December 31	8.3	6.0

Deferred tax asset and liability presented separately in the balance sheet. Presented here net according to IAS 12. As of December 31, 2025, the Group had tax losses carried forward of EUR 32.4 million (2024: EUR 37.3 million), for which deferred tax assets have not been recognized in the consolidated financial statements because the realization of the tax benefit is not probable.

EUR 2.9 million of these tax losses will expire during the next five years (2024: EUR 1.6 million).

Deferred tax liability on undistributed earnings of subsidiaries has been recognized in the consolidated balance sheet to the extent that distribution is probable within the foreseeable future

The consolidated balance sheet includes deferred tax assets of EUR 12.1 million (2024: EUR 8.5 million) in group companies, which have generated losses in financial year 2025 or 2024. The recognition of these assets is based on profit estimates, which indicate that the realization of these deferred tax assets is probable.

11

INTANGIBLE ASSETS**Accounting principles**

Intangible assets include customer relations, trademarks, capitalized development expenses, patents, copyrights, licenses and software. An intangible asset is recognized in the balance sheet only if it is probable that the future economic benefits that are attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. Intangible assets are stated at cost, amortized on a straight-line basis over the expected useful lives which vary from 3 to 15 years and adjusted for any impairment charges.

Trademarks and other intangible assets whose useful life is estimated to be indefinite are estimated to affect cash flow accumulation for an undefined period of time. The expected useful life for most trademarks is indefinite and therefore they are not amortized. These intangibles are measured at cost less any accumulated impairment loss and not amortized. Intangible assets with indefinite useful lives are tested for impairment annually. The valuation of intangible assets acquired in a business combination is based on fair value as at the date of acquisition.

Expected useful lives and indefinite lives of intangible assets are reviewed at each balance sheet date and, where they differ significantly from previous estimates, amortization periods are changed accordingly.

2025

EUR million	Goodwill	Trademarks	Customer relations	Other intangible assets	Total
Acquisition cost Jan. 1	66.3	36.1	2.7	9.0	114.1
Additions				0.5	0.5
Disposals		-0.3		-1.6	-1.9
Translation differences	-4.7	-2.1	-0.1	-0.5	-7.5
Acquisition cost Dec. 31	61.5	33.7	2.6	7.4	105.2
Accumulated amortization and impairments Jan. 1		-0.9	-2.6	-6.3	-9.8
Disposals		0.3		1.6	1.9
Amortization during the period		-0.1	-0.1	-0.5	-0.7
Impairments				-0.5	-0.5
Translation differences		0.0	0.1	0.1	0.2
Accumulated amortization and impairments Dec. 31		-0.7	-2.6	-5.6	-8.9
Carrying value Jan. 1	66.3	35.1	0.1	2.7	104.2
Carrying value Dec. 31	61.5	33.0	0.0	1.8	96.4

2024

EUR million	Goodwill	Trademarks	Customer relations	Other intangible assets	Total
Acquisition cost Jan. 1	64.3	35.4	3.9	10.2	113.8
Additions			0.0	0.3	0.3
Disposals		-0.1	-1.3	-2.2	-3.6
Reclassifications ¹⁾		-0.3		0.6	0.3
Translation differences	2.0	1.2	0.1	0.1	3.4
Acquisition cost Dec. 31	66.3	36.1	2.7	9.0	114.1
Accumulated amortization and impairments Jan. 1		-0.9	-3.8	-7.4	-12.0
Disposals		0.1	1.3	1.8	3.2
Amortization during the period			-0.1	-0.7	-0.9
Translation differences		-0.2	-0.2	0.0	-0.3
Accumulated amortization and impairments Dec. 31		-0.9	-2.6	-6.3	-9.8
Carrying value Jan. 1	64.3	34.5	0.2	2.8	101.7
Carrying value Dec. 31	66.3	35.1	0.1	2.7	104.2

¹⁾ Includes reclassifications between intangible and tangible assets.

GOODWILL AND TRADEMARKS WITH INDEFINITE LIVES

EUR million	Total
2025	
Goodwill	61.5
Trademarks with indefinite lives	33.0
Discount rate, %	10.0
2024	
Goodwill	66.3
Trademarks with indefinite lives	35.1
Discount rate, %	9.9

Impairment testing of goodwill and trademarks with indefinite lives

The Group is led as a whole and not organized nor managed in independent divisions. Most of the units are also strongly interlinked i.e. some units do not have a sales or a production organization or some other functions or operations needed to operate on a stand-alone basis. As a consequence, goodwill and trademarks with indefinite lives are tested on the Group level. However, according to IFRS, the lowest cash-generating unit (CGU) cannot be larger than an operating segment in the Group's segment reporting. The Group did announce on 12th December 2024 updating its IFRS segment reporting following the recent strategic organisational changes and from December 2024 onwards, reporting segments "Group products" and "Third Party Products" will be removed. As a consequence of the update Rapala VMC as a whole is considered as a single operating segment and a cash generating unit.

The recoverable amount of the CGU is determined based on value-in-use calculations. Cash flow projections, which were used in these

calculations, were based on most recent 5-year financial forecasts prepared by the management and approved by the Board. The estimated sales and production volumes are derived from the utilization of existing property, plant and equipment. The most important assumptions on which management has based its cash flow projections are the growth of sales and profitability and discount rate. Discount rate is the weighted average pre-tax cost of capital (WACC). The components of WACC are the riskfree yield rate, market risk premium, industry specific beta, cost of debt, and target capital structure. In the impairment tests prepared in 2025 and 2024, the growth rate used to extrapolate the cash flow beyond the five-year period is 0%. As a result of the performed impairment tests, no impairment losses have been recognized in 2025 or 2024.

Key assumptions

Sales – The Group's estimated sales are based on present and future product assortment and utilization of distribution and manufacturing capacity. In addition, estimated sales are based on long-term growth of industry and further implementation of Group's strategic objectives. **EBITDA margin** – The Group's estimated EBITDA margin, operating profit before depreciation and impairments compared to net sales, is based on past years actual margins and management's view on sales and gross margin development. The increase in general cost level has also been taken into account in the development of EBITDA margin.

Discount rate – Discount rate is the weighted average pre-tax cost of capital (WACC). Weighted average cost of capital represents the total cost of Group's equity and debt taken into account specific risks related to assets.

Growth rate – The growth factor used is, at the management's discretion, conservative compared to the group's longer-term realized revenue level.

Sensitivity analysis

The Group is the most sensitive to impairment loss especially with regard to discount rate growth. At the time of testing the recoverable amount of the Group exceeds 19.5 MEUR from it carrying amount and discount rate may not increase by more than 0.7%-points, after which the need of impairment arises.

12 TANGIBLE ASSETS

Accounting principles

Tangible assets are stated at historical cost, amortized on a straight-line basis over the expected useful life and adjusted for any impairment charges. The valuation of tangible assets acquired in a business combination is based on fair value as at the date of acquisition. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation is based on the following expected useful lives:

Buildings and structures	10–25 years
Machinery and equipment	5–10 years
Other tangible assets	3–10 years

Expected useful lives of tangible assets are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation periods are changed accordingly. Ordinary maintenance and repair costs are expensed as incurred. The cost of significant renewals and improvements are capitalized and depreciated over the remaining useful lives of the related assets. Gains and losses on sales and disposals are determined by comparing the received proceeds with the carrying amount and are included in the income statement in other operating income and expenses.

Depreciation of a tangible asset is discontinued when the tangible asset is classified as being held-for-sale in accordance with IFRS 5 standard Non-Current Assets Held-for-sale and Discontinued Operations.

2025

EUR million	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	1.3	21.4	56.1	15.3	1.5	95.7
Additions		0.1	1.8	0.6	1.5	4.0
Disposals	0.0	-0.8	-3.5	-0.8	-0.4	-5.5
Reclassifications ¹⁾		0.1	1.0	0.2	-1.2	0.0
Translation differences	-0.1	-0.5	-0.9	-0.6	-0.1	-2.2
Acquisition cost Dec. 31	1.3	20.3	54.4	14.7	1.3	92.0
Accumulated depreciation Jan. 1		-16.0	-44.1	-12.8		-72.8
Disposals		0.7	2.8	0.8		4.3
Reclassifications ¹⁾			0.1			0.1
Depreciation during the period		-0.9	-3.0	-0.9		-4.8
Impairments				0.0	-0.1	-0.1
Translation differences		0.4	0.6	0.6		1.6
Accumulated depreciation Dec. 31		-15.8	-43.5	-12.4	-0.1	-71.7
Carrying value Jan. 1	1.3	5.5	12.0	2.6	1.5	22.9
Carrying value Dec. 31	1.3	4.6	10.9	2.3	1.2	20.3

2024

EUR million	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	1.3	23.0	61.4	15.9	2.2	103.6
Additions		0.0	1.4	0.5	1.8	3.7
Disposals		-2.0	-7.2	-1.5	-0.6	-11.4
Reclassifications ¹⁾		0.2	0.1	0.2	-1.8	-1.3
Translation differences	0.0	0.2	0.4	0.2	0.0	0.9
Acquisition cost Dec. 31	1.3	21.4	56.1	15.3	1.5	95.7
Accumulated depreciation Jan. 1		-17.0	-48.0	-13.0		-78.0
Disposals		2.0	6.8	1.4		10.2
Reclassifications ¹⁾			1.2			1.2
Depreciation during the period		-0.9	-4.2	-1.0		-6.1
Impairment			0.3			0.3
Translation differences		-0.2	-0.2	-0.2		-0.5
Accumulated depreciation Dec. 31		-16.0	-44.1	-12.8		-72.8
Carrying value Jan. 1	1.3	6.0	13.4	2.9	2.2	25.6
Carrying value Dec. 31	1.3	5.5	12.0	2.6	1.5	22.9

¹⁾ Includes reclassifications between intangible and tangible assets and inventories.

13 INVESTMENTS IN ASSOCIATES

The Group has a 33.3% interest in associate Lanimo Oü, an unlisted company domiciled in Estonia. Its main activity is producing leather-haberdashery. The carrying amount does not include goodwill or impairments. Lanimo Oü's figures are based on the information for the period ending on September 30, due to differences in reporting time schedule.

Associated companies are consolidated according to the equity method.

EUR million	2025	2024
Acquisition cost Jan. 1	0.0	0.0
Share of profit/loss	0.0	0.0
Translation differences	0.0	0.0
Acquisition cost Dec. 31	0.0	0.0

INFORMATION ON ASSOCIATES

EUR Million	Lanimo Oü	
	2025	2024
Net sales	0.2	0.2
Purchases and other expenses	-0.2	-0.2
Depreciation	0.0	0.0
Interest income and expenses	0.0	0.0
Net profit for the period	0.0	0.0
Non-current assets	0.0	0.0
Current assets	0.1	0.1
Of which cash and cash equivalents	0.0	0.0
Non-current liabilities	0.0	0.0
Of which financial liabilities	0.0	0.0
Current liabilities	0.0	0.0
Net assets of associate	0.0	0.0
Net assets belonging to Rapala Group	0.0	0.0

14 OTHER SHARES

EUR million	2025	2024
Carrying value Jan 1	0.1	0.2
Disposals	-	-0.1
Carrying value Dec. 31	0.1	0.1

Other shares comprise of unlisted shares. The most significant, As Oy Tahkon Eagle, was sold during 2024.

15 RECEIVABLES**Accounting principles**

Trade receivables are carried at their anticipated realizable value, which is the original invoice amount less an estimated valuation allowance. Group's expected credit loss is evaluated based on trade receivables of the lifetime expected credit losses according to IFRS 9. Group has analyzed individually receivables, which are under juridical proceedings and has decided not to combine these credit loss provisions into expected credit loss model. Group's total credit loss provision is combination of individual cases provisions and evaluated expected credit loss. The probability of a credit loss is calculated by the percentage determined for each age group by the specified percentages based on historically realized payments and recorded historical credit loss. The simplified approach is used for evaluation.

EUR million	2025	2024
Non-current receivables		
Interest-bearing		
Loan receivables	0.7	0.7
Other interest-bearing receivables	0.0	0.0
Non-interest-bearing		
Other receivables	0.3	0.3
Trade receivables	0.0	0.0
Current receivables		
Non-interest-bearing		
Trade receivables	23.1	24.4
Derivatives	0.1	0.1
VAT receivable	1.4	1.1
Other prepaid expenses and accrued income	3.1	3.3
Other receivables	1.3	2.4
Total	30.0	32.2

Fair values of financial assets are presented in the note 22.
The average interest rate of non-current loan receivables was 3.50% (2024: 3.50%).

ALLOWANCES BOOKED FOR TRADE RECEIVABLES

EUR Million	2025	2024
Allowance for trade receivables Jan. 1	1.1	1.6
Additions	0.5	0.3
Deductions	-0.3	-0.5
Recovery	-0.2	-0.4
Translation differences	0.0	0.0
Allowance for trade receivables Dec 31	1.1	1.1

In most cases allowances are determined individually, when there is objective evidence (such as significant overdue of receivables and unsuccessful dunning attempts or known financial difficulties and thus increased probability of customer insolvency) that the Group will not be able to collect all amounts due according to the original terms of the receivables.

16 INVENTORIES

Accounting principles

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the first-in, first-out (FIFO) method or, alternatively, weighted average cost where it approximates FIFO. The cost of finished goods and work in progress comprises raw materials, direct labor, depreciation, other direct costs and related production overheads, but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are presented net of net realizable value allowance recognized for obsolete and slow-moving inventories.

EUR million	2025	2024
Raw material	9.4	10.0
Work in progress	8.4	8.4
Finished products	74.7	72.9
Net realizable value allowance	-8.1	-7.0
Total	84.4	84.2

17 CASH AND CASH EQUIVALENTS

Accounting principles

Cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current interest-bearing loans.

EUR million	2025	2024
Cash at bank and in hand	16.6	19.8
Short-term deposits	1.7	1.9
Total	18.2	21.7

Russia's current assets include EUR 3.8 million of cash and cash equivalents which may contain transfer restrictions.

18 SHARE CAPITAL AND EQUITY FUNDS

SHARES AND SHARE CAPITAL

Shares	2025	2024
Number of shares Jan. 1	39 000 000	39 000 000
Number of shares Dec. 31	39 000 000	39 000 000
Own shares Jan. 1	123 891	123 891
Purchase of own shares	746 268	
Own shares Dec 31	870 159	123 891

On December 31, 2025, the share capital fully paid and reported in the Trade Register was EUR 3.6 million and the total number of shares was 39 000 000.

For more information on shares and share capital, see the section 'Shares and Shareholders'.

EQUITY FUNDS

Share premium fund includes the premiums received on exercise of share options and other share issues under the old Finnish Companies Act. Fund for invested non-restricted equity includes subscription prices for shares to the extent that it is specifically not to be credited to share capital and other types of equity investments.

Translation differences contain exchange differences arising from the currency translation of foreign subsidiaries' financial statements and exchange differences arising from monetary items that form part of net investments in foreign companies.

HYBRID BOND

On November 19, 2025, the Group announced the issuance of hybrid capital securities in the aggregate amount of 25.0 MEUR. The bond bears a fixed coupon interest of 9.0% per annum until November 27, 2028 (the "Reset Date") and, from the Reset Date, a floating interest rate as defined in the terms and conditions of the capital securities. The hybrid bond does not have a specified maturity date, but the Group is entitled to redeem the bond at their nominal amount on the Reset Date, and subsequently, on each interest payment date thereafter. The issue date for the capital securities was November 27, 2025.

Rapala VMC's largest shareholder, Viellard Migeon Et Compagnie Sa was committed to participate in the issue of the capital securities by rolling its existing holding in the 30.0 MEUR hybrid in an amount of 7.2 MEUR into the issue of the 25.0 MEUR capital securities.

The capital securities are subordinated to the Group's other debt obligations and treated as equity in the consolidated financial statements prepared in accordance with the IFRS. The capital securities do not confer to its holders the rights of a shareholder and do not dilute the holdings of the current shareholders.

The proceeds from the issue of the capital securities were used for the refinancing of the 30.0 MEUR hybrid capital securities issued by the Group on November 29, 2023 and general corporate purposes.

DIVIDENDS

No dividend was paid for 2024. The Board of Directors proposes to the Annual General Meeting that no dividend will be paid for 2025.

BOARD'S AUTHORIZATIONS

For information on the Board's authorizations and acquisition of own shares, see section 'Shares and Shareholders'.

19 EMPLOYEE BENEFIT OBLIGATIONS

Most of the Group's pension plans are defined contribution plans. The Group has defined benefit pension plans in France and in some Rest of the World countries. The plans in Rest of the World countries are immaterial as a whole. The retirement benefits are determined based on salary and period of employment. These obligations are unfunded. The Group has no other post-employment benefit obligations. The pension security of the personnel of the Group's Finnish companies is arranged under the Finnish statutory employee pension plan (TYEL) through an external pension insurance company. Employee benefit obligations also include a long-term profit-sharing payable to the employees in France.

EXPENSES RECOGNIZED IN THE INCOME STATEMENT

EUR million	2025	2024
Current service cost	-0.1	-0.1
Interest cost	-0.0	-0.0
Total	-0.2	-0.2

AMOUNTS RECOGNIZED IN THE BALANCE SHEET

EUR million	2025	2024
Rest of Europe	1.5	1.4
Rest of the World	0.1	0.0
Present value of unfunded obligations	1.5	1.5

BALANCE SHEET RECONCILIATION

EUR million	2025	2024
Obligations Jan. 1	1.5	1.5
Current service cost	0.2	0.1
Interest cost	0.0	
Actuarial gains and losses		
Changes in demographic assumptions	0.0	0.0
Changes in financial assumptions	-0.1	0.1
Changes in experience assumptions	0.0	0.0
Past service cost	0.0	-0.2
Paid contributions	0.0	0.0
Obligations Dec. 31	1.5	1.5

The following payments are expected contributions to be made in the future years out of the defined benefit plan obligation.

EUR million	2025	2024
Within one year	-	-
1-5 years	0.2	0.3
5-10 years	0.9	0.9
Later than 10 years	0.3	-
Total	1.4	1.2

ASSUMPTIONS

Rest of Europe

%	2025	2024
Discount rate	3.8	3.1
Future salary increase	2.8	3.0
Annual inflation rate	2.0	2.0

Rest of the World

%	2025	2024
Discount rate	1.5	2.3
Annual inflation rate	3.0	3.0

20 PROVISIONS

Accounting principles

The timing of the recognition of a provision is based on management's estimate of the moment when the Group has a present legal or constructive obligation, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

EUR million	2025	2024
Other provisions		
Provisions Jan. 1	0.3	0.3
Additions	0.0	-
Translation differences	0.0	-
Provisions Dec. 31	0.3	0.3

21 FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL INSTRUMENTS

Accounting principles

Financial assets are initially measured at fair value at trade date. Subsequently, financial assets are classified and measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit and loss.

Financial assets are measured at amortized cost when business model is hold-to-collect and cash flows are solely payments of principal and interest. Financial assets at amortized cost include non-derivative financial assets such as cash and cash equivalents, trade receivables and loan receivables.

Financial assets measured at fair value through profit and loss are assets which are derivatives not in hedge accounting.

Financial assets measured at fair value through other comprehensive income are equity instruments where entity has done an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss.

Impairment of financial assets is assessed regularly and when the carrying value exceeds the fair value or recoverable value of discounted cash flows, appropriate impairment is recognized in the income statement.

For trade receivables Rapala applies IFRS 9 expected credit loss assessment.

The main objective of the Group's financial risk management is to reduce the impacts of price fluctuations in financial markets and other factors of uncertainty on earnings, cash flows and balance sheet, as well as to ensure sufficient liquidity. The Board has approved the Group's risk management principles and CEO is responsible, together with the Chief Financial Officer, for development and implementation of financial risk management procedures.

Group Risk Management review financial risks on regular basis to manage Group's financial risk position and decide on necessary actions to manage financial risks. Group Risk Management continued monitoring and management of foreign exchange, interest rate, liquidity and counterparties' solvency risks.

Financial risks consist of market risks, credit and default risks and liquidity risks. This note also presents the Group's capital management.

MARKET RISKS

The Group's market risks are mainly caused by changes in foreign exchange and interest rates. These changes may have a significant impact on the Group's earnings, cash flows and balance sheet. The Group is also exposed to market price changes of certain raw materials, mainly metals and plastics, which are priced on commodity markets.

1. Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities, when revenue or expense is denominated in a foreign currency, financing, when debt is denominated in a foreign currency, and the Group's net investments in foreign subsidiaries.

The Group's foreign exchange risk is managed by the business units and Group Risk Management in accordance with the Foreign Exchange Risk Management policy approved by the Board of Directors.

Foreign exchange transaction risk

Foreign currency denominated receivables and payables that are exposed to movements in foreign exchange rates. Income and expenses within different currencies net each other out to some extent, creating thus an effective natural hedge. The remaining, estimated 12-15 month commercial net exposure is then systematically hedged by using derivative instruments. Depending on whether foreign currency monetary receivables and payables relate to sales and purchases or financial items, the foreign exchange gains and losses are recognized in the income statement either above or below operating profit.

The Group has also intra-group loans denominated in currencies that exposes the Group to currency risk that is not fully eliminated

on consolidation. Depending on whether these loans are classified as net investments on foreign operations or loan receivables, the foreign exchange gains and losses are recognized in the other comprehensive income or income statement. The connections possibly prevailing between different currencies are not taken into account, e.g. US dollar and Hong Kong dollar are considered as separate currencies in this analysis.

Group Risk Management is responsible for monitoring the Group's consolidated currency risk exposure and when needed, enters into derivative transactions with external counterparties.

Derivative instruments that are used for hedging purposes are mainly short-term and can include forward contracts, option contracts and structured instruments. Because the Group does not apply hedge accounting on currency derivatives, the income statement effect arising from fair value changes of derivative instruments is recognized partly or entirely in different financial periods than exchange rate gains and losses arising from the hedged cash flows.

In 2025 currency derivatives that are used for operative hedging purposes had an income statement effect of EUR 0.7 million (2024: EUR -0.7 million). Fair values and nominal values of currency derivatives are summarized under section 4. Derivatives.

At the end of 2025 and 2024 the following currencies represent a significant portion of the currency mix outstanding:

2025

EUR million	USD	CAD	IDR	CLP	PLN
Transaction risk and hedging					
Transaction exposure*	3.0	4.6	5.2	3.7	4.9
Hedges	-0.5	2.3	-0.8		

2024

EUR million	USD	CAD	IDR	CLP	RUB
Transaction risk and hedging					
Transaction exposure*	22.9	11.3	6.5	3.3	2.7
Hedges	-10.7	-3.4	-0.9	-0.8	

*If US dollar and Hong Kong dollar peg would be taken into account in this analysis, the combined USD and HKD transaction exposure would be 2.2 MEUR (2024: 21.9 MEUR).

Foreign exchange translation risk

The group is exposed to currency translation risk through its investments in foreign subsidiaries and associated companies with equities' denominated in foreign currencies. The most significant translation exposures are in USD, HKD, IDR, CAD and RUB, which comprise approximately 81.1% of the total translation exposure. In the Group consolidation equity changes resulting from movements in foreign exchange rates are presented as translation differences within the equity.

The Group Risk Management monitors regularly the amounts of net investments denominated in foreign currencies and when needed, enters into hedging transactions in order to reduce the volatility in equity in the consolidated balance sheet. During 2025 the Group did not hedge any equity exposure.

The total non-euro denominated equity excluding net income of the Group's subsidiaries and associated companies was 126.3 as of December 31, 2025 (2024: EUR 108.2 million). The most significant translation exposures are summarized in the following table.

Group translation exposure

EUR million	2025	2024
USD	69.0	70.1
HKD	6.7	6.1
IDR	8.2	6.6
CAD	12.6	8.3
RUB	5.9	4.1
Total	102.4	95.2

Sensitivity analysis

Sensitivity analysis is based on the following assumptions and factors:

- The sensitivity analysis is based on change of value in a single analyzed currency and assumes other variables (including values of other currencies) to remain unchanged. The connections possibly prevailing between some currencies are not taken into account.
- The sensitivity is analyzed against the income statement and balance sheet exchange rates prevailing at December 31, 2025.
- The analysis includes the effect of income statement transactions made in the analyzed currency between January 1 and December 31 in Group companies, whose functional currency is other than the analyzed currency (so called transaction impact) as well as in Group companies, whose functional currency equals to the analyzed currency (so called translation impact). The analysis takes into account the currency forward contracts in place at December 31. The sensitivity analysis of income statement transactions excludes Group's internal items as these net out.
- The sensitivity analysis includes the effect of the translation of subsidiaries' equity as per December 31 in subsidiaries, whose reporting currency equals to the analyzed currency.

Group transaction risk sensitivity analysis

The effect of a 10% weakening of most significant foreign currencies (against euro) in euros:

2025

EUR million	USD	CAD	IDR	CLP	PLN
Operating profit	-0.4	-0.8	0.2	-0.4	-0.2
Equity*	-6.9	-1.3	-0.8	-0.4	-0.3

2024

EUR million	USD	CAD	IDR	CLP	RUB
Operating profit	0.1	-1.3	0.1	-0.2	-0.2
Equity*	-7.0	-0.8	-0.7	-0.3	-0.4

*Without the effect of net income.

2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's interest-bearing liabilities have mainly an interest period length shorter than one year.

The Group's funding, and consequently also interest rate risk, is managed centrally by the Group's parent company. Interest rate risk, covering cash flow and fair value risk, is analyzed regularly by the Group Risk Management who is also responsible of taking the actions needed to change the Group's risk position. These actions include changing the currency split of the external loan portfolio, selection between different sources of financing, changing the interest rate duration as well as entering into transactions in derivative financial instruments.

Derivative instruments that are used for hedging purposes consist of interest rate swaps, where the Group pays fixed rate interest and receives a variable rate interest. Fair values and nominal values of interest rate swaps are presented under section 4. *Derivatives*.

Interest rate sensitivity analysis

Below is presented the effect of liabilities with variable interest rate and interest rate swaps on net income and equity if there was a one percentage point increase in interest rates. The sensitivity analysis is based on following assumptions and factors:

- All other variables, in particular foreign exchange rates, are assumed to remain unchanged.
- The sensitivity is analyzed against interest rates applicable on December 31.
- The sensitivity analysis includes the liabilities and interest rate swaps with variable interest rate in force on December 31.

EUR million	2025	2024
	Net income (net of tax)	Net income (net of tax)
Loans from financial institutions with variable interest rate	-0.3	0.2

3. Other market price risks

The Group purchases certain raw-materials, which are priced on global financial markets. The value of these purchases is relatively low and actions regarding the management of price risk are decided on an performed locally in each manufacturing unit. The Group does not currently hedge commodity price risk.

The amount of the Group's investments in available-for-sale financial assets is insignificant and consists of investments in real estate and other unquoted shares for which reliable market values are not obtainable.

4. Derivatives

The Group uses derivative instruments, such as forward contracts, option contracts, interest rate swaps and structured instruments, to manage foreign exchange and interest rate risk in accordance with the guidelines set by the The Group's Risk Management policy.

Foreign currency derivatives are used to reduce the uncertainty in the fair value of future cash flows that is created by changes in foreign exchange rates. The fair values of the foreign currency derivatives that do not qualify as hedging instruments in accordance with IFRS 9, are recognized based on their nature either in operative costs, if the hedge item is an operative transaction, or in financial income and expenses, if the hedged item is a monetary transaction. Because hedge accounting is not applied, the P&L effect arising from foreign currency derivatives is recognized partly or entirely in different financial period than exchange rate gains and losses arising from the hedged cash flows.

Interest rate derivatives, consisting of interest rate swaps, are used to reduce the volatility of interest expenses in the income statement and to adjust the duration of the debt portfolio.

Accounting principles

The Group is exposed to financial risks related especially to changes in foreign currency exchange rates and interest rates. Derivative financial instruments for hedging financial risk are initially recognized at fair value on the date derivative contract is entered into, and are subsequently remeasured at fair value on each balance sheet date. Determination of fair values is based on quoted market prices and rates, discounting of cash flows and option valuation models. The fair values of these instruments are received from the counterparty bank or calculated to match the current market price.

Changes in fair value of derivative instruments are recognized in the income statement based on their nature either in the operative costs if the hedged item is an operative foreign currency transaction or as financial income or expenses, if the hedged item is a monetary transaction.

Fair values of derivative instruments are presented in the statement of financial position under short-term or long-term non-interest-bearing assets or liabilities based on their maturity.

Changes in the fair value of loans granted to foreign subsidiaries that form part of the net investment in a foreign operation, are recognized in translation differences in the statement of other comprehensive income. Accumulated fair value changes recognized in the items of other comprehensive income are reclassified into income statement when the foreign subsidiary is disposed.

Cash flow hedges

Following tables summarizes the nominal values and fair values of the Group's derivative instruments as at December 31, 2025.

EUR million	2025		2024	
	Nominal value	Fair value	Nominal value	Fair value
Non-hedge accounting derivative financial instruments				
Interest rate swaps, 1 to 5 years	35.0	-0.5	35.0	-0.8
Currency forwards, less than 12 months	38.4	0.0	26.4	-0.5
Total	73.4	-0.5	61.4	-1.3

LIQUIDITY RISK

Liquidity risk is defined as financial distress or extraordinarily high financing cost arising due to a shortage of liquid funds in a situation where outstanding debt needs to be refinanced or where business conditions unexpectedly deteriorate and require financing. Transactional liquidity risk is defined as the risk of executing a financial transaction below fair market value, or not being able to execute the transaction at all, within a specific period of time.

The objective of liquidity risk management is to maintain sufficient liquidity, and to ensure that it is available fast enough without endangering its value, in order to avoid uncertainty related to financial distress at all times.

Generally, the seasonality of the Group's cash flow is fairly predictable and Group Treasury monitors Group's liquidity position using the cash pooling system as well as regular cash flow and liquidity reporting.

The Group's interest bearing funding is mainly managed centrally by the Group Treasury. The Group seeks to reduce liquidity and refinancing risks with balanced maturity profile of loans as well as by keeping sufficient amount of credit lines available. The Group has a EUR 80 million domestic commercial paper program, which together with Group's credit limits is utilized to balance the seasonality of the Group's cash flow. The size and maturity of issued commercial papers is decided by Group Treasury, based on forecasted cash flows, status of commercial paper markets and applicable interest rates. The renewal of commercial papers upon maturity creates certain liquidity risk, which is managed by maintaining sufficient other liquidity reserves available at the maturity dates. During 2025 the commercial paper program was used as part of Group funding and competitively priced debt was acquired through this market.

The Group's 91.5 MEUR senior secured term and revolving credit facilities agreement includes financial covenants based on the net debt to EBITDA ratio ("leverage ratio"), the ratio of net debt to consolidated equity and the minimum liquidity. The financial leverage ratio covenant level for periods Q4/2025 to Q2/2026 is 3.80, for periods Q3/2026 to Q4/2027 3.50 and from Q1/2028 onwards 3.20. Covenants are regularly tested, either quarterly or on the last day of each month. The risk of breaching the covenants would trigger negotiations between the Group and lending banks to resolve the potential covenant breach, and to agree on actions to rectify the situation. In the unlikely event of unresolved covenant breach, the lending banks would have the right to call all or any part of the loans and related interest. On Q3/2025 and Q4/2025 testing dates, the leverage ratio landed at 2.93 and 3.61. Calculation of the covenants include customary adjustments mainly related to

items affecting comparability and asset disposals and therefore deviate from the reported figures elsewhere in this report. The Group is currently compliant with all financial covenants and expects to comply with future bank requirements as well. The Group's liquidity position remains good, and cash and cash equivalents amounted to 18.2 MEUR on December 31, 2025.

Below are presented the Group's unutilized credit limits as of December 31, 2025. Group's domestic commercial paper program not sold at December 31, 2025 was EUR 65.0 million (2024 EUR 66.0 million).

Committed unutilized credit facilities

EUR million	2025	2024
Overdraft facilities, expiring within one year	14.6	11.2
Revolving credit facility, expiring beyond one year	23.8	41.0
Total	38.4	52.2

Maturity of the group's financial liabilities

The following are the contractual maturities of financial liabilities, including the possible interest payments.

2025

EUR million	Carrying value	Financial liabilities ⁴⁾	Contractual cash flows	2026	2027	2028	2029 onwards	Total
Interest-bearing liabilities								
Loans from financial institutions	67.0	67.0	70.6	6.5	64.1			70.6
Commercial paper program	15.0	15.0	15.0	15.0				15.0
Lease liabilities	9.9	9.9	10.5	1.3	3.7	0.6	4.9	10.5
Non-interest-bearing liabilities								
Trade and other non-interest-bearing payables	35.9	16.9	16.9	16.9				16.9
Derivative liabilities and receivables								
Interest rate derivatives, non-hedge accounted	0.5	0.5	0.5	0.4	0.2			0.5
Currency derivatives, non-hedge accounted	0.0	0.0	0.0	0.0				0.0
Total	128.3	109.2	113.5	40.1	68	0.6	4.9	113.6

⁴⁾ The proportion of the carrying values which are classified as financial liabilities according to IFRS 9.

2024

EUR million	Carrying value	Financial liabilities ⁴⁾	Contractual cash flows	2025	2026	2027	2028 onwards	Total
Interest-bearing liabilities								
Loans from financial institutions	57.6	57.6	61.5	11.5	50.0			61.5
Commercial paper program	14.0	14.0	14.0	14.0				14.0
Lease liabilities	12.5	12.5	12.9	1.9	1.4	4.3	5.4	12.9
Non-interest-bearing liabilities								
Trade and other non-interest-bearing payables	39.5	19.9	19.9	19.9				19.9
Derivative liabilities and receivables								
Interest rate derivatives, non-hedge accounted	0.8	0.8	0.8	0.3	0.4	0.2		0.8
Currency derivatives, non-hedge accounted	0.5	0.5	0.5	0.5				0.5
Total	124.9	105.3	109.6	48.0	51.8	4.5	5.4	109.6

CREDIT AND DEFAULT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is limited to the carrying value of the financial assets as included in the consolidated statement of financial position. The carrying value of financial assets is disclosed in note 22.

The Group follows actively credit and default risks associated with customers and other counterparties. The Group's credit and default risk portfolio did not significantly change during the course of the financial period. The proportional amount of Group's trade receivables which are past due, increased from 2024 levels. Net allowance for credit losses related to trade receivables remained at the same level as in the 2024 financial year.

Business related credit risk

The Group's accounts receivables are generated by a large number of customers worldwide and do not include any significant concentrations of credit risk by customer or by geographical area.

The management of credit risk is allocated to each operative business unit. Before providing credit to any new customer, background checks are carried out. Cash, advance payments and letters of credit are also applied with new and existing customers. Each business unit is responsible for setting credit limits and monitoring its credit customers' financial situation. Customers' payment behavior is monitored regularly and delays in payments can trigger payment reminders, stopping the shipments, requirements for advance payments for future shipments and eventually legal collection procedures. In significant cases, business units consult with the Group's finance management before taking final decisions. In exceptional cases, payment terms may be renegotiated.

Group recognizes credit loss of trade receivables by applying simplified approach of expected credit loss according to IFRS 9, which uses a lifetime expected loss allowance. Group has estimated based on previous year's credit losses by aging category and nature as well as macroeconomic outlook in the near future, the expected credit loss provision. Trade receivables are monitored in client segment and location information.

Estimate on expected credit losses is based on management's best judgement.

More information on allowance for trade receivables is presented in note 15.

In the table below is presented analysis of trade receivables that were past due but not impaired.

Analysis of trade receivables that were past due but not impaired

EUR Million	2025	2024
Neither past due nor impaired	18.0	19.8
Past due but not impaired		
Less than 1 month	3.2	2.9
1-3 months	1.1	0.8
3-6 months	0.5	0.4
Over 6 months	0.3	0.5
Total	23.1	24.4

Trade loss provision from expected credit loss model, %

%	2025
Neither past due nor impaired	0.2
Past due but not impaired	
Less than 1 month	0.9
1-3 months	6.0
3-6 months	11.0
Over 6 months	20.100

Financial credit risk

Financial instruments contain an element of risk resulting from changes in market price of such instruments due to counterparties becoming less creditworthy or risk of loss due to counterparties being unable to meet their obligations. This risk is measured and monitored centrally by the Group Risk Management.

Financial credit risk is managed actively by limiting counterparties to a sufficient number of major banks and financial institutions and monitoring the credit worthiness and exposure size continuously as well as through entering into collateral agreements with certain counterparties. The Group reduces credit risk by executing treasury transactions only with approved counterparties. All significant counterparties are rated with the minimum counterparty credit rating requirement being BBB (S&P). Foreign subsidiaries may have bank accounts in unrated financial institutions. In order to decrease credit risk associated with local banks used by subsidiaries in foreign countries, the subsidiaries are required to deposit their excess cash balances with the Group Treasury on an ongoing basis.

Group's all investments related to liquidity management are made in liquid instruments with low credit risk. For instance, the Group does not have investments in commercial papers.

CAPITAL MANAGEMENT

The objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and to maximize shareholder value.

The Group manages its capital structure and makes adjustments to it taking into account changes in economic conditions and requirements of strategy implementation. To maintain or develop the capital structure, the Group may adjust the dividend payments and repayments of capital to shareholders by buying back shares, issue new shares and/or increase/decrease the amount of borrowings.

The Group's 91.5 MEUR senior secured term and revolving credit facilities agreement includes financial covenants based on the net debt to EBITDA ratio ("leverage ratio"), the ratio of net debt to consolidated equity and the minimum liquidity.

Group's objective for capital management is to keep:

1. Net gearing ratio below 100% and
2. Net interest-bearing debt to EBITDA (rolling 12 months) below 3.8, and from 30 June 2026 onwards below 3.5.

The Group capital structure is reviewed by the Board regularly. The achievement of the objectives for capital management are presented in the table below. For definitions of key figures, see page 84.

	Target	2025	2024
Net gearing %	below 100%	54.0	39.8
Net interest-bearing debt to EBITDA (rolling 12 months)	below 3.8	3.6	2.9

Calculation of the covenants include customary adjustments mainly related to items affecting comparability and asset disposals and therefore deviate from the reported figures elsewhere in this report. The Group is currently compliant with all financial covenants and expects to comply with future bank requirements as well.

Definitions of the alternative performance measures are presented on page 84.

22 FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES AND FAIR VALUES

EUR million	2025			Carrying value	2024		Note
	Carrying value	Financial assets and liabilities ¹⁾	Fair value of financial assets and liabilities ²⁾		Financial assets and liabilities ¹⁾	Fair value of financial assets and liabilities ²⁾	
FINANCIAL ASSETS							
Financial assets measured at amortized cost²⁾							
Non-current financial assets							
Loan receivables	0.7	0.7	0.7	0.7	0.7	0.7	15
Trade and other non-interest-bearing receivables	0.3	0.0	0.0	0.3	0.0	0.0	15
Current financial assets							
Cash and cash equivalents	18.2	18.2	18.2	21.7	21.7	21.7	17
Trade and other non-interest-bearing receivables	28.9	23.1	23.1	31.1	24.4	24.4	15
Fair value through other comprehensive income							
Other shares	0.1	0.1	0.1	0.1	0.1	0.1	14
Financial assets at fair value through income statement							
Currency and interest derivatives - non-hedge accounted	0.1	0.1	0.1	0.1	0.1	0.1	15,21

¹⁾ The proportion of the carrying value which is classified as financial assets and liabilities according to IFRS 9.

²⁾ Fair value hierarchy level 2.

EUR million	2025			2024			Note
	Carrying value	Financial assets and liabilities ¹⁾	Fair value of financial assets and liabilities ²⁾	Carrying value	Financial assets and liabilities ¹⁾	Fair value of financial assets and liabilities ²⁾	
FINANCIAL LIABILITIES							
Financial liabilities at fair value through income statement							
Interest rate and currency derivatives - non-hedge accounted	0.6	0.6	0.6	1.4	1.4	1.4	21, 24
Financial liabilities measured at amortized cost²⁾							
Non-current financial liabilities							
Loans from financial institutions	63.5	63.5	63.6	49.4	49.4	49.6	23
Other non-interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0	23
Current financial liabilities							
Loans from financial institutions	3.5	3.5	3.5	8.3	8.3	8.3	23
Commercial paper program	15.0	15.0	15.0	14.0	14.0	14.0	23
Trade and other non-interest-bearing payables	35.9	16.9	16.9	39.5	19.9	19.9	24

¹⁾ The proportion of the carrying value which is classified as financial assets and liabilities according to IFRS 9.

²⁾ Fair value hierarchy level 2.

FAIR VALUE HIERARCHY OF THE FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

EUR million	2025				2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
FINANCIAL ASSETS AT FAIR VALUE								
Fair value through other comprehensive income								
Other shares	0.1			0.1	0.1			0.1
Financial assets at fair value through income statement								
Currency and interest derivatives - non-hedge accounted	0.1		0.1		0.1		0.1	
Total	0.2		0.1	0.1	0.1		0.1	0.1
FINANCIAL LIABILITIES AT FAIR VALUE								
Financial liabilities at fair value through income statement								
Currency and interest derivatives - non-hedge accounted	0.6		0.6		1.4		1.4	
Total	0.6		0.6		1.4		1.4	

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy levels

The fair values of the financial assets and liabilities on the hierarchy level 1 are based on quoted market prices of similar financial instruments traded in an active market. Currently there are no financial instruments on level 1.

The fair values of the financial assets and liabilities on the hierarchy level 2 are based on other price information than quoted market prices for a significant part of the valuation. This information is supported by observable market inputs either directly (i.e. prices) or indirectly (i.e. derived from prices).

The fair values of the financial assets and liabilities on the hierarchy level 3 are calculated using a valuation technique based on assumptions that are not supported by available observable market data. For example management estimates are utilized in generally accepted valuation models of the financial instruments on the Level 3.

The fair value hierarchy level, into which the entire financial asset or liability is classified, is determined based on the lowest-hierarchy-level information being significant for the valuation of that particular financial asset or liability. The significance of the information is estimated considering the financial asset or liability in its entirety.

No significant transfers between the hierarchy levels took place during the financial period.

Other shares

Other shares comprise of unlisted shares that are measured at fair value. Certain unlisted shares for which fair values cannot be measured reliably are measured at cost less possible impairment.

Derivatives

All derivatives are initially recognized at fair value on the date derivative contract is entered into, and are subsequently remeasured at fair value on each balance sheet date. Determination of fair values is based on quoted market prices and rates, discounting of cash flows and option valuation models.

Current financial assets and liabilities

Due to their short maturity, the fair value of current financial assets and liabilities is regarded as corresponding to their original carrying amount.

Non-current financial assets

The fair value of non-current financial assets is based on discounted future cash flows. The discount rate used corresponds to the market rate on the balance sheet date.

Non-current interest-bearing liabilities

On December 31, 2025, 21.9 % (2024: 0.0%) of non-current loans based on floating rates was connected to one-month euribor or similar and the rest to maximum six-month Euribor or similar. Therefore, the fair value of non-current loans based on floating rates is regarded as equaling their book value. A part of non-current loans on floating rates is hedged with separate interest rate derivatives which are described in note 21. The fair value of non-current loans on fixed rates is based on discounted future cash flows. The discount rate used corresponds to the market rate on the balance sheet date.

Non-current non-interest-bearing liabilities

Contingent considerations of business combinations and other acquisitions are recognized at fair value on the date of acquisition. Determination of fair values is based on discounted future cash flows.

23 INTEREST-BEARING LIABILITIES

Accounting principles

Financial liabilities are initially recognized at the fair value of the consideration received, including directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Commercial papers are measured at amortized cost. Gains and losses are recognized in the income statement when the financial liability is derecognized, impaired and through the amortization process.

Financial liabilities include current and non-current liabilities and they can be interest-bearing or non-interest-bearing.

EUR million	Average interest rate 31.12.2025, % ¹⁾	2025	2024
Non-current interest-bearing liabilities			
Loans from financial institutions	4.62	63.5	49.4
Lease liabilities	3.88	5.6	7.6
Current interest-bearing liabilities			
Loans from financial institutions	4.71	0.4	4.2
Current portion of non-current loans from financial institutions	4.57	3.1	4.1
Commercial paper program	3.63	15.0	14.0
Lease liabilities	4.7	4.3	4.8
Total		91.8	84.1

¹⁾ Average interest rates are calculated without the effect of the interest rate swaps.
More information in note 21.

Fair values of financial liabilities are presented in the note 22.

INTEREST-BEARING LIABILITIES BY CURRENCY

EUR million	2025		2024	
	Non-current	Current	Non-current	Current
Loans from financial institutions				
EUR	63.5	0.4	49.4	4.2
Commercial paper program				
EUR		15.0		14.0
Total	63.5	15.4	49.4	18.2

24 NON-INTEREST-BEARING LIABILITIES

EUR million	2025	2024
Non-current non-interest-bearing liabilities		
Derivatives	0.5	0.8
Other non-current liabilities	0.0	0.0
Current non-interest-bearing liabilities		
Trade payables	16.9	19.9
Accrued employee-related expenses	8.6	8.3
Other accrued expenses and deferred income	6.7	7.3
Derivatives	0.2	0.6
Advances received	0.5	0.4
VAT payable	0.6	0.6
Other current liabilities	2.7	2.9
Total	36.6	40.9

Fair values of financial liabilities are presented in the note 22.

25 COMMITMENTS AND CONTINGENCIES

The Group's senior facilities are secured and has an issued business mortgage notes with nominal value amounting to 137.8 MEUR. In addition, the Group has pledged subsidiary shares of Marttiini Oy, KL-Teho Oy and Rapala VMC Online Oy and parent company's intra-group loan receivables related to these entities.

The Group does not have contingent liabilities at the year end.

Group's lease commitments are presented in note 26.

Disputes and litigations

The Group's management does not have knowledge of any open disputes or litigations, which would have a significant impact on the company's financial position.

26 LEASE CONTRACTS

Accounting principles

Capitalised lease agreements consist mainly of buildings as production facilities, office premises and warehouses, also the Group has several vehicle lease agreements. The Group recognises a right-of-use (ROU) asset and a lease liability at the commencement of the lease. At the commencement date, a right-of-use asset as defined by IFRS 16 is measured at cost. The Group applies the two available exemptions, which relate to short-term contracts, in which the lease term is less than 12 months, or low-value assets, which are expensed to other operating expenses.

The nominal lease liability is initially measured at the present value of the lease payments over the lease term. The lease payments are discounted using the lessee's incremental borrowing rate. The incremental borrowing rates used are relevant interbank rates and the Group's internal finance margins. The incremental borrowing rates are currency specific.

The initial measurement of the lease payments does not include possible variable elements. Variable lease payments not included in the initial measurement of the lease liability are recognised directly in the statement of income. The lease term is the non-cancellable period of the lease plus period covered by an option to extend or option to terminate if the lessee is reasonably certain to exercise the

extension option. Management judgment based on realistic estimates is used when determining the lease term, especially concerning lease agreements containing termination and purchase options and lease agreements with indefinite lease terms.

Subsequently, the right-of-use assets are measured at initial measurement less accumulated depreciation and impairment losses. The right-of-use assets are depreciated and interest on lease liabilities recognised in the statement of income over the lease term. The lease liabilities are subsequently measured at initial recognition less occurring lease payments that are allocated to the principal.

Lease payments are presented as repayments of liabilities and related interest expenses. The lease payments are presented in the cash flow from financing activities and the interest related to leases are presented in the cash flow from operating activities. Lease payments related to short-term leases, low-value assets and variable payments are presented in the cash flow from operating activities. Modifications to lease agreements may result in adjustments to existing right-of-use assets and lease liabilities. A gain or loss arising from a modification and a termination of a lease agreement is recognised in other operating income or other operating expenses in the statement of income.

RIGHT-OF-USE ASSETS**2025**

EUR million	Land and buildings	Other assets	Total
Acquisition cost Jan 1	33.0	3.5	36.5
Additions	3.1	0.7	3.8
Disposals	-1.6	-0.4	-2.0
Translation differences	-0.6	-0.1	-0.7
Acquisition cost Dec 31	33.9	3.7	37.5
Accumulated depreciations Jan 1	-22.5	-2.3	-24.8
Disposals	1.6	0.4	2.0
Depreciations during the period	-5.0	-0.7	-5.6
Translation differences	0.3	0.1	0.4
Accumulated depreciations Dec 31	-25.5	-2.6	-28.2
Carrying value Jan 1	10.5	1.2	11.7
Carrying value Dec 31	8.3	1.0	9.4

Group's most material right-of-use assets capitalised consists of buildings as production facilities, offices and warehouses. Right-of-use asset section Other assets consists mainly of cars.

2024

EUR million	Land and buildings	Other assets	Total
Acquisition cost Jan 1	33.9	4.0	38.0
Additions	3.7	0.8	4.5
Disposals	-4.7	-1.3	-6.1
Translation differences	0.1	0.0	0.1
Acquisition cost Dec 31	33.0	3.5	36.5
Accumulated depreciations Jan 1	-21.7	-2.8	-24.5
Additions	0.2	0.0	0.2
Disposals	3.8	1.1	4.9
Depreciations during the period	-4.8	-0.7	-5.5
Translation differences	0.0	0.0	0.0
Accumulated depreciations Dec 31	-22.5	-2.3	-24.8
Carrying value Jan 1	12.2	1.3	13.5
Carrying value Dec 31	10.5	1.2	11.7

Group's most material right-of-use assets capitalised consists of buildings as production facilities, offices and warehouses. Right-of-use asset section Other assets consists mainly of cars.

Off-balance sheet lease commitments**THE GROUP AS A LESSEE**

EUR million	2025	2024
Minimum future lease payments on leases	0.2	0.3

The non-cancellable lease agreements include short-term and other lease contracts that are not included in lease liabilities. Other rents include IT equipment leases that are not material.

Maturity of the group's financial liabilities more detailed in the note 21. Lease liabilities more detailed in the note 23.

27 RELATED PARTY TRANSACTIONS

The Group's related parties include the members of the Board, CEO, members of the Executive Committee, family members of these individuals, entities controlled by these individuals, Rapala VMC Corporation's subsidiaries, associated companies and joint ventures and entities with significant influence over the Group. Subsidiaries owned directly or indirectly by the parent company as well as associates and foreign branches are listed in note 31. Related party transactions between Group companies have been eliminated. Entities with significant influence are specified in section 'Shares and Shareholders'.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

EUR million	Sales and other income	Purchases	Paid rents	Other expenses	Receivables
2025					
Associated company Lanimo Oü	0.0	0.0			
Entity with significant influence over the Group ¹⁾			-0.3	0.0	
Management	0.0				
2024					
Associated company Lanimo Oü	0.0	0.0			0.0
Entity with significant influence over the Group ¹⁾			0.0	0.0	
Management	0.0		-0.1	0.0	0.7

¹⁾Lease agreement for the real estate for the consolidated operations in France and a service fee. Entity with significant influence is Viellard Migeon & Cie, who's shareholding and voting rights alone and together with its subsidiary is presented in section 'Shares and Shareholders'.

EMPLOYEE BENEFITS FOR TOP MANAGEMENT

EUR million	2025	2024
Salaries and other employee benefits	-2.7	-3.1
Post-employment benefits	-0.5	-0.7
Benefits related to termination of employment		-0.7
Share-based incentive plan to be settled in cash		-0.2
Share-based incentive plan	0.0	
Total	-3.2	-4.7

Top management consists of members of the Board of Directors, CEO and other members of the Executive Committee.

On December 31, 2025, the members of the Board and the Executive Committee held (shares and share-based rights of each member and corporations over which he/she exercises control in the company and its group companies) a total of 194 451 Rapala VMC Corporation shares (on December 31, 2024: 85 795). Top management owned 0.5% (0.2%) of the issued share capital and voting rights of the company. Details of top management shareholdings are given in the section 'Board and Management'.

Details on share-based incentive plan are given in the note 'Shared-based payments'.

EMPLOYEE BENEFITS FOR CHIEF EXECUTIVE OFFICER

EUR million	2025	2024
Lars Ollberg, CEO from May 1, 2023 to March 6, 2025		
Salaries and other employee benefits	-0.2	-0.5
Post-employment benefits	0.0	-0.1
Cyrille Viellard, CEO from March 7, 2025 onwards		
Salaries and other employee benefits	-0.4	
Post-employment benefits	-0.1	
Share-based incentive plan	0.0	
Total	-0.7	-0.5

CEO Cyrille Viellard's annual base salary and benefits from March 7th 2025 onwards amounted to EUR 259 thousand. Viellard is entitled to a short-term incentive according to the principles of the Group's senior management short-term incentive scheme. Accrued bonus in 2025 totaled EUR 127 thousand. CEO's pension is arranged under the Finnish statutory contribution based employee pension plan. In addition, the CEO is entitled to a EUR 10 thousand annual contribution to the French retirement fund.

Lars Ollberg acted as the CEO until March 6th 2025 and remained employed by Rapala VMC until June 30th 2025. Annual base salary and benefits amounted to EUR 200 thousand (EUR 334 thousand from January 1st to December 31st 2024). Ollberg is entitled to a short-term incentive according to the principles of the Group's senior management short-term incentive scheme. Accrued bonus in 2025 totaled EUR 32 thousand. CEO's pension is arranged under the statutory contribution based employee pension plan.

EMPLOYEE BENEFITS FOR OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

EUR million	2025	2024
Salaries and other employee benefits	-1.9	-2.7
Post-employment benefits	-0.4	-0.6
Benefits related to termination of employment		-0.7
Share-based incentive plan to be settled in cash		-0.2
Share-based incentive plan	0.0	
Total	-2.2	-4.2

In addition to the monthly salary, other members of the Executive Committee participate in the Group's senior management bonus scheme. The amount and payment of the bonus is based on the financial and strategic targets set by the Board. If the targets are not achieved, payment of bonus is fully at the discretion of the Board of Directors.

EMPLOYEE BENEFITS FOR BOARD OF DIRECTORS

EUR million	2025	2024
Salaries and other employee benefits		
Chairman of the Board	-0.1	-0.1
Other Board members	-0.2	-0.2
Total	-0.2	-0.3

In 2025, the annual fee to the Chairman of the Board was EUR 70 thousand and the fee to other Board members was EUR 25 thousand. In addition, a meeting fee of EUR 1000 was paid per Board and Committee meeting. Members of the Board are reimbursed for travel expenses corresponding to the corporation's traveling compensation principles.

28 SHARE-BASED PAYMENTS

The Board of Directors of Rapala VMC Corporation resolved on July 23rd 2025 to establish a new share-based incentive plan for key employees of the group. The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to commit key employees to implement the company's strategy, objectives and long-term interests and to offer them a competitive incentive plan based on earning and accumulating the company's shares.

The Performance Share Plan 2025–2029 consists of three performance periods, covering the financial years 2025–2027, 2026–2028 and 2027–2029 respectively. The Board of Directors will resolve annually on the commencement and details of a performance period. In the plan, the target group has an opportunity to earn Rapala VMC's shares based on performance. The participants are able to increase their personal earning opportunity by investing in Rapala VMC's shares. The potential reward will be paid partly in Rapala VMC shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the key employee.

The Management Team member must hold 50 per cent of the received shares, until the value of the Management Team member's total shareholding in Rapala VMC equals to 50 per cent of their annual base salary for the calendar year preceding the payment of the reward. Respectively, the CEO must hold 50 per cent of the received shares, until the value of the CEO's total shareholding in Rapala VMC equals to 100 per cent of the CEO's annual base salary for the preceding calendar year. Such number of Rapala VMC shares must be held as long as the membership in the Management Team or the position as the CEO continues.

The Board resolved on March 11th 2026 on the performance period 2026–2028. The plan's target group consists of approximately 65 key employees, including the members of the Management Team and the CEO. The performance criteria of the second performance period 2026–2028 are tied to Leverage, Comparable EBIT and Total Shareholder Return. The value of the rewards to be paid on the basis of the period 2026–2028 corresponds to a maximum total of 552,000 shares of Rapala VMC, including also the proportion to be paid in cash.

Accounting principles

Share-based payment programs are valued at fair value on the grant date and recognized as an expense under employee benefit expenses in the income statement during the vesting period with a corresponding adjustment to the equity or liability.

The expense of the share-based payments determined at the grant date reflects the Group's estimate of the number of share rewards that will ultimately vest. Grant date is the date at which the entity and another party agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. On a regular basis the Group reviews the assumptions made and revises its estimates of the share-based payments that are expected to be settled. The changes in the estimates are recognized in the income statement with a corresponding adjustment to the equity or liability.

PERFORMANCE BASED LONG-TERM INCENTIVE PLANS AS OF DECEMBER 31, 2025

Plan	LTI 2025–2027
Grant date	July 28th 2025
Performance period	Jan 1st 2025 – Dec 31st 2027
Maximum number of shares ¹⁾	544 000
Number of shares outstanding ¹⁾	544 000
Share price at grant	1.345 €
Vesting year	2028
Performance criteria	Leverage 40%, Comparable EBIT 40%, Total Shareholder Return 20%
	Continued employment
Target group	Approximately 60 key employees, including the members of the Management Team and the CEO.

¹⁾ Gross, including the proportion to be paid in cash.

29 EARNINGS PER SHARE

Accounting principles

Earnings per share figure is calculated by dividing the net profit for the period attributable to the equity holders of the parent company, adjusted for issuance fees, interest and repurchase premiums on hybrid loans, by the weighted average number of shares outstanding during the period. Diluted earnings per share figure is calculated by taking into account the effects of potential obligations to issue shares.

EUR million	2025	2024
Earnings per share		
Net profit for the period attributable to the equity holders of the parent company, EUR million	-4.9	0.4
Accrued interest on the hybrid bond and tender premium	-5.1	-3.8
Tax effect	1.0	0.8
Net effect	-4.1	-3.0
Total	-9.0	-2.7
Weighted average number of shares, 1000 shares	38 550	38 876
Earnings per share, EUR	-0.23	-0.07
Earnings per share, diluted		
Diluted weighted average number of shares, 1000 shares	38 550	38 876
Diluted earnings per share, EUR	-0.23	-0.07

*The maximum amount of shares issued through the share-based payments program is 544 000 shares (2024: 0). The dilution impact is anyhow limited to average number of treasury shares held by the Group during the year.

30 EVENTS AFTER THE BALANCE SHEET DATE

The Group has no knowledge of any significant events after the balance sheet date that would have a material impact on the financial statements for 2025.

31 GROUP COMPANIES

Subsidiaries by geographical area		Country	Group holding (%)	Nature of activity	Subsidiaries by geographical area		Country	Group holding (%)	Nature of activity	Subsidiaries by geographical area		Country	Group holding (%)	Nature of activity
Nordic					Rest of Europe					North America				
Rapala VMC Denmark A/S	*	Denmark	100	Distribution	FLLC Normark		Belarus	100	Distribution	Rapala VMC Canada Inc.		Canada	100	Distribution
KL-Teho Oy	*	Finland	100	Manufacturing	Rapala VMC Adriatic D.o.o.		Croatia	100	Distribution	NC Holdings Inc.	*	USA	100	Administration
Marttiini Oy	*	Finland	100	Manufacturing	Rapala VMC DOO		Serbia	100	Distribution	Normark Corporation		USA	100	Distribution
Rapala VMC Online Oy	*	Finland	100	Distribution	Rapala VMC Czech S.r.o.		Czech Republic	100	Distribution	Normark Innovations, Inc.		USA	100	Sourcing
Rapala VMC North Europe Oy		Finland	100	Distribution	Normark Eesti Oü		Estonia	100	Distribution	VMC Inc.		USA	100	Distribution
Peltonen Ski Oy		Finland	100	Manufacturing	Rapala Eesti AS	*	Estonia	100	Manufacturing					
Rapala VMC East Europe Oy		Finland	100	Administration	Rapala VMC France SAS	*	France	100	Distribution					
Rapala VMC Norway AS	*	Norway	100	Distribution	VMC Péche SA	*	France	100	Manufacturing					
Remen Slukfabrikk AS		Norway	100	Administration	Rapala VMC Germany Gmbh		Germany	100	Distribution					
Vangen AS		Norway	100	Administration	Rapala VMC Hungary Zrt	*	Hungary	100	Distribution					
Rapala VMC Sweden Ab	*	Sweden	100	Distribution	Rapala VMC Italia Srl		Italy	100	Distribution					
					Normark Kazakhstan LLP		Kazakhstan	100	Distribution					
					Rapala VMC Baltics UAB		Lithuania	100	Distribution					
					Rapala B.V.	*	Netherlands	100	Administration					
					Rapala VMC Poland Sp.z.o.o.	*	Poland	100	Distribution					
					Rapala VMC Portugal, Unipessoal, LTD		Portugal	100	Distribution					
					Rapala VMC Romania S.R.L.		Romania	100	Distribution					
					JSC Normark		Russia	100	Distribution					
					Normark LLC		Russia	100	Administration					
					Rapala VMC Spain SAU	*	Spain	100	Distribution					
					Rapala VMC Switzerland AG	*	Switzerland	100	Distribution					
					Normark UK Sport Ltd.		UK	100	Administration					
					Rapala VMC UK Ltd.	*	UK	100	Distribution/ Manufacturing					
					Normark Fishing Ltd.		UK	100	Administration					
					Dynamite Baits Ltd.		UK	100	Administration					

GROUP COMPANIES

Subsidiaries by geographical area	Country	Group holding (%)	Nature of activity
Rest of the World			
Rapala VMC Australia Pty Ltd	* Australia	100	Distribution
Rapala V.M.C. Do Brazil	* Brazil	100	Distribution
Rapala VMC Chile Ltd	Chile	100	Distribution
Rapala VMC China Co.	* China	100	Distribution
Rapala VMC (ShenZhen) Ltd	China	100	Sourcing
Willtech (PRC) Ltd.	Hong Kong	100	Sourcing
PT Rapala Indonesia	* Indonesia	100	Distribution
PT Rapala VMC Batam	Indonesia	100	Administration
PT VMC Fishing Tackle Indonesia	Indonesia	100	Manufacturing
Rapala Japan Ltd.	* Japan	100	Distribution
Rapala VMC (Asia Pacific) Sdn Bhd.	* Malaysia	100	Distribution
Rapala VMC Mexico S. de R.L. de C.V	Mexico	100	Distribution
Rapala VMC Africa (Pty) Ltd.	South Africa	100	Distribution
Rapala VMC Holdings (Pty) Ltd.	* South Africa	100	Administration
Rapala VMC Korea Co., Ltd	* South Korea	100	Distribution
Rapala VMC (Thailand) Co., Ltd.	* Thailand	100	Distribution

Associated companies and joint ventures	Country	Group holding (%)	Nature of activity
Lanimo Oü	Estonia	33.3	Manufacturing

Foreign branches

Rapala VMC (Hong Kong) Ltd, branch office in Taiwan
 Normark S.r.o., branch office in Slovak Republic

* Shares owned by the parent company

PARENT COMPANY FINANCIAL STATEMENTS, FAS

PARENT COMPANY INCOME STATEMENT

EUR	Note	2025	2024
Net sales	2	35 398 298	38 532 206
Other operating income	3	1 718 553	1 516 220
Change in inventory of finished products and work in progress		393 492	-1 177 133
Production for own use		139 302	102 169
Materials and services	5	-9 332 028	-9 001 216
Employee benefit expenses	6	-5 915 434	-5 711 650
Other operating expenses	4	-19 996 620	-24 440 222
Operating profit/loss before depreciation and impairments		2 405 562	-179 626
Depreciation and impairments	7	-2 268 602	-1 837 357
Operating profit/loss		136 960	-2 016 983
Financial income and expenses	8	-10 568 175	-5 725 484
Profit/loss before appropriations and taxes		-10 431 214	-7 742 467
Appropriations	9	118 528	-3 161
Income taxes	10	-43 387	-70 640
Net profit/loss for the period		-10 356 073	-7 816 269

PARENT COMPANY BALANCE SHEET**ASSETS**

EUR	Note	2025	2024
Non-current assets			
Intangible assets	11	5 166 687	6 607 374
Tangible assets	12	3 994 098	4 502 612
Investments	13	113 736 838	112 185 737
Interest-bearing receivables	15	24 180 863	26 285 114
Non-interest-bearing receivables	15	2 190 872	566 232
Total non-current assets		149 269 359	150 147 068
Current assets			
Inventories	14	9 458 613	8 496 302
Current financial assets			
Interest-bearing	15	45 511 590	53 163 695
Non-interest-bearing	15	19 906 735	18 218 207
Cash and cash equivalents		1 611 736	3 632 999
Total current assets		76 488 675	83 511 203
Total assets		225 758 033	233 658 271

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR	Note	2025	2024
Shareholders' equity			
Share capital		3 552 160	3 552 160
Share premium fund		16 680 961	16 680 961
Fund for invested non-restricted equity		4 914 371	4 914 371
Own shares		-3 957 221	-2 957 222
Retained earnings		23 476 083	31 292 351
Net profit/loss for the period		-10 356 073	-7 816 269
Total shareholders' equity	16	34 310 281	45 666 353
Appropriations		159 758	183 286
Non-current liabilities			
Interest-bearing		88 592 896	79 500 000
Non-interest bearing		500 526	813 243
Total non-current liabilities	17	89 093 422	80 313 243
Current liabilities			
Interest-bearing		94 124 047	96 861 117
Non-interest-bearing		8 070 526	10 634 272
Total current liabilities	17	102 194 572	107 495 389
Total shareholders' equity and liabilities		225 758 033	233 658 271

PARENT COMPANY STATEMENT OF CASH FLOWS

EUR thousand	Note	2025	2024
Net profit/loss for the period		-10 356	-7 816
Adjustments			
Income taxes	10	43	71
Financial income and expenses	8	10 568	5 725
Reversal of non-cash items			
Depreciation and impairments	7	2 268	1 837
Other items		-1 249	10 845
Total adjustments		11 630	18 478
Financial items			
Interest paid		-8 495	-9 495
Interest received		4 230	4 867
Income taxes paid		-42	-72
Other financial items, net		-648	-445
Total financial items		-4 955	-5 145
Change in working capital			
Change in receivables		-1 358	-2 839
Change in inventories		-373	1 100
Change in liabilities		-2 893	3 039
Total change in working capital		-4 624	1 300
Net cash generated from operating activities		-8 304	6 817

Net cash used in investing activities			
Proceeds from disposal of intangible assets	11		436
Purchases of intangible assets	11	-45	-203
Proceeds from sale of tangible assets	12	567	218
Purchases of tangible assets	12	-395	-777
Investments to subsidiaries		-123	-1 719
Disposal of other shares			142
Return of capital		90	
Final payment of DQC International			-319
Change in interest-bearing receivables		220	7 455
Dividends received	8	770	700
Total net cash used in investing activities		1 084	5 933
Net cash generated from financing activities			
Purchase of own shares		-1 000	
Hybrid bond repayment		-34 622	-3 752
Hybrid bond withdrawals		24 454	
Loan withdrawals		96 106	100 489
Loan repayments		-81 498	-96 788
Other items		-4	-12 884
Total net cash generated from financing activities		3 436	-12 935
Change in cash and cash equivalents		-3 784	-185
Cash and cash equivalents at the beginning of the period		3 633	4 911
Foreign exchange rate effect		1 763	-1 094
Cash and cash equivalents at the end of the period		1 612	3 633

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1 ACCOUNTING PRINCIPLES

The financial statements of Rapala VMC Oyj have been prepared according to Finnish Accounting Standards (FAS).

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into euros using the exchange rates at the balance sheet date and exchange differences arising from translation are recognized in the income statement.

Revenue recognition

Sales of goods and services are recognized on accrual basis when the significant risks related to goods and services sold have passed to the buyer and it is not probable that the client would return the goods. Net sales comprise of gross sales less cash discounts and value-added tax.

Research and development costs

Research and development costs are expensed as they are incurred, unless they clearly relate to developing new business areas. Such development costs are capitalized if they are separately identifiable and if the products are assessed to be technically feasible and commercially viable and the related future revenues are expected to exceed the accrued and future development costs and related production, selling and administrative expenses, and other possible costs related to the project.

Capitalized development expenses are amortized on a straight-line basis over their expected useful lives, a maximum of five years.

Inventories

Inventories are valued at the lower of cost or net realizable value using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises of raw materials, direct labor costs including social costs and other direct costs. Inventories are shown net of a reserve for obsolete or slow-moving inventories.

Tangible and intangible assets

Tangible and intangible assets are stated at historical cost excluding accumulated depreciation according to plan. Planned depreciation is based on historical cost and expected useful life.

Land is not depreciated. Depreciation is based on the following expected useful lives:

Intangible assets	3–15 years
Buildings	10– 20 years
Machinery and equipment	5–10 years
Other tangible assets	3–10 years

Pension arrangements

All of the company's pension arrangements are defined contribution plans, with the majority being local statutory arrangements. Pension costs are expensed as incurred.

Valuation of financial derivatives

All derivatives are initially recognized at fair value on the date derivative contract is entered into, and are subsequently remeasured at fair value on each balance sheet date. The change in fair value is recognized in the income statement under financial items or another item consistent with its nature. Fair value of standard foreign currency forwards are determined by discounting the future nominal cash flows with relevant interest rates and then converting the discounted cash flows to the foreign currency using spot rates. Determination of fair values of other derivative instruments are based on quoted market prices and rates, discounting of cash flows and option valuation models. The fair values of these instruments are received from the respective bank or calculated to match the current market price.

Own shares

Own shares acquired by the company, including directly attributable costs, are presented as a deduction from the total equity on the day of trading. Purchases or subsequent sales of treasury shares are presented as changes in equity.

Cash flow statement

Changes in financial position are presented as cash flows from operating, investing and financing activities.

2 NET SALES

EUR thousand	2025	2024
By destination		
North America	22 815	24 067
Nordic	3 300	4 023
Rest of Europe	6 047	6 767
Rest of the World	3 236	3 675
Total	35 398	38 532

3 OTHER OPERATING INCOME

EUR thousand	2025	2024
Rental income	61	23
Gains from sale of intangible and tangible assets	449	
Access fees	1 193	1 446
Other income	15	47
Total	1 719	1 516

4 OTHER OPERATING EXPENSES

EUR thousand	2025	2024
Maintenance	-667	-643
Selling and marketing expenses	-716	-654
Traveling expenses	-209	-285
IT and telecommunications	-939	-1 283
Rents paid	-762	-954
Auditors fees and services	-290	-219
Freight	-43	-134
Sales commissions	-69	-58
Losses on sales of tangible assets	0	-119
Currency derivatives	688	-737
Other expenses	-16 990	-19 355
Total	-19 997	-24 440

AUDITORS' FEES AND SERVICES

EUR thousand	2025	2024
Audit fees	-290	-219
Total	-290	-219

5 MATERIALS AND SERVICES

EUR thousand	2025	2024
Materials, goods and supplies		
Purchases during the financial year	-9 901	-9 327
Change in inventory	569	365
External services		-39
Total	-9 332	-9 001

6 EMPLOYEE BENEFIT EXPENSES

EUR thousand	2025	2024
Wages and salaries	-4 971	-4 693
Pension costs	-673	-717
Other personnel expenses	-271	-302
Total	-5 915	-5 712

Average personnel for the period 62 68

The remuneration of the Board of Directors amounted to EUR 242 thousand (2024: EUR 259 thousand).

7 DEPRECIATION AND IMPAIRMENTS

EUR thousand	2025	2024
Depreciation of intangible assets		
Trademarks	-878	-873
Other intangible assets	-107	-111
Depreciation of tangible assets		
Buildings	-93	-92
Machinery and equipment	-579	-631
Other tangible assets	-110	-130
Impairments	-501	
Total	-2 269	-1 837

8 FINANCIAL INCOME AND EXPENSES

EUR thousand	2025	2024
Dividend income	748	700
Foreign exchange gains	5 159	3 839
Foreign exchange losses	-7 280	-2 386
Impairment losses		
Investments in Group companies	-296	-500
Current loan receivables	-1 189	
Interest and other financial income		
Interest income	6 101	7 078
Interest and other financial expenses		
Interest expenses	-12 386	-12 541
Other financial expenses	-1 426	-1 916
Total	-10 568	-5 725

FINANCIAL INCOME AND EXPENSES FROM AND TO SUBSIDIARIES

EUR thousand	2025	2024
Dividend income from subsidiaries	748	700
Impairment losses		
Investments in Group companies	-296	-500
Current loan receivables	-1 189	
Interest and other financial income		
Interest income	5 354	6 069
Interest and other financial expenses		
Interest expenses	-1 854	-1 954
Total	2 764	4 316

TRANSLATION DIFFERENCES RECOGNIZED IN THE INCOME STATEMENT

EUR thousand	2025	2024
Translation differences recognized in net sales	16	814
Translation differences included in purchases and other expenses	21	21
Foreign exchange gains and losses in financial income and expenses	-3 801	1 454
Total	-3 765	2 289

9 APPROPRIATIONS

EUR thousand	2025	2024
Change in depreciation difference	24	-3
Group contribution	95	
Total	119	-3

CHANGE IN DEPRECIATION DIFFERENCE

EUR thousand	2025	2024
Intangible assets	-3	-2
Buildings	26	-5
Machinery and equipment	0	4
Total	24	-3

10 INCOME TAXES

INCOME TAXES IN THE INCOME STATEMENT

EUR thousand	2025	2024
Income taxes	-43	-71
Total	-43	-71

Deferred tax assets and liabilities of the parent company are not presented in the parent company's balance sheet.

11 INTANGIBLE ASSETS

2025

EUR thousand	Trade- marks	Other intangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	9 202	2 080	501	11 782
Correction of opening balance Jan. 1				
Additions		31	15	45
Disposals		-170	-501	-670
Acquisition cost Dec. 31	9 202	1 941	15	11 157
Accumulated amortization Jan. 1	-3 837	-1 338		-5 175
Disposals		170		170
Amortization during the period	-828	-157		-985
Accumulated amortization Dec. 31	-4 665	-1 326		-5 991
Book value Jan. 1	5 365	741	501	6 607
Book value Dec. 31	4 537	615	15	5 167

2024

EUR thousand	Trade- marks	Other intangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	9 202	3 168		12 370
Correction of opening balance Jan. 1	0	-1 349		-1 349
Additions			193	193
Disposals		-4	-323	-328
Reclassifications		265	631	896
Acquisition cost Dec. 31	9 202	2 080	501	11 782
Accumulated amortization Jan. 1	-3 007	-2 532		-5 540
Correction of opening balance Jan. 1	-2	1 351		1 349
Amortization during the period	-828	-157		-985
Accumulated amortization Dec. 31	-3 837	-1 338		-5 175
Book value Jan. 1	6 195	635		6 830
Book value Dec. 31	5 365	741	501	6 607

12 TANGIBLE ASSETS

2025

EUR thousand	Land	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	103	3 282	16 621	2 048	463	22 516
Additions			3		164	167
Disposals	-15	-566	-3		-132	-715
Reclassifications		6	463		-113	356
Acquisition cost Dec. 31	88	2 722	17 085	2 048	382	22 324
Accumulated depreciation Jan. 1		-2 584	-13 847	-1 583		-18 013
Disposals		463	3			466
Depreciation during the period		-93	-579	-110		-783
Accumulated depreciation Dec. 31		-2 214	-14 423	-1 693		-18 330
Book value Jan. 1	103	698	2 775	465	463	4 503
Book value Dec. 31	88	508	2 662	355	382	3 994

2024

EUR thousand	Land	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	106	5 169	22 449	2 331	1 489	31 544
Correction of opening balance Jan. 1		-2 033	-5 778	-186	0	-7 997
Additions			23	3	716	742
Disposals	-3		-359	-159	-355	-877
Reclassifications		146	286	59	-1 387	-896
Acquisition cost Dec. 31	103	3 282	16 621	2 048	463	22 516
Accumulated depreciation Jan. 1		-4 526	-19 282	-1 719		-25 527
Correction of opening balance Jan. 1		2 034	5 778	185		7 997
Disposals			289	81		369
Depreciation during the period		-92	-631	-130		-853
Accumulated depreciation Dec. 31		-2 584	-13 847	-1 583		-18 013
Book value Jan. 1	106	643	3 167	612	1 489	6 017
Book value Dec. 31	103	698	2 775	465	463	4 503

13 INVESTMENTS

2025

EUR thousand	Shareholdings in subsidiaries	Other shares	Total
Book value Jan 1	112 147	39	112 186
Additions	1 937		1 937
Return of capital	-90		-90
Impairment	-296		-296
Book value Dec 31	113 698	39	113 737

2024

EUR thousand	Shareholdings in subsidiaries	Other shares	Total
Book value Jan 1	111 247	181	111 428
Additions	1 400		1 400
Disposals		-142	-142
Impairment	-500		-500
Book value Dec 31	112 147	39	112 186

14 INVENTORIES

EUR thousand	2025	2024
Raw material	4 328	3 759
Work in progress	2 772	2 327
Finished products	2 358	2 410
Total	9 459	8 496

15 RECEIVABLES

RECEIVABLES FROM OTHERS

EUR thousand	2025	2024
Non-current receivables		
Interest-bearing		
Loan receivables	647	732
Non-interest-bearing		
Other receivables	204	204
Current receivables		
Non-interest-bearing		
Trade receivables	25	82
Prepaid expenses and accrued income	690	548
Derivatives	145	53
Other receivables	2	2
Total	1 713	1 621

The loan agreements between group companies have been made in accordance with customary commercial terms and the loans are unsecured. Average interest rate of loans was 2025 7.15% (2024: 7.47%) and average maturity in 2025 1.33 years (2024: 1.24). The parent company has granted subordinated loans, as referred to in Chapter 12, Section 1 of the Finnish Limited Liability Companies Act, to Group companies, in a total amount of 7.8 MEUR. In the recipient companies, these loans are unsecured and subordinated to all other liabilities. The subordinated loans are unsecured loans that are subordinated to the claims of the recipient companies' other creditors. The principal and interest on the loans may be repaid only in accordance with the provisions of the Finnish Limited Liability Companies Act.

RECEIVABLES FROM SUBSIDIARIES

EUR thousand	2025	2024
Non-current receivables		
Interest-bearing		
Loan receivables	23 534	25 554
Non-interest-bearing		
Loan receivables	1 987	362
Current receivables		
Interest-bearing		
Loan receivables	45 512	53 164
Non-interest-bearing		
Trade receivables	4 571	5 964
Prepaid expenses and accrued income	2 295	2 471
Other receivables	12 178	9 097
Total	90 077	96 612
Non-current receivables total		
Interest-bearing	24 181	26 285
Non-interest-bearing	2 191	566
Current receivables total		
Interest-bearing	45 512	53 164
Non-interest-bearing	19 907	18 218

16 SHAREHOLDERS' EQUITY

EUR thousand	2025	2024
Share capital Jan. 1	3 552	3 552
Share capital Dec. 31	3 552	3 552
Share premium fund Jan. 1	16 681	16 681
Share premium fund Dec. 31	16 681	16 681
Fund for invested non-restricted equity Jan. 1	4 914	4 914
Fund for invested non- restricted equity Dec. 31	4 914	4 914
Own shares Jan. 1	-2 957	-2 957
Purchase of own shares	-1 000	
Own shares Dec. 31	-3 957	-2 957
Retained earnings Jan. 1	23 476	31 292
Retained earnings Dec. 31	23 476	31 292
Net income for the period	-10 356	-7 816
Total shareholders' equity	34 310	45 666

DISTRIBUTABLE FUNDS

EUR	2025	2024
Fund for invested non-restricted equity	4 914 371	4 914 371
Retained earnings	23 476 083	31 292 351
Own shares	-3 957 221	-2 957 222
Net income for the period	-10 356 073	-7 816 269
Total distributable funds	14 077 160	25 433 232

PARENT COMPANY SHARE CAPITAL

	2025	2024
Shares	39 000 000	39 000 000
EUR	3 552 160	3 552 160

Each share is entitled to one vote. Information on Board's authorizations and own shares is available in the section 'Shares and shareholders'.

17 LIABILITIES**LIABILITIES TO OTHERS**

EUR thousand	2025	2024
Non-current liabilities		
Non-interest-bearing		
Derivatives	501	813
Interest-bearing		
Loans from financial institutions	63 593	49 500
Hybrid bond	25 000	30 000
Current liabilities		
Interest-bearing		
Loans from financial institutions	3 477	8 080
Commercial paper program	15 000	14 000
Non-interest-bearing		
Advances received	1	5
Derivatives	149	571
Trade payables	1 872	1 688
Accrued liabilities and deferred income	1 511	1 824
Total	110 603	106 481

LIABILITIES TO SUBSIDIARIES

EUR thousand	2025	2024
Current liabilities		
Interest-bearing		
Loans	75 647	74 781
Non-interest-bearing		
Advances received	29	2 016
Trade payables	4 465	4 467
Accrued liabilities and deferred income	44	63
Total	80 185	81 328
Non-current liabilities total		
Interest-bearing	88 593	79 500
Non-interest-bearing	501	813
Current liabilities total		
Interest-bearing	94 124	96 861
Non-interest-bearing	8 071	10 634

All loans included in non-current liabilities will mature in less than 5 years. The loan agreements between group companies have been made in accordance with customary commercial terms and the loans are unsecured. Average interest rate of loans was 2025 7.15% (2024: 7.47%) and average maturity in 2025 1.33 years (2024: 1.24). The parent company has granted subordinated loans, as referred to in Chapter 12, Section 1 of the Finnish Limited Liability Companies Act, to Group companies, in a total amount of 7.8 MEUR. In the recipient companies, these loans are unsecured and subordinated to all other liabilities. The subordinated loans are unsecured loans that are subordinated to the claims of the recipient companies' other creditors. The principal and interest on the loans may be repaid only in accordance with the provisions of the Finnish Limited Liability Companies Act.

18 LEASE CONTRACTS

PARENT COMPANY AS A LESSEE

Repayment schedule of non-cancellable operating lease commitments

EUR thousand	2025	2024
Within one year	452	818
1-3 years	209	770
3-5 years	9	
Total	670	1 588

19 COMMITMENTS AND CONTINGENCIES

COMMITMENTS

EUR thousand	2025	2024
On own behalf and on behalf of subsidiaries		
Guarantees	478	473
Total	478	473

Guarantees consist of subsidiaries' lease agreements and of other guarantees given on behalf of subsidiaries. The Group's senior facilities are secured and has a issued business mortgage notes with nominal value amounting to 137.8 MEUR. In addition, the Group has pledged subsidiary shares of Marttiini Oy, KL-Teho Oy and Rapala VMC Online Oy and parent company's intra-group loan receivables related to these entities.

20 DERIVATIVES

EUR thousand	2025	2024
Foreign exchange derivatives with banks		
Fair value	-3	-518
Nominal value	44 305	26 361
of which forward exchange contracts	38 374	26 361
of which foreign exchange swaps	5 931	
Interest rate derivatives		
Fair value	-501	-813
Nominal value	35 000	25 000

In 2025, changes in fair value of currency derivatives had an income statement effect of EUR 515 thousand (2024: EUR -755 thousand) and interest rate derivatives EUR 313 thousand (2024: EUR -954 thousand).

SIGNATURES FOR THE REPORT OF BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

The financial statements, prepared in accordance with applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, and profit or loss of both the company and the group of companies included in its consolidated financial statements. The management report contains a fair review of the development and performance of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition. The sustainability report included in the management report has been prepared in accordance with the reporting standards referred to in Chapter 7 and Article 8 of the Taxonomy Regulation.

Helsinki, April 8, 2026

Alexander Rosenlew,
Chairman of the Board

Emmanuel Viellard

Julia Aubertin

Vesa Luhtanen

Johan Berg

Pascal Lebard

Cyrille Viellard,
President and CEO

THE AUDITOR'S NOTE

A report on the audit performed has been issued today

Helsinki, April 8, 2026

Deloitte Oy
Authorized Public Accountant Firm

Jenny Lindvall
Authorized Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Rapala VMC Oyj

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Rapala VMC Oyj (business identity code 1016238-8) 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 International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

(Translation of the Finnish Original)

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 5 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 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

Valuation of goodwill and intangible assets

Refer to Note 1 and 11 in the consolidated financial statements

Consolidated financial statements includes goodwill and intangible assets of EUR 96.4 million as of 31 December 2025 (2024: EUR 104.2 million).

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually. The recoverable amount is determined by reference to discounted future net cash flows expected to be generated by the asset. The most important assumptions on which management has based its cash flow projections are the growth of sales and profitability and discount rate.

The goodwill and intangible assets have been treated as a key audit matter in the audit of the consolidated financial statements, because impairment testing involves significant management estimates and judgements regarding future business development, profitability, and discount rate.

How our audit addressed the key audit matter

In the audit, we have evaluated the impairment testing model prepared by the management and approved by the board, as well as evaluated the controls related to the impairment testing.

We have discussed the basis used in the forecasts with the management and evaluated significant assumptions used by the management:

- We have compared growth and profitability assumptions with historical development.
- We have compared the input data and estimates used in the calculations to the financial plans approved by the Board of Directors.
- In evaluating the appropriateness of discount rates, we have compared the input data used in determining the discount rate to external sources and reflected on the changes in rates from the previous year to evaluate their appropriateness.
- We have tested the technical appropriateness of the impairment testing calculation.

We have also evaluated the appropriateness of the notes on impairment testing.

We have also evaluated the appropriateness of the notes on impairment testing.

There are no significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) 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 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 18 April 2024, and our appointment represents a total period of uninterrupted engagement of 2 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

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, 8 April 2026

DELOITTE OY

Audit Firm

Jenny Lindvall

Authorised Public Accountant (KHT)

INDEPENDENT AUDITOR'S REPORT ON THE ESEF FINANCIAL STATEMENTS OF RAPALA VMC PLC

(Translation of the Finnish Original)

To the Board of Directors of Rapala VMC Plc

We have performed a reasonable assurance engagement on the consolidated financial statements (7437009TB4202AB3JW91-2025-12-31-1-fi.zip) of Rapala VMC Plc (business identity code 1016238-8) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31 December 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 the 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 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 with 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 auditor 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 regulatory technical 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 judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical 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 Rapala VMC Plc (7437009TB4202AB3JW91-2025-12-31-1-fi.zip) for the financial year ended 31 December 2025 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our audit opinion on the audit of the consolidated financial statements of Rapala VMC Plc for the financial year ended 31 December 2025 has been expressed in our auditor's report dated 8 April 2026. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki, 8 April 2026

DELOITTE OY

Audit Firm

Jenny Lindvall

Authorised Public Accountant (KHT)

ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT

(Translation of the Finnish original)

TO THE ANNUAL GENERAL MEETING OF RAPALA VMC OYJ

We have performed a limited assurance engagement on the group sustainability statement of Rapala VMC Oyj (1016238-8) 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

- the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
- 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 Rapala VMC Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

BASIS FOR OPINION

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised 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.

AUTHORISED 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 authorised group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorised 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 Rapala VMC Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and
- 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 GROUP SUSTAINABILITY STATEMENT

In preparing the group sustainability statement, the company is required to conduct a materiality assessment to identify relevant matters to be reported. This process involves significant management judgement

and choices. Due to the nature and characteristics of sustainability reporting, this type of information involves estimates and assumptions, as well as measurement and evaluation uncertainties.

In reporting forward-looking information according to ESRS standards, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future, possible future actions by the Group, and prepare the forward-looking information based on these assumptions. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

The determination of greenhouse gas emissions involves inherent uncertainty due to incomplete scientific knowledge used to define the numerical values for emission factors and the combination of emissions from different gases.

RESPONSIBILITIES OF THE AUTHORISED 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:

- Performed inquiries of the company's management and personnel responsible for collecting and reporting the information contained in the sustainability statement at the group level and for subsidiaries, as well as at the different levels of the organization.
 - Obtained an understanding of the company's sustainability reporting process, internal controls, and information systems related to the sustainability reporting process through inquiries.
 - Reviewed the company's internal guidelines and policies relevant to the information presented in the group sustainability statement.
 - Reviewed the supporting documentation and records prepared by the company, where applicable, and assessed whether they support the information included in the group sustainability statement.
 - With respect to the double materiality assessment process, we evaluated the implementation of the process conducted by the company in relation to the requirements of the ESRS standards and assessed whether the disclosed information on the double materiality assessment is in accordance with the ESRS standards.
 - Evaluated whether the group sustainability statement meets the requirements of the ESRS standards, in all material aspects, regarding material sustainability matters to a significant extent.
 - With respect to the EU taxonomy information, we obtained an understanding of the process by which the company has identified taxonomy-eligible and taxonomy-aligned economic activities and assessed the compliance of the related disclosed information with the regulations.
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Helsinki, 8 April 2026

DELOITTE OY

Authorised Sustainability Audit Firm

Jenny Lindvall

Authorised Sustainability Auditor



Rapala
VMC

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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT 2025

Rapala VMC Corporation's Corporate Governance is based on Finnish laws, other regulations concerning publicly listed companies, Rapala VMC Corporation's Articles of Association and the rules and instructions of Nasdaq Helsinki Oy. Rapala VMC Corporation adheres also to the Finnish Corporate Governance Code published by the Finnish Securities Market Association, which is available, for instance, at their website www.cgfinland.fi. This Corporate Governance Statement from Rapala VMC Corporation has been prepared in accordance with the Corporate Governance Code 2025. More detailed and updated information on the Group's governance matters, as well as this Corporate Governance Statement, is available on the corporate website www.rapalavmc.com. This Corporate Governance Statement has been approved in the Board of Directors ("Board") meeting on 8th of April, 2026.

Corporate Governance Statement is presented separately from the Report of the Board of Directors and Financial Statements. Report of the Board of Directors and the Financial Statements are available at the corporate website.

GENERAL MEETING

The General Meeting is the highest decision-making body of a limited company where the shareholders participate in the supervision and management of the company. The Annual General Meeting ("AGM")

decides on the matters stipulated in the Finnish Limited Liability Companies Act and Rapala VMC Corporation's Articles of Association such as adoption of the financial statements, the use of the profit shown on the balance sheet, the discharge of the Members of the Board and the Managing Director, the number and the appointment as well as the remuneration of the Members of the Board, appointment and remuneration of the auditor and confirming Group's remuneration policy and accepting remuneration report.

The Group's President and Chief Executive Officer, the Chairman of the Board and all Members of the Board shall attend the General Meeting. A person nominated for the first time to be elected as a member of the Board shall participate in the General Meeting where the election takes place. The auditor shall participate in the AGM.

The AGM of the corporation is held once a year. According to the Articles of Association, the AGM shall be held before the end of June. An extraordinary General Meeting is to be convened, if deemed necessary by the Board, or if the auditor or shareholders representing at least one tenth of all shares request it in a written form for the purpose of attending to a specific matter. The shareholders exercise their speaking and voting rights at the General Meeting. Each share is entitled to one vote in the General Meeting.

Under the Articles of Association, the shareholders of the corporation are invited to the General Meeting by publishing the notice of a General Meeting on the Rapala VMC Corporation's corporate website. The notice of general meeting shall be published no earlier than three (3) months prior the meeting and no later than three (3) weeks prior the

meeting and no later than nine (9) days prior to the record date of the shareholders' meeting referred in the limited liability companies act. In order to attend the shareholders' meeting, each shareholder shall notify the company thereof by the date determined by the Board and indicated in the notice of general meeting, which date may be no earlier than ten (10) days before the meeting. The invitation shall state the matters to be handled at the General Meeting and in addition the information required by the Finnish Corporate Governance Code.

Before the end of the financial year preceding the General Meeting, the corporation will announce on its corporate website a date on which at the latest the shareholder must suggest matters to be handled by the General Meeting. This date cannot be earlier than four weeks before sending the invitation to the General Meeting. Rapala VMC Corporation's AGM 2026 will be arranged on 29th of April, 2026. Shareholders' possible request to have a matter dealt with by AGM 2026 has had to be delivered no later than 11th of March, 2026. The minutes of the AGM are published on the Group's corporate website within two weeks of the meeting. More information on the General Meeting is found on the Rapala VMC Corporation's corporate website.

The General Meeting shall be held in the company's place of domicile or in Helsinki. The Board may also resolve on organizing a General Meeting without a meeting venue whereby the shareholders shall exercise their power of decision in full in real time during the meeting by means of telecommunication and other technical means (a remote meeting).

BOARD OF DIRECTORS

Duties, Appointment and Term of the Board of Directors

The duties and responsibilities of the Board are principally based on the Finnish Companies Act and the corporation's Articles of Association. All significant issues concerning the Group are decided by the Board. These include, but are not limited to, appointing, and dismissing the President and Chief Executive Officer, approving strategic guidelines, financial statements, interim reports, business plans, annual budgets, stock exchange releases and considerable investments or divestments.

The Board assembles according to a pre-agreed time schedule to address designated matters. The Chairman of the Board composes an agenda according to a proposal made by the President and Chief Executive Officer. Members of the Board have a right to propose and include distinct matters on the agenda. The Board shall have a quorum when more than half of the Members of the Board are present. The opinion of the simple majority shall constitute the decision of the Board. The Board follows the written Charter of the Board approved by the Board of which crucial content has been covered in this statement, including the tasks of the Board. The Charter of the Board is available on the Rapala VMC Corporation corporate website. The President and Chief Executive Officer and the General Counsel, who acts as a secretary of the Board, attend the meetings of the Board. Other members of the Executive Committee (Global Management Team) attend the meetings when necessary.

In connection with the preparation of a proposition concerning the assembly of the Board, the corporation follows a practice in where the

significant shareholders of the corporation prepare the propositions concerning the Board, including the propositions for the number of board members, remuneration and when necessary, the members of the Board for the General Meeting. The Board has not established a Nomination Committee nor has the General Meeting erected a Shareholders' Nomination Committee. The representatives of the significant shareholders of the corporation referred to above are also members of the Board of the corporation and the proposition shall be served for the information of the Board and to be discussed. The proposition shall also be released as a stock exchange release and be included in the notice of the General Meeting provided that the proposition has been delivered to the corporation early enough to be included in the notice.

The members of the Board are elected by the AGM. The term of a member of the Board lasts until the end of the next AGM. The Articles of Association provide that the Board consists of no fewer than five (5) and no more than ten (10) members. The Board elects the Chairman from among its members to serve until the next AGM. Possible new members of the Board are briefed on the business of the Group.

The Board evaluates its performance and working practices annually through a self-assessment. The evaluation focuses, for example, on the preparation of board work, meeting processes, decision-making, cooperation and communication, strategic leadership, as well as the composition and competencies of the Board. Where necessary, an external evaluator may also be used.

Diversity of the Board of Directors

In line with the Finnish Corporate Governance Code, when assessing the number of members and the composition of the Board, consideration

shall be given to the effective performance of the Board's duties. In addition, the number of members and the composition shall take into account the requirements set by the Company's business and its stage of development. The size of the Board shall support constructive and efficient interaction and decision-making. Diversity ensures that the Board is able to support the Company's long-term strategy, decision-making, and the realization of shareholders' interests. The principles relating to diversity are set out in Rapala VMC Corporation's Board Diversity Policy available at the corporate website.

A candidate for the Board must have the necessary qualifications for the position and time to fulfil his/her duties. In order to ensure the diversity of the Board, the members' competence, experience, industry-specific knowledge, experience of the business and development of companies operating internationally and continuity must be taken into account when candidates are being proposed as members of the Board. The objective is that the composition of the Board forms a diverse and complementary whole which supports the Company's strategic needs and enhances the quality of decision-making.

With regard to gender structure, the objective is that there is a balanced representation of different genders in the Board. In addition, the Board has, as a whole, possessed the diverse competencies and expertise required by the Company's operations and needs. As according to the Rapala VMC Corporation's Board Diversity Policy approved by the Company's Board on 8 October 2025, the Company always strives to comply with the objective under the Finnish Companies Act that at least 40 per cent (taking into account applicable rounding rules) of the members of the Board shall represent the gender that is less represented.

At the end of the financial year 2025 the Board consisted of six members, which has been a sufficient number to ensure the effective performance of the Board's duties, taking into account the requirements set by the Company's business and the Company's stage of development. 17 % of the members were females and 83 % males. No new members were elected on the AGM 2025 organized on the 8th of May, 2025.

The Board assesses its members' independency. All six members are external experts independent of the company. All members of the Board, other than Emmanuel Viellard, are independent of the significant shareholders of the Rapala VMC Corporation.

Board members and attendance at meetings

Number of Board and Remuneration Committee meetings in 2025 and participant attendance are presented on the table below:

Type of risk	Board	Remuneration Committee
Alexander Rosenlew	7/7	2/2
Emmanuel Viellard	7/7	1/1
Julia Aubertin	7/7	
Vesa Luhtanen	7/7	1/1
Johan Berg	7/7	1/1
Pascal Lebard	6/7	1/1

*Remuneration Committee until 8 May 2025: Emmanuel Viellard, Alexander Rosenlew and Vesa Luhtanen; from 8 May 2025 to 8 October 2025: Alexander Rosenlew, Vesa Luhtanen and Pascal Lebard; from 8 October 2025 onwards: Alexander Rosenlew, Pascal Lebard and Johan Berg.

The current members of the Board and their shareholdings on 31.12.2025 were:

Alexander Rosenlew

Chairman of the Board since 8th of May, 2025
Board Member since 2023
CEO of Orthex Oyj
Certificate in Global Management, Insead
Master of Science in Management (Leadership MBA)
Master of Science in Economics
Year of birth: 1971
Gender: male
Shareholding and options *: 66 095

Emmanuel Viellard

Board member since 2000
Chairman of the Board 2005-2016, 2024-2025
President of Viellard Migeon & Cie
CEO of LISI
MBA, CPA
Year of birth: 1963
Gender: male
Shareholding and options *: 2 000

Julia Aubertin

Board Member since 2014
Investor and advisor
M.Sc. (EDHEC)
Year of birth: 1979
Gender: female
Shareholding and options *: 0

Vesa Luhtanen

Board Member since 2020
Board professional
Bachelor of Science in Business Administration
Year of birth: 1961
Gender: male
Shareholding and options *: 0

Johan Berg

Board Member since 2024
Board professional
Swedish School of Economics Helsinki, 1983-1987: MBA
Year of birth: 1961
Gender: male
Shareholding and options *: 16 000

Pascal Lebard

Board Member since 2024
Senior Partner and Co-Founder, Montyon Capital
EDHEC Business School - MBA, 1986
Year of birth: 1962
Gender: male
Shareholding and options *: 0

* Shares and share-based rights of each member and corporations over which he/she exercises control in the company and its group companies.

BOARD COMMITTEES

The Board decides on the establishment of committees. It also verifies the key tasks of each committee and the policies in the written charter. A committee must regularly report to the Board of its work.

In 2025, the Board had one Board committee, the Remuneration Committee. The Remuneration Committee operates under its charter and its main responsibility is to prepare the remuneration policy and the decision proposals for the Board relating to the remuneration of the key employees of the Group. The Committee follows the implementation of the remuneration policy. The Committee's other tasks include reviewing and making recommendations with respect to the terms of employment of the President and Chief Executive Officer and reviewing the remuneration packages of the Executive Committee members and some other senior managers. The Remuneration Committee is chaired by board member Pascal Lebard. Its members are drawn from the corporation's nonexecutive and independent Directors.

Until 8 May 2025, the Remuneration Committee comprised Emmanuel Viellard, Alexander Rosenlew and Vesa Luhtanen. From 8 May 2025 to 8 October 2025, the Committee comprised Alexander Rosenlew, Vesa Luhtanen and Pascal Lebard. From 8 October 2025 onwards, the Committee has comprised Alexander Rosenlew, Pascal Lebard and Johan Berg. In 2025, the Committee assembled two times on the 5th of March and the 10th of December. The attendance rate was 100%. The Charter of the Remuneration Committee is available on the corporate website (<https://investors.rapalavmc.com/files/documents/Rapala%20VMC%20Charter%20of%20the%20Remuneration%20Committee%2020260311%20ENG.pdf>). Committee members' appointments run concurrently with a director's term as a member of the Board.

The scale of the business of the Group does not require the matters relating to financial reporting and control to be prepared in a smaller assembly than the Board. Therefore, the Board has not established a separate Audit Committee, but the entire Board is responsible for the tasks of an Audit Committee such as the control of the financial reporting, the external accounting, the internal control, and the risk management issues. Of the six Board members, at least three have the necessary financial expertise to assume these duties. The Board is regularly in contact with the auditor of the corporation.

The Board has not appointed a Nomination Committee due to the size of the Group and the significant shareholding represented by the current members of the Board. Nomination issues are managed by the Board. The General Meeting has not erected a Shareholders' Nomination Committee for the preparation of the Board election and remuneration.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

The President and Chief Executive Officer is appointed by the Board. Cyrille Viellard has acted as the President and Chief Executive Officer of the Rapala VMC Corporation since the 7th of March 2025.

The President and Chief Executive Officer acts also as the Group's President and Chairman of the Executive Committee. The duties and responsibilities of the President and Chief Executive Officer are set forth in the Finnish Companies Act. The provisions of this Act on the President and Chief Executive Officer also apply to the Deputy Chief Executive Officer. The President and Chief Executive Officer is responsible for the operative management within the scope of the strategic and operative plans, budgets and action plans approved by the Board.

Unless separately authorized by the Board, the President and Chief Executive Officer shall not take actions, which may be considered unusual or far-reaching in view of the scope and nature of the Group's business. The President and Chief Executive Officer shall ensure that the accounting of the corporation complies with the law and that the financial management of the corporation has been arranged in a reliable manner. The President and Chief Executive Officer is entitled to represent the corporation in any matter within his/her authority. The President and Chief Executive Officer chairs the Executive Committee. The President and Chief Executive officers service terms and conditions have been specified in writing in a Managing Director Agreement approved by the Board.

EXECUTIVE COMMITTEE

The Executive Committee (Global Management Team) assists the President and Chief Executive Officer in planning and managing the operations of the Group, in the preparation of strategic questions and in the execution of the strategic objectives set by the Board. The Executive Committee convenes under the leadership of the President and Chief Executive Officer and is composed of different Executive Committee members depending on the matters at hand. The President and Chief Executive Officer acts as the Chairman of the Executive Committee.

The members of the Executive Committee and their shareholdings on 31.12.2025 were:

Cyrille Viellard

President and Chief Executive Officer since the 7th of March 2025
Executive Committee member since 2015
MBA, ESSEC
Year of birth: 1977
Gender: male
Shareholding and options *: 32 435

Arto Nygren

Executive Vice President, Lure Manufacturing
Executive Committee member since 2017
Bachelor's degree in mechanical engineering
Year of birth: 1965
Gender: male
Shareholding and options *: 40 408

Jean-Philippe Nicolle

Chief Operating Officer responsible for Business Performance, Finance Controlling and Internal Auditing, Europe focus
Executive Committee member since 2020
Executive MBA, Business School ICS, Paris and CPA
Year of birth: 1968
Gender: male
Shareholding*: 7 147

Marcus Twidale

Executive Vice President, Head of Distribution in USA
Executive Committee member since 2021
Brooksby College of Agricultural Management
Year of birth: 1965
Gender: male
Shareholding*: 3 868

Miikka Tarna

Chief Financial Officer
Executive Committee member since 2024
M.Sc. (Econ. & Bus. Adm.), University of Oulu, 2008
Year of birth: 1983
Gender: male
Shareholding*: 13 314

Tuomas Akkanen

Executive Vice President, Head of Group Supply Chain and Winter Sports
Executive Committee member since 2024
M.Sc. in Technology, Helsinki University of Technology
Year of birth: 1979
Gender: male
Shareholding*: 3 868

Tuomo Leino

Executive Vice President, General Counsel, Secretary of the Board, Head of Sustainability
Executive Committee member since 2024
Master of Laws (LLM), University of Helsinki, 2013
Year of birth: 1985
Gender: male
Shareholding*: 5 468

Travis Tuma

Executive Vice President, President Rapala VMC USA
Executive Committee member since 15th of October 2025
University of Wisconsin-Madison (1994 graduate)
Year of birth: 1971
Gender: male
Shareholding*: 3 848
Rapala VMC Corporation announced the appointment of Travis Tuma to the Group Management Team on 15 October 2025.

BUSINESS ORGANIZATION

The Rapala VMC Group comprises of the parent company and the manufacturing and distribution subsidiaries ("Group"). The head office of the Group is located in Helsinki. Rapala VMC Corporation's shares are traded on the Nasdaq OMX Helsinki's main list.

Product distribution is organized through sales companies, which the Group has in approximately 40 countries. In other countries independent importers and distributors undertake product distribution.

REMUNERATION REPORTING

Annual General Meeting 2024 confirmed the remuneration policy for the Rapala VMC Corporation. Policy defines a process for remuneration related decisions and includes a description of remuneration of the Board and the President and Chief Executive Officer. Further the policy explains the principles of deviating from the remuneration policy and changing it. The Board presents the remuneration policy to the AGM in minimum of four (4) years interval and always when material changes have been made. A revised remuneration policy will be presented to the AGM 2028.

As of the AGM 2021 the Board has presented a remuneration report on an annual basis to the AGM for the shareholders to evaluate the execution of the remuneration policy and the actualized remuneration.

The Board, President and Chief Executive Officer's, Deputy CEO's and Executive Committees remuneration is also elaborated in the Group Annual Statements note 27. Current remuneration policy, remuneration report(s) and other remuneration related information required by the Finnish Corporate Governance Code are available on the Rapala VMC Corporation's corporate website.

RESPONSIBILITY AND INTERNAL CONTROL

The Group has a strong entrepreneurial and business oriented corporate culture that supports local decision making. This culture influences the set-up of the Group's internal control and management. The Group's management model is strongly based on people management, delegation of responsibility, and recognition of differences in business environments, which all enable quick and flexible decision making. Instead of formal and heavily structured processes, the internal control of the Group is based on a flat and transparent organization where the Group management is in frequent and personal interaction with the Group companies. The number of personnel of the Group management is relatively small, which enables focused and centralized information management and direct and tight relationships with operational and financial management of the business units. Business units are closely monitored through financial indicators and by observing the operative actions.

The Group comprises of the parent company and the manufacturing and distribution subsidiaries. The Group's internal controls and management are based on this legal structure. Responsibility for the management of these subsidiaries rests with each company's board of directors, which typically comprises of the Group CEO and the General Counsel, and the subsidiary's managing director. In addition, the Group subsidiaries have their own management teams, which together with each subsidiary's managing director have responsibility over the operative decision making.

The Board monitors the business activities of the Group, ratifies the risk management principles and is responsible for ensuring that accounting, reporting and asset management are appropriately organized.

The CEO, the members of the Board and the managing director of each Group company are responsible for ensuring that the account-

ing and administration in their respective areas of responsibility are in compliance with the local laws, the Group's operating principles, and the instructions and rules issued by the Board of Rapala VMC Corporation.

The aim of internal controls is to ensure the effectiveness and efficiency of the Group's operations, reliability of financial and operational reporting, and compliance with the applicable regulations, practices and policies.

The Group has a harmonized chart of accounts, uniform accounting principles (IFRS) and related reporting processes. The Group is developing its Group wide information technology system, which improves the transparency of supply chain and inventories. The Group's financial management monitors the functionality and reliability of the financial reporting process. The key instructions and regulations concerning financial reporting and risk management are available to managing directors and financial management of each subsidiary on the Group's intranet or similar internal communication channel.

The Board monitors the Group's business risks on an ongoing basis. All Group companies report their financial performance and position at least once a month to the management that prepares for the Board a monthly management report, which explains the main recent developments in the business of the Group and the major Group companies.

Communication and personal interaction between the Group management and subsidiaries is frequent and close. Group management, managing directors, and financial management of all subsidiaries meet several times during the year and in these meetings business performance and internal control issues are also reviewed. In addition, representatives of Group management visit subsidiaries regularly in different assemblies. The purpose of these meetings is to share information mutually. These meetings enable Group management to monitor and give guidance to the subsidiaries.

RISK MANAGEMENT

The objective of the Rapala VMC Group's risk management is to recognize and manage the risk associated with the execution of the Group's strategy and execution of business targets. This is done by monitoring and mitigating the related threats and risks while simultaneously identifying and managing business opportunities. The Board evaluates the Group's financial, operational and strategic risk position on a regular basis and establishes related policies and instructions to be implemented and coordinated by the Group management.

The Board regularly assess the Group's financial, operational and strategic risks, and adopts the related principles and guidelines to be implemented and coordinated by Group management. The Board evaluates the Group's strategic risks on an annual basis as part of the strategy process, operational risks at least once a year as part of the operational plans and budgets and financial risks several times during the year. The President and Chief Executive Officer and the CFO continuously monitor changes in the business environment and coordinate the management of the Group's strategic, operational, and financial risks. The daily risk management activity is primarily delegated to the management of the business units, who are responsible for managing the local strategic, operational, and financial risks. So far the sustainability related risks has been evaluated in separate multi-functional group.

INTERNAL AUDIT

The Group does not have a separate Internal Audit organization due to the size of the Group's operations. The Group Finance is responsible for regular reviews of financial performance and internal control procedures at all Group companies and reporting significant findings to the President and Chief Executive Officer and the Board. From time to

time, the management conducts or buys external services, if needed, to conduct specific and limited internal audits.

The managing director and the controller of subsidiaries under audit scope meet annually with the local auditors to discuss internal control and statutory compliance issues.

Annual audit may also give rise to the preparation of a management letter to the corporation outlining their audit findings in greater detail and recommending any improvements in internal controls. In addition, the auditors of the corporation meet regularly with the Group management representatives to discuss and review the business and related financial, accounting, internal control and risk management issues.

RELATED PARTY TRANSACTIONS

The Board has established principles for the monitoring and assessment of related party transactions and regularly oversees compliance with these principles.

According to the Rapala VMC Corporation Code of Conduct guidelines all transactions need to be market-based. The management of each business unit is responsible for the local procedures to ensure that transactions are market-based.

According to the reporting instructions of the group, business units need to report possible related party transactions to the parent company along with other reporting. If needed, the Group's internal control evaluates whether a related party transaction degrades management's independency on the company and whether the transaction causes a conflict of interest for the related party. Internal control reports related party transactions to the auditor.

Non-ordinary transactions, as specified in the group's Authorization Limits in use, must be approved by the group management. Permanent

appointments of family members of the operating management must be approved by group's President and Chief Executive Officer.

Rapala VMC Corporation maintains a list of its related party individuals and legal parties to recognize related party transactions. Following parties belonged to the related parties of Rapala VMC Corporation in 2025:

- Members of the Board
- President and Chief Executive Officer
- Members of the Executive Committee
- Members of the family of the above-mentioned individuals (children, spouses or life partners, children of the spouse or life partner, persons under guardianship of above-mentioned individuals or their spouses or life partners)
- Entities controlled by the above-mentioned individuals
- Rapala VMC Corporation's subsidiaries, associated companies and joint ventures
- Entities having significant influence on Rapala VMC Corporation

Rapala VMC Corporation discloses related party transactions that are essential for the company in its Financial Statements.

INSIDER ADMINISTRATION

The Group's guidelines on insider administration follow the applicable Guidelines for Insiders of Listed Companies issued by Nasdaq Helsinki Oy. Rapala VMC Corporation maintains the list of persons discharging managerial responsibilities and if necessary, the permanent insider list and the project-specific insider lists in the InsiderLog service provided

by Insiderlog Ab / Euronext Corporate Services subject to Rapala VMC Corporation's Insider Officer's decision. At the moment company does not maintain permanent insider list.

Moreover, the persons determined by Rapala VMC Corporation having authorized access to the unpublished financial result information are entered in a list ("Financial Reporting Group") maintained in the InsiderLog service.

Persons discharging managerial responsibilities are subject to trading restrictions regarding the corporation's securities. Person discharging managerial responsibilities shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of Rapala VMC Corporation or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which Rapala VMC Corporation is obliged to make public. The trading restriction, the obligations on confidentiality and prohibition to disclose information or advise any person with respect to trade, applies also to the Financial Reporting Group. Rapala VMC Corporation extends the restriction on trading to include the permanent insiders in case this kind of list is established. The project specific insiders are prohibited from trading with the securities during their participation in the project.

The Group arranges internal communication, training, and supervision of insider issues. General Counsel of Rapala VMC Corporation acts as an Insider Officer of the Group. Tuomo Leino has been appointed as General Counsel of Rapala VMC Corporation as of 1 January 2023.

AUDIT

An external audit is performed annually in Group companies under audit scope and for the consolidated Group. Deloitte Oy auditor firm was elected as auditor in the Annual General Meeting on 8 May 2025. As the auditors of the parent company, Deloitte Oy is responsible for instructing and coordinating the audit in relevant Group companies. The auditor with principal responsibility is Jenny Lindvall, CPA. It was decided in the Annual General Meeting on that the fee of the auditor will be paid as according to an invoice accepted by the corporation. During the financial year 2025 the auditors of the corporation were paid altogether EUR 0.8 million (2024: EUR 0.8 million) as auditing fees and EUR 0.0 million (2024: EUR 0.0 million) as of services not associated with auditing.

Annual general meeting decided that Deloitte Oy carries out the assurance of Rapala VMC Corporation's sustainability reporting for the financial year 2025 as well and will be reimbursed for this task as per its invoice approved by the Rapala VMC Corporation.

REMUNERATION REPORT

INTRODUCTION

This Remuneration Report sets out how Rapala VMC Corporation (hereinafter the "Rapala VMC" or the "Company") has in 2025 implemented its Remuneration Policy adopted in Rapala VMC's General Meeting on April 18, 2024.

The report includes information concerning the remuneration of the Board of Directors, the President and CEO and the Deputy CEO during the financial year 2025 along with historical development of the same during the last five years.

The Report has been reviewed by the Remuneration Committee of Rapala VMC's Board of Directors and approved by the Board of Directors on 11th of March, 2026.

The Annual General Meeting 2026 makes a consultative decision as to whether it approves this Remuneration Report. In the previous Annual General Meeting 2025 58.9% of all shares and votes in the Company participated in the advisory vote and 6.7% of those voted against accepting the provided remuneration report.

This Remuneration Report along with additional information regarding the remuneration in Rapala VMC are available on Rapala VMC's website at www.rapalavmc.com.

OVERVIEW OF THE REMUNERATION IN 2025

In line with the Remuneration Policy, remuneration in 2025 has aimed to contribute to positive development of shareholder value, enhance competitiveness and long-term financial success and the fulfilment of the Company's strategy. Remuneration is integral to Rapala VMC Corporation's long-term financial success, incentivizing top talent and aligning their goals with the company's vision. The 2025 remuneration emphasizes fair compensation practices based on performance and value creation. This approach fosters innovation, operational excellence, and accountability throughout the organization, ensuring sustained growth and competitive advantage for Rapala VMC in the market.

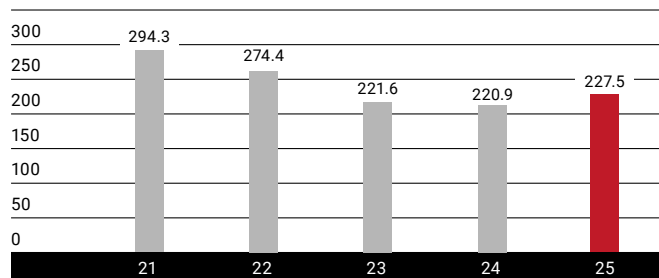
The remuneration of the members of the Board of Directors consisted of fixed annual fees and meeting fees. Paid fees are disclosed under the section "Remuneration of the Board of Directors".

Lars Ollberg acted as the President and CEO until March 6th 2025 and remained employed by Rapala VMC until June 30th 2025. Cyrille Viellard acted as the Deputy CEO until the appointment as the President and CEO from March 7th 2025 onwards. The remuneration of the President and CEO and the Deputy CEO consisted of base salary, benefits and variable remuneration. A more detailed disclosure of the remuneration and the basis for variable remuneration can be found under the section "Remuneration of the President and CEO and Deputy CEO".

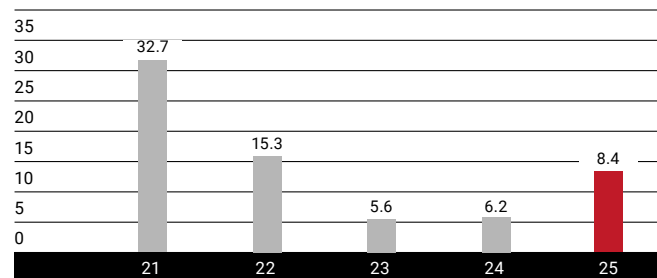
According to the Remuneration Policy of the Company, the Company may deviate from the Remuneration Policy if such deviation is considered necessary to ensure the long-term interests of the Company. The Company has not deviated from the Remuneration Policy during the year 2025.

DEVELOPMENT OF FINANCIAL PERFORMANCE AND REMUNERATION 2021-2025

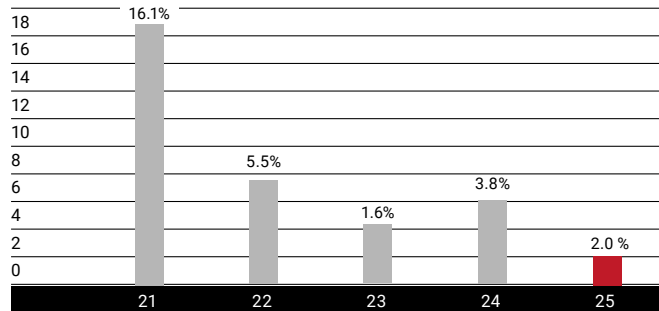
NET SALES, EUR million



COMPARABLE OPERATING PROFIT, EUR million



ROCE, %



SHARE PRICE DEVELOPMENT 2021-2025, EUR



DEVELOPMENT OF REMUNERATION 2021-2025

€	2021	2022	2023	2024	2025
Board					
Chairman annual fee	80 000	80 000	80 000	70 000	70 000
Development, %	0%	0%	0%	-12.5%	0%
Board member annual fee	30 000	30 000	30 000	25 000	25 000
Development, %	0%	0%	0%	-16.7%	0%
President and CEO					
Base salary + benefits*	359 378	403 140 ¹	314 727 ²	333 892	458 991³
Short-term incentive (STI)	230 000	240 000	40 333	98 229	176 840
Total compensation	589 378	643 140	355 060	432 121	635 831
Development					
Base salary + benefits, %	23%	12%	-22%	6%	37%
Total compensation, %	101%	9%	-45%	22%	47%
Deputy CEO					
Base salary + benefits*	N/A	N/A	175 488 [†]	231 136	45 573^{††}
Short-term incentive (STI)	N/A	N/A	15 750 [†]	67 445	107 500
Long-term incentive (LTI)	N/A	N/A	-	11 369	-
Total compensation	N/A	N/A	191 238 [†]	309 950	153 073
Development					
Base salary + benefits, %	N/A	N/A	N/A	32%	-80%
Total compensation, %	N/A	N/A	N/A	62%	-51%
Average employee					
Total salary, EUR thousand	71 466	71 420	61 587	62 501	62 700
Avg. number of employees, persons	1 763	1 703	1 436	1 351	1 408
Average salary cost	41 000	42 000	43 000	46 000	45 000
Development, %	-1%	3%	2%	7%	-2%

* Including possible supplementary pension policies

¹ In 2022, 370 900 € was paid to Nicolas Cederström Warchalowski and 32 240 € to Louis d'Alañon² In 2023, 86 300 € was paid to Louis d'Alañon from January 1st to April 30th and 228 427 to Lars Ollberg from May 1st to December 31st³ In 2025, 200 081 € was paid to Lars Ollberg until June 30th and 258 910 € to Cyrille Viellard from March 7th onwards[†] Compensation paid during the full financial year.^{††} Until March 6th 2025.

REMUNERATION IN 2025

Remuneration of the Board of Directors

Shareholders resolved on the Board remuneration in the Annual General Meeting of 2025 as follows.

- | | |
|--|---|
| Annual Fees: | Meeting Fees (board & committee meetings): |
| <ul style="list-style-type: none"> ■ 70 000 € for chairman and ■ 25 000 € for members. | <ul style="list-style-type: none"> ■ 1 000 € per meeting |

Board Remuneration is paid fully in cash and does not include pension payments or reimbursement for expenses. Members of the Board of Directors are not included in Rapala VMC's short- or long-term incentive programs.

FEES PAID TO THE BOARD DURING CALENDAR YEAR 2025

€	Annual Fee, EUR	Board Meeting Fees, EUR	Committee Meeting Fees, EUR	Total Remuneration
Alexander Rosenlew (chair)	70 000	8 000	1 000	79 000
Julia Aubertin	25 000	8 000	-	33 000
Vesa Luhtanen	25 000	8 000	1 000	34 000
Emmanuel Viellard	25 000	8 000	1 000	34 000
Johan Berg	25 000	8 000	-	33 000
Pascal Lebard	25 000	6 000	-	31 000
Total				244 000

REMUNERATION OF THE PRESIDENT AND CEO & DEPUTY CEO

Introduction

As stated in the Remuneration Policy, the remuneration of the President and CEO and Deputy CEO may comprise base salary and benefits as well as variable remuneration components, such as short-term incentives and long-term incentives.

Lars Ollberg acted as the President and CEO until March 6th 2025 and remained employed by Rapala VMC until June 30th 2025. Ollberg was paid a total remuneration of EUR 376 922, including base salary, benefits and a short-term incentive bonus based on the financial year 2024.

As the Deputy CEO until March 6th 2025, Cyrille Viellard was paid a total remuneration of EUR 153 073, including base salary, benefits and a short-term incentive bonus based on the financial year 2024. As the President and CEO from March 7th 2025 onwards, Cyrille Viellard was paid a total remuneration of EUR 258 910, including base salary and benefits.

SHORT-TERM INCENTIVES

According to the Rapala VMC Remuneration Policy, President and CEO's short-term incentive plan may be based on the result of the Group or other criteria decided by the Board.

During 2025, Lars Ollberg and Cyrille Viellard participated in the Company's performance-based short-term incentive plan (STI 2025). For both, the rewards were based on financial and appreciation-related criteria. The maximum remuneration to Lars Ollberg under the STI 2025 was EUR 43 750 and for Cyrille Viellard EUR 175 000.

The achievement of the criteria for Lars Ollberg was 73%, corresponding to a pay-out of EUR 31 719. The achievement of the criteria for Cyrille Viellard was 73%, corresponding to a pay-out of EUR 126 875. The rewards from STI 2025 will be paid during the financial year 2026.

During 2025, Lars Ollberg and Cyrille Viellard were paid a bonus of EUR 176 840 and EUR 107 500, respectively, based on the short-term incentive from 2024.

SHORT-TERM INCENTIVES 2025, PAYMENT IN 2026

		Weight	Achievement	Total outcome	Max. reward	Earned reward
Lars Ollberg	Net Sales	20%	70%			
	Comparable EBIT	35%	60%	73%	43 750 €	31 719 €
	Average Inventory	25%	70%			
	Appreciation	20%	100%			
Cyrille Viellard*	Net Sales	20%	70%			
	Comparable EBIT	35%	60%	73%	175 000 €	126 875 €
	Average Inventory	25%	70%			
	Appreciation	20%	100%			

* Maximum reward as Deputy CEO from January 1st to March 6th was 43 750 EUR and earned reward was 31 719 EUR. Maximum reward as the President and CEO was 131 250 EUR and earned reward was 95 156 EUR.

LONG-TERM INCENTIVES

According to the Remuneration Policy the objectives of the Company's long-term incentive plans are to achieve the targets and strategy set by the Company and to promote the Company's long-term financial success and competitiveness.

President and CEO Cyrille Viellard participated in the performance period covering financial years 2025–2027 under the Performance Share Plan 2025–2029. The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to commit key employees to implement the Company's strategy, objectives and long-term interests and to offer them a competitive incentive plan based on earning and accumulating the Company's shares. In the plan, the target group has an opportunity to earn Rapala VMC's shares based on performance. The participants are able to increase their personal earning opportunity by investing in Rapala VMC's shares.

As a rule, no reward will be paid if the President and CEO's director contract terminates before the reward payment. The President and CEO must hold 50% of the received shares, until the value of the President and CEO's total shareholding in Rapala VMC equals to 100% of the President and CEO's annual base salary for the preceding calendar year. Such number of Rapala VMC shares must be held as long as the position as the President and CEO continues.

	Performance period	Grant size, shares	Grant date share price, EUR	Earnings criteria	Weight	Max. reward	Payment method
Cyrille Viellard	2025–2027	24 000	1.345	Financial leverage	40%	Evaluated and paid in 2028	Cash and equity
				Comparable EBIT	40%		
				Total shareholder return	20%		

TOTAL PAID REMUNERATION IN 2025

	Base Salary + Benefits	Short-term Incentive	Long-term Incentive	Total Paid Compensation
Lars Ollberg				
President and CEO until March 6th 2025	200 082 €	176 840 €	-	376 922 €
In employment until June 30th 2025				
Proportional Share	53%	47%	0%	
Cyrille Viellard				
Deputy CEO until March 6th 2025	45 573 €	107 500 €	-	153 073 €
Proportional Share	30%	70%	0%	
President and CEO as of March 7th 2025	258 910 €	-	-	258 910 €
Proportional Share	100%	0%	0%	

