Annual Report 2025

Nedfast Holding B.V.

29 May 2026

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The Nedschroef Group

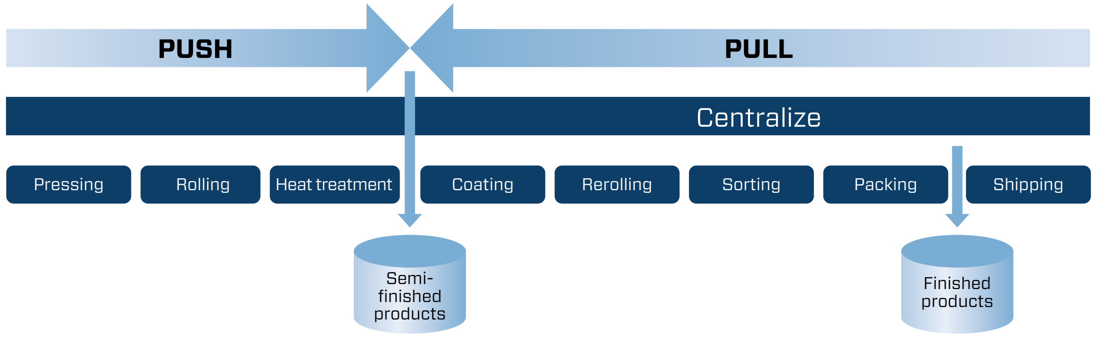
PROFILE

Nedfast Holding B.V. (hereafter: Nedschroef or Nedfast) has its head office in Helmond, the Netherlands, and is one of the world's largest suppliers of automotive, industrial and aviation fasteners and special components for the above-mentioned industries. Furthermore, the company develops and produces high-quality metal forming machines and tools for the metal forming industry.

Nedfast, including its subsidiaries (the Group or Nedschroef Group), has clustered its areas of expertise into three business units (BUs):

- **BU Automotive,** in which Nedschroef develops, produces, services and supplies fasteners, niche products, stampings and sub-assemblies (fastening solutions), predominantly for the automotive and aviation industry. This BU is divided into the main streams:
  - **Trade & Service** is a business line within BU Automotive, in which Nedschroef provides procurement and logistics services for C-parts, supporting and managing the overall lifecycle of a product for the automotive industry, niche and complex products.
  - **Standard products** focusing on operational excellence and are divided into two product lines, to create focus in optimizing the value stream for bolts and screws & nuts, by a clear split in the value-add steps before and after coating. This is explained in the push and pull concept as visualized in the picture.
  - **Complex products** focusing on increasing (engineering) added value which include Aviation products.
  - **Leist** is a surface treatment company which Nedschroef acquired in 2024, and is a business line within BU Automotive, working independently.
- **Business Line Engineering of Systems,** in which Nedschroef's subsidiary CP Tech designs, develops and manufactures high-performance car components.
- **Business Line Machinery & Tooling,** which develops and produces high-end metal forming machines including, if desired, the tools to shape the end product.

Each of these business lines specializes and excels in delivering top product and production quality and ongoing innovation. Nedschroef has a unique position in the global market thanks to the combination of its core activities and related logistical services. The Group's operational expertise spans every aspect from designing, manufacturing and servicing fasteners and functional components, and makes this know-how available to its customers.



Nedschroef has 26 locations (including joint ventures and associates) based in 12 countries with around 2,650 employees. Intensive knowledge exchange takes place between the companies in the Group. Customers can benefit from this wealth of accumulated expertise through the Group's strong sales organizations supported by technical and advanced technology advisors.


DENMARK
Langeskov
SWEDEN
Billdal
Södertalje
USA
Detroit
NETHERLANDS(HQ)
Helmond
CHINA
Kunshan
Shanghai
UK
Oxford
CZECHIA
Jičín
BELGIUM
Herentals
BULGARIA
Stara Zagora
SPAIN
Barcelona
Madrid
Tarazona
Tarragona
FRANCE
Paris
Palaiseau
GERMANY
Altena
Plettenberg
Fraulautern
Beckingen
Schrozberg
München
Büren
Bad Hersfeld
Fambach
CoC / Production Plant
Trade & Service
Sales office
Machinery & Tooling
CP Tech Engineering
Leist, Coating

HISTORY

Nedschroef was founded in 1894 and has been active in the field of manufacturing fasteners ever since. The company's first factory in Helmond originally made rivets for the shipbuilding industry. Over time, however, the company gradually made the transition to a wide range of products with higher added value in other markets. Through its cold forming expertise, Nedschroef has established a world-leading cold and hot forming machine division through which it offers its customers a total solution in metal forming products. Today, Nedschroef has developed into a global group of companies that serves as a reliable partner for the mobility industry and its suppliers. In 1994, Nedschroef Holding was honored to be entitled to add 'Royal' to its name to mark its centenary.

Nedfast Holding B.V. acquired control of Koninklijke Nedschroef Holding N.V. on 1 June 2007. The sole shareholder of Nedfast Holding B.V. is Nedfast Investment B.V. On 28 August 2014, 100% of the shares of Nedfast Investment B.V. were bought by Shanghai Prime Netherlands B.V. The ultimate parent of Shanghai Prime Netherlands B.V. is Shanghai Electric Holding Group Co., Ltd. (formerly known as Shanghai Electric (Group) Corporation). Whenever the term "the company" is used in this report, it refers to Nedfast Holding B.V., Nedschroef and the Nedschroef Group.

The company's first factory in Helmond originally made rivets for the shipbuilding industry but over time the company gradually made the transition to a wide range of products with higher added value in other markets.

Vision and mission

A NEW COMPASS. THE SAME DRIVE FORWARD.

In 2025, Nedschroef redefined its brand identity — sharpening who we are, what we stand for, and where we're headed. Effective January 2026, our new Brand Compass guides how we show up: to customers, partners, and the world.

VISION

We believe real progress and impact happens when everything connects — ideas, industries and people.

MISSION

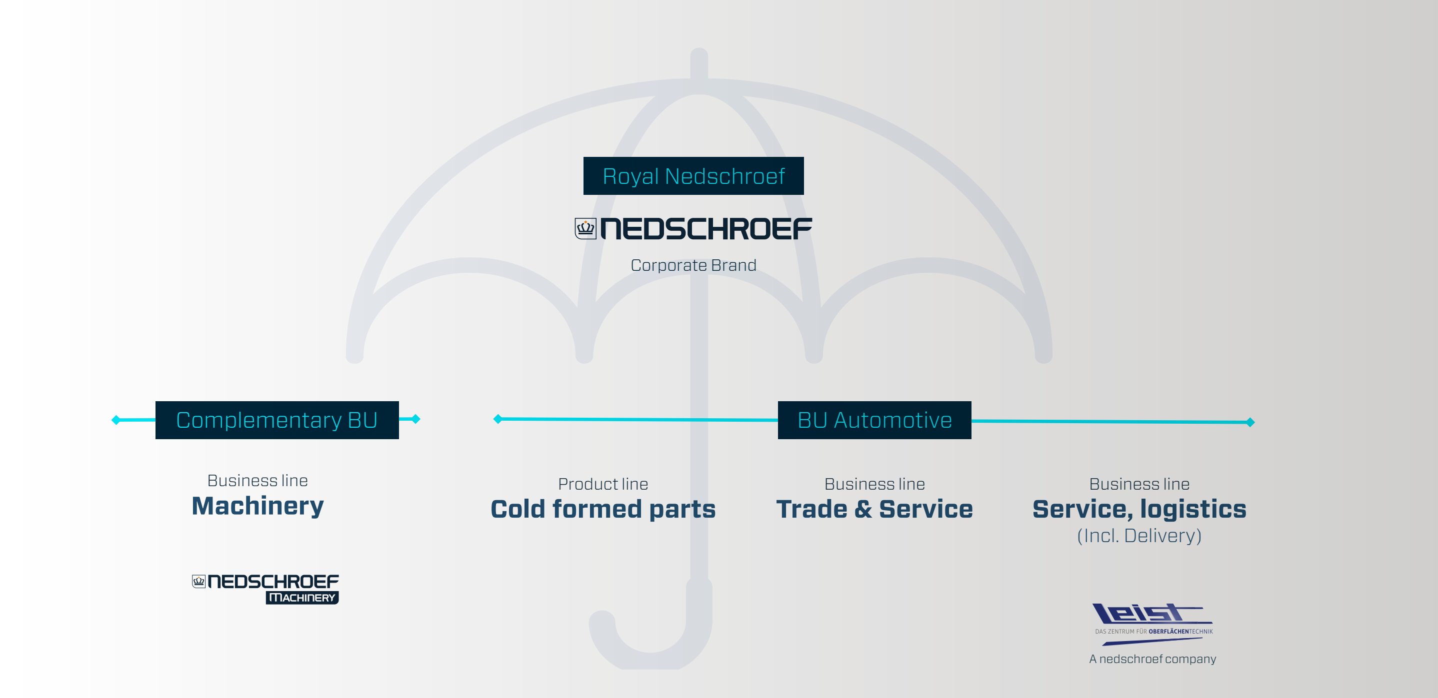
Fastening today's needs. Empowering tomorrow's breakthroughs.

OUR STORY

At Nedschroef, we don't just engineer fasteners — we connect ideas, industries and people, and create impact. From standard fasteners in massive volumes to co-created solutions for the world's most complex challenges, we build what keeps technology — and progress — together.

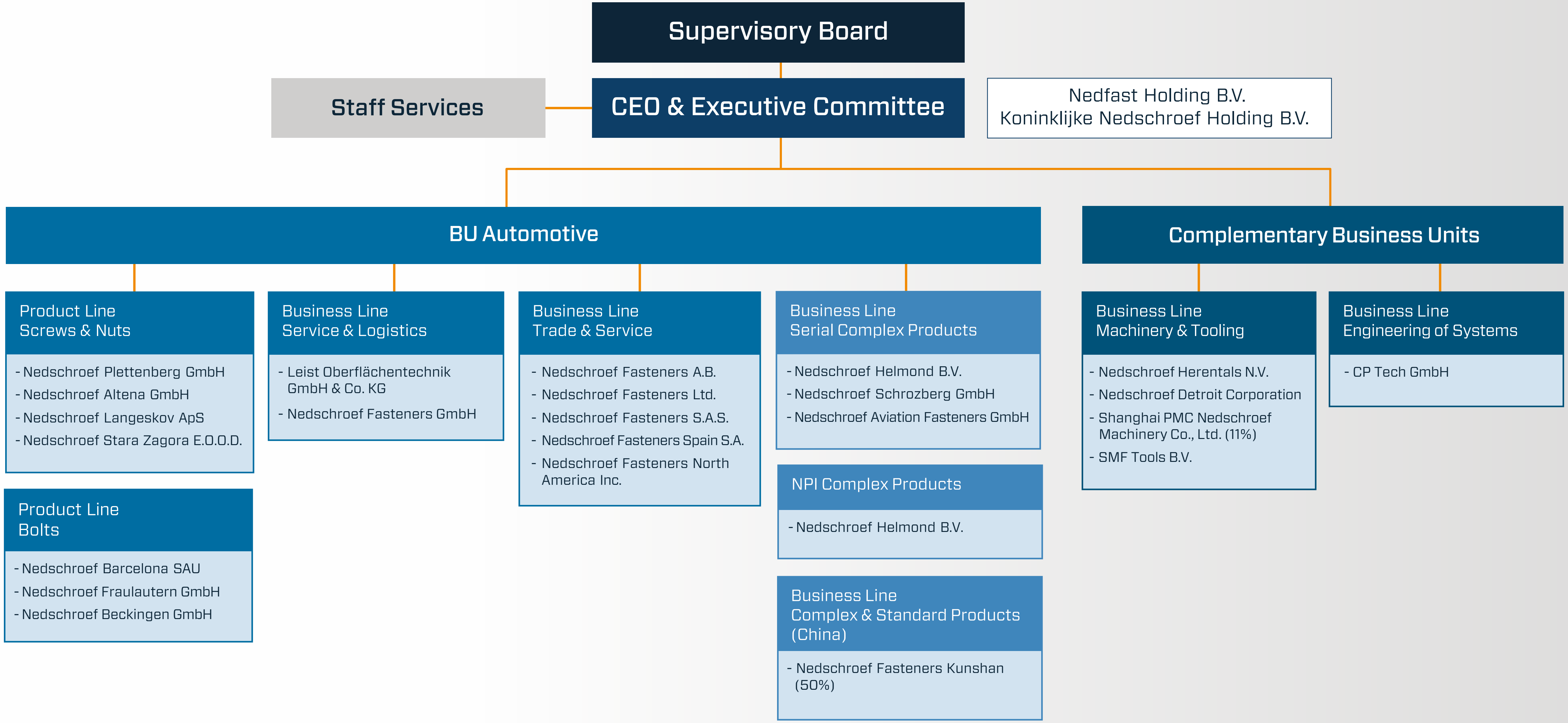
In a world where responsiveness defines competitiveness, speed is our standard. We act fast, decide fast, and deliver fast. Because in our industry, timing is everything.

In a market that often forces a choice between cost-efficiency and innovation, we deliver both. We lead on process in the basics, and on vision in the complex. That dual strength makes us a steady performer and a forward thinker — reliable yet daring.



Rock Solid in what we deliver. Agile and resilient in how we adapt, accelerate and solve. With more than 130 years of experience and a mindset that never stands still, we act as a true Global Citizen — locally committed, globally connected.
We design forward with our customers, not for them. Because we believe progress starts with partnership.
We are Nedschroef — enabling what's next by connecting what matters most.

Group structure 2025



Management - Executive Committee

R.W.A. Janssen, 1976, Dutch
CEO as of 1 November 2024

Member of the Executive Committee

R. van den Dungen, 1972, Dutch
Vice President Sales & Business Development as of 1 november 2024

Member of the Executive Committee since

C. van Lieshout, 1982, Dutch
Chief Financial Officer since 1 july 2025

Member of the Executive Committee

Zonghan Xu, 1976, German
Vice President Greater China, as of since 1 November 2024

Member of the Executive Committee

J. Cleutjens, 1988, Dutch
Vice President HR since 1 november 2024

Member of the Executive Committee

The Executive Committee supports the CEO in governing Nedschroef by providing direct supervision of the company's operational activities, with a focus on transformation, customer engagement and regional operations. This structure enables the CEO to maintain a more sustainable span of control over the organization's diverse operation specific expertise to their roles. There is no representation of employees or other workers in the Executive Committee.

SUPERVISORY BOARD

Mr. H. Zhuang, Chinese
Chairman and member of the Supervisory Board since 28 February 2023

Vice Chairman of the Board of Shanghai Prime Machinery

Dr. P. Pleus, German
Member of the Supervisory Board since 1 January 2020

Former member of the Board of Management & President of Schaeffler Group Automotive

Mr. Ding, Chinese
Member of the Supervisory Board since 23 October 2025

General Manager of Shanghai Prime Machinery

Mr. H. van Everdingen, Dutch
Member of the Supervisory Board since 1 April 2020

Former partner at Catalyst Advisors

Ms. Y. Bao, Chinese
Member of the Supervisory Board since 25 October 2023

Deputy General Manager of Shanghai Prime Machinery

Mr. Y. Chu, Chinese
Member of the Supervisory Board since 1 January 2023

Director Strategic Investments of Shanghai Prime Machinery

Key figures

	2025	2024	2023	2022	2021
Results (in € million)					
Revenues from sales	634.3	643.3	701.2	644.2	595.2
Change in revenues (%)	(1.4)	(8.3)	8.8	8.2	13.5
EBIT (operating result)	(8.1)	(19.4)	12.5	7.5	4.2
Operating cash flow	4.8	(7.9)	6.6	15.3	(24.3)
Property, plant and equipment (in € million)					
Book value	128.5	136.3	129.4	128.5	130.5
Investments	14.7	21.6	13.8	16.8	26.9
Financial position (in € million)					
Working capital[1]	46.9	59.6	59.4	51.9	57.1
Invested capital[2]	289.9	309.1	289.0	282.4	283.7
Total assets	596.2	563.1	538.8	517.4	512.0
Number of employees[3]					
Average on full-time basis	2,408	2,151	2,076	2,028	2,148
Net revenue per employee (x 1,000 €)	263.4	299.1	337.8	317.7	277.1
Ratios (in %)					
Equity / balance sheet total	28.8	33.6	30.0	32.0	31.7
Invested capital[3] / total assets	48.6	54.9	53.6	54.6	55.4
Working capital[2] / total revenues	7.4	9.3	8.5	8.1	9.6

[1] Working capital: current assets minus current liabilities excluding:

- Income tax receivable/payable;
- Cash and cash equivalents/borrowings;
- Derivative financial instruments;
- Interest receivable/payable.

[2] Invested capital: working capital plus property, plant and equipment, Right of Use and intangible assets minus non-current liabilities excluding:

- Deferred income tax;
- Borrowings.

[3] Excluding those of joint ventures and associates

Report of the Executive Committee

Report of the Executive Committee

MAIN DEVELOPMENTS IN 2025

Nedschroef's revenue for 2025 amounted to € 634.3 million, representing a decrease of -1.4% compared to 2024. This sales drop was mainly a result of a strong decline in complementary business line beside overall the automotive market.

The volatility of the order book per part number and the overall order book that was dropping during the lead time of ordering steel and producing parts led to structurally high costs to achieve a service level in line with the expectations of our customers. Driving the service level based on unpredictable customer order books led to a huge negative Trade Working Capital (TWC), when volumes were taken out of the call-offs after parts were launched. Also, fixed cost levels were not adjusted in a timely fashion, which was negatively impacting the result.

Nedschroef has undertaken several initiatives to improve its response to these demand fluctuations going forward (e.g. a further intensified sales and operations planning (S&OP) process) and plans to shorten the lead time of all its product groups in the future. The main driver is to predict the volume per part number that the customer needs. Nedschroef has implemented a new world class AI forecasting tool which supports the forecast reliability. This will lead to predictable service levels, which will stabilize and improve the TWC and P&L impact going forward. Next steps are made in the fundament of this huge transformation by developing the central organization that steers this across all lines and plants.

BU Machinery & Tooling further improved and optimized its internal processes, i.e. giving more control and insights, leading to better results. Shorter building and lead times including standardization resulted in improved cost effectiveness. In 2025, BU Machinery & Tooling further developed its joint venture strategy (together with Nedschroef's shareholder, Shanghai Prime Machinery Company Limited (PMC)), giving the BU access to a more competitive supply chain, and the opportunity to be more cost effective for many of their models. Beside this concept was developed for standard machines as a next step of the JV, that will be launched in 2026 BU Machinery & Tooling had a lower order intake, due to customers postponing their investments but increased the number of complex machines that are jointly developed with the customers .

Business Line Engineering of Systems had a sales drop in Q4 mainly by postponement of SOP of new projects while the order intake still looks strong.
Nedschroef continued with several strategic investments in preparation for the future. The production facility in Bulgaria made the next step in their growth with production of standard screws and nuts, and this is the clear focus going forward, covering the process steps until coating in the future. During 2025, Nedschroef reallocated part of its production to the new production plant in Spain for bolts
With the current production facility in Barcelona unable to undergo further expansion, a new facility was set up in Tarragona, focusing on the standard bolts, the process steps until coating.

Through the acquisition of company Leist during Q4-2024, Nedschroef created the base to centralize the process steps after coating at a second location besides the current set-up at Plettenberg. The second location is in Bad Hersfeld in Germany and is operational as of the beginning of 2026. Reducing the dispatch locations in the future to two locations will be the main driver to further centralize the organization and to develop the best-in-class service level for our customers in combination with the new S&OP process.
Nedschroef continued with the implementation of a new enterprise resource planning (ERP) platform. This will not only harmonize all the processes within the Group but also bring all Nedschroef entities onto the same logistics platform. The implementation started in the new facilities in 2024.

In December 2025 Nedschroef successfully refinanced the company with a new loan facility, giving additional room to invest in the strategic projects going forward. In summary, Nedschroef saw its operating results in 2025 improving compared to 2024 because of managing overall cost . The reported EBITDA (containing one-off costs incurred for the realization of the strategic projects) increased by € 14.7 million, leading to a net loss of € -20.7 million.

CP Tech (Business Line Engineering of Systems) is pursuing growth both on a product and industry level. Aviation as an industry will be penetrated further, both for diversification purposes and to build on the already available resources and expertise at CP Tech. Important milestones were reached with numerous hot leads and further business wins in 2025.

As per 31.01.2026 Nedschroef disposed her equity interest in CP Holding GmbH to Shanghai Prime (HK) Investment Management Company Limited. The associated assets and liabilities were consequently presented as held for sale in the 2025 financial statements and measured at the lower of its carrying amount and fair value less costs to sell.

STRATEGY

In 2025, in close cooperation with its shareholder, Nedschroef formulated strategic targets for the year 2025 and beyond. Nedschroef believes that the strategic course set for the coming years will help to seize opportunities, overcome challenges, and ultimately ensure profitable long-term growth. In order to make the strategy work, management has formulated strategic initiatives and a clear roadmap to track the progress. These initiatives can be divided into the following two categories:

1. **PROFITABLE GROWTH INITIATIVES**
2. **BEST COST AND BEST PROCESS INITIATIVES**

In 2025, Nedschroef accelerated the implementation of its existing initiatives and strategy in general. Various shifts in emphasis and tightening of existing plans have already taken place, especially with respect to achieving 'best cost' and 'best process' to ensure that the vast majority of the core business remains competitive for the years to come. Together with an innovation roadmap and by using a strategy implementation scheme, the initiatives of these pillars will facilitate sustainable growth by delivering smarter connections. Below, some plans are described per pillar.

1. PROFITABLE GROWTH INITIATIVES

Nedschroef offers a broad range of services, fasteners and advanced cold-forged parts to meet the needs of automotive customers for application engineering services and high value add logistics solutions. Growth will also be driven by Nedschroef's other Business Lines: Machinery & Tooling and Engineering of Systems (CP Tech).

1.1 Diversification of product portfolio and customers for fastening solutions

The product portfolio of Nedschroef's BU Automotive, the largest BU in terms of revenue, includes standard fasteners, multi-functional fasteners, other parts which primarily require cold forging for forming, and assembled parts. Finally, Nedschroef also offers a broad scope of complementary parts through its supplier network.

The portfolio ensures a broad product range offering to automotive customers. Most products sold by Nedschroef are fasteners. Nedschroef owns production plants in Europe and China where these parts are produced and simultaneously acts as a trader through its trading entities and departments in Europe, the US and China. However, the majority of sales are still generated through its own production. In order to extend its leading position in the fastening solutions market, Nedschroef will diversify its product portfolio by focusing more on the production of higher value-added parts. Nedschroef actively tracks developments in the market for new requirements and/or new parts emerging through the adoption of new systems and components by customers.

Growth in Machinery & Tooling is driven by intensified customer collaboration and extending customer proximity throughout currently untapped markets. During 2025, further developments of unique machines for complex parts were jointly done with several customers.

The Joint Venture in China targets markets in which machines require less technological advancement and add-ons seen in the existing customer base.
This JV will allow BU Machinery & Tooling to target this market segment with high quality machines at more competitive prices.

The Nedschroef organization is in the middle of a transformation to accommodate this change in product portfolio mix and value offered. Examples are the increased focus on market intelligence, improved speed and quality of capability development and project management.
In 2025, Nedschroef further developed its business for advanced cold-forged parts at various renowned Tier 1 and OEM customers. Several target segments have witnessed further market penetration through new business wins. Moreover, some milestone projects have entered series production and ramp-up, proving that Nedschroef is capable of successfully bringing these higher-value added parts to the market.

1.2 Significant business presence in the domain of E-mobility

Nedschroef has identified a product portfolio relevant for new mobility applications on which it will focus for its growth in the upcoming years. Nedschroef won multiple projects for Seating applications and the EV-powertrain. This proves that Nedschroef is able to meet the changing demands of existing and new customers alike.
Furthermore, additional product market segments for profitable growth have been identified in the past year for which critical milestones in capability development have been reached.

1.3 Global presence

Nedschroef is a global player at both group level and business unit level. The main markets and production footprints are located in Europe. In China, there is an established fastening solutions footprint as well as service presence from various business units. Finally, logistical fastening solutions services are in place in the US as well as services for the Machinery & Tooling. Nedschroef aims to further expand in China and the US.

Given the developments in various market segments, China offers excellent expansion opportunities for Nedschroef, thanks to the existing local manufacturing base, and through the companies in its shareholder’s network and knowledge about the country’s culture. Nedschroef is proud to share that in 2025 CoC* Kunshan again won numerous orders – for both standard fasteners and advanced parts – and is set to meet its ambitious sales growth target for 2026. CoC Kunshan has seen strong sales growth, and the turnover achieved in China is now becoming a substantial proportion of global sales.

For the US, Nedschroef needs to expand its current footprint with manufacturing competencies to provide global coverage for certain product groups that its customers apply worldwide.

1.4 Growth outside automotive fasteners

Although the forecast for light vehicles production shows slight growth globally, it is evident that Nedschroef’s goal to diversify its share of wallet across markets is the correct path to follow. Besides increasing cross-selling efforts from automotive to other industries, Nedschroef is widely known as a significant player in the cold-forging machinery market. In 2024, a catalogue has been introduced with parts which can be cross sold from automotive to other industries. In addition, both Machinery & Tooling and CP Tech have won numerous projects related to non-automotive markets.

** CoC stands for Center of Competence, a production facility of Nedschroef.*

2. BEST COST AND BEST PROCESS INITIATIVES

In order to optimize its financial position and increase its competitiveness, Nedschroef has identified multiple initiatives and taken action to increase profitability and improve the cash position in the years to come. In 2025, Nedschroef has continued to scale its presence in Bulgaria and Spain. The relocating of parts and specialization in these factories are testimonies to the aforementioned ambition. Furthermore, Nedschroef has continued to implement its centralization agenda. In 2024 and 2025, some functions were centralized for multiple plants/entities, including HR, Engineering and others, thereby reducing costs. More centralization of functions/processes will follow in the coming years. The strategic initiatives add to the ongoing operational actions that Nedschroef undertakes, such as the make-or-buy process where Nedschroef evaluates whether it is best to source a (semi) finished part or produce it within its own plants, as well as the ongoing challenge of minimizing inflationary impacts on the cost side. Finally, new milestones in the standardization of IT systems and other processes have been achieved to increase economies of scope. Over the years, Nedschroef has grown in part due to acquisitions and, in order to increase operational efficiency and economies of scope, implementing its standardization agenda has become vitally important to Nedschroef.

2.1 Manufacturing excellence

Nedschroef has a long history of using state-of-the art equipment and production processes to ensure optimal efficiency and quality for its customers. An increasing number of industry 4.0 practices have been adopted. These practices include automation through the use of robotics, predictive maintenance, and innovative simulation tools. Nedschroef has been pushing the boundaries of the cold forging of tightly toleranced, advanced parts. The experience gained in recent years has resulted in even greater cold-forging expertise and the institutionalization of professional processes to successfully engage with customers in projects of high complexity.

For its trading activities, Nedschroef maintains strict processes to ensure supplier part efficiency and the highest quality levels.

2.2 Digitalization

In recent years, Nedschroef has made great progress in digitalizing its business processes. Sales processes are running in the Dream Factory, the digitalization of the quotation and calculation process, while business processes will become more efficient with the implementation of ‘CROWN’, the realization of one way of working in the Enterprise Resource Planning (ERP) processes. In coming years Nedschroef will continue the development of the digitalization processes. More entities will adopt CROWN, which stands for Continuous Refinement Operations Worldwide at Nedschroef. and in doing so increase its efficiency whilst taking an innovative position in the supply chain.

Moreover, Machinery & Tooling and CP Tech have formulated and continued their implementation of various digital services such as a digital twin and SetupWizzard respectively. These offerings will enhance customers’ insights into operations and efficiency.

2.3 Sustainability

Nedschroef is fully aware of its responsibility to society and its stakeholders when it comes to reducing carbon emissions and providing a safe working environment with opportunities for all. Initiatives across the organization, from production to human resources (HR), are in place to further soften the impact on the environment and its stakeholders. Additionally, Nedschroef has taken note of the carbon neutrality goals announced by customers. Plants will gradually switch to green electricity to power operations (Scope 1 and 2). In 2022, Scope 3 emissions goals were formulated and will be actively worked on in the upcoming years. Other sustainability targets, such as water withdrawal intensity, are also monitored to improve our performance. Nedschroef’s Sustainability Report offers more details about Nedschroef’s sustainability efforts.

2.4 People
People are the key resources at Nedschroef. In accordance with the strategic goals, there will be an increasing focus on optimally deploying the capabilities and qualities of Nedschroef's employees to facilitate the diversification of the fastening solutions product portfolio, global presence, process centralization and digitalization. Nedschroef has introduced new corporate values aligned with our strategy.

2.5 Innovation roadmap
Besides the pillars as described in paragraph 2.1 to 2.4, initiatives for the long-term development of innovative products, services and processes have been defined and set in motion. The innovation roadmap also relates to the pillars mentioned above but takes a more long-term perspective. Initiatives derived from the innovation roadmap, such as the formability of special alloyed steel and other materials, will help provide Nedschroef with more market diversification options, strengthen value propositions, improve competitiveness, and therefore cement the sustainability of Nedschroef's revenue model beyond 2025. A testimony to Nedschroef's innovation is the unique breakthroughs achieved in ultra-high tensile strength materials, in which the market is showing great interest.

2.6 Strategy implementation and agility
Nedschroef is committed to the strategy and periodically monitors the progress and status of the strategy through relevant key performance indicators (KPIs) combined with concrete actions. This is done to ensure the timely detection of potential gaps in performance and/or resources, through which priority setting and organizational focus can be optimized. At the same time, the world around us is constantly evolving and requires agility. The Strategy 2025 is therefore subject to an annual review.

We are reliable by nature and trusted by engineers with the highest demands.

We think ahead, act early, and create what's next. Before others see it coming.

Global minded. Locally committed. We connect across cultures, markets and technologies – wherever progress calls.

Financial performance

REVENUES AND PROFITABILITY

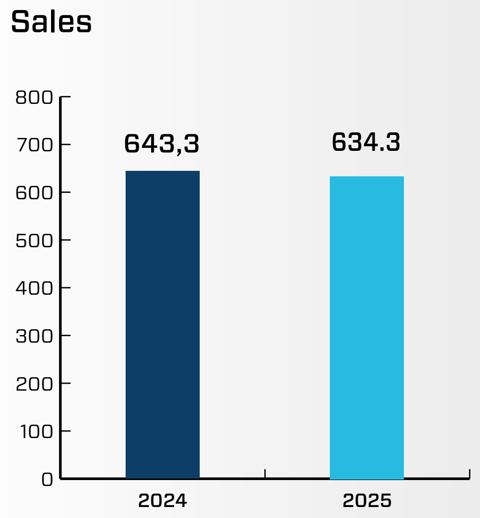
Due to the decrease in sales volumes, Nedschroef's total revenues declined by 1.4%, from € 643.3 million in 2024 to € 634.3 million in 2025. The change in work in progress amounted to a positive € 2.9 million, compared to € 4.4 million in 2024, mainly driven by significant project activity within the Machinery business unit.

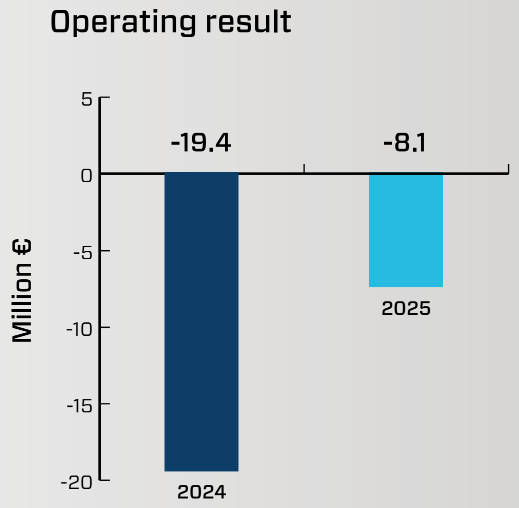
Nedschroef's operating loss improved from € 19.4 million in 2024 to € 8.1 million in 2025. The negative impact of lower sales volumes was offset by the more favourable change in working capital, as well as by the positive effect of the acquisition of Leist, finalized in 2024, which contributed to a significant reduction in outsourced work costs.
Nedschroef's net result improved to a loss of € 20.7 million in 2025, compared to € 28.5 million in 2024. This improvement was primarily driven by the better operating performance, partly offset by a net tax charge of € 1.2 million (versus a tax benefit of € 4.0 million in 2024).

Similar to 2024, Nedschroef continued to invest significantly in strategic projects aimed at safeguarding the longterm future of the company:

1. Startup losses of new plants in bestcost regions
   a. Product line Bolts (Tarragona, Spain): € 3.8 million
   b. Product line Screws and Nuts (Stara Zagora, Bulgaria): € 5.0 million
2 Restructuring costs
   a. Closure of the tooling factory SMF in Helmond: € 1.5 million
   b. Additional restructuring of overhead and indirect positions: € 3.0 million

Excluding these costs, Nedschroef's net result would have amounted to a loss of € 7.4 million. In 2026, the company will continue to invest in optimizing the organization to enable profitable growth in the years ahead.





INVESTMENTS, FINANCING AND CASH FLOW

Investments in property, plant and equipment totaled € 14.7 million in 2025, a decrease of € 4.9 million compared to 2024 (€ 19.6 million).

Operating cash flow amounted to € 4.8 million in 2025, compared to € -7.9 million in 2024. The improvement was mainly driven by the reduction of trade working capital during 2025, in addition to the improved profitability of the year.

Nedschroef ended the year with total cash and cash equivalents of € 23.3 million, compared to € 9.8 million at year end 2024.

SOLVENCY

In December 2025 Nedschroef closed a new loan facility at the Bank of Communications of € 111.7 million and at the Everbright Bank of € 40 million. These facilities are partly guaranteed by Nedschroef's Chinese parent and covenant-free and mature in three years. The CEXIM loan was repaid in December 2025.

World-Class manufacturing

World-Class manufacturing at Nedschroef refers to the practice of consistently achieving optimal performance in the manufacturing process through the application of best practices, efficient resource utilization, and continuous improvement. It involves the pursuit of high standards in all aspects of production to ensure safety, quality, efficiency, competitiveness and team development.

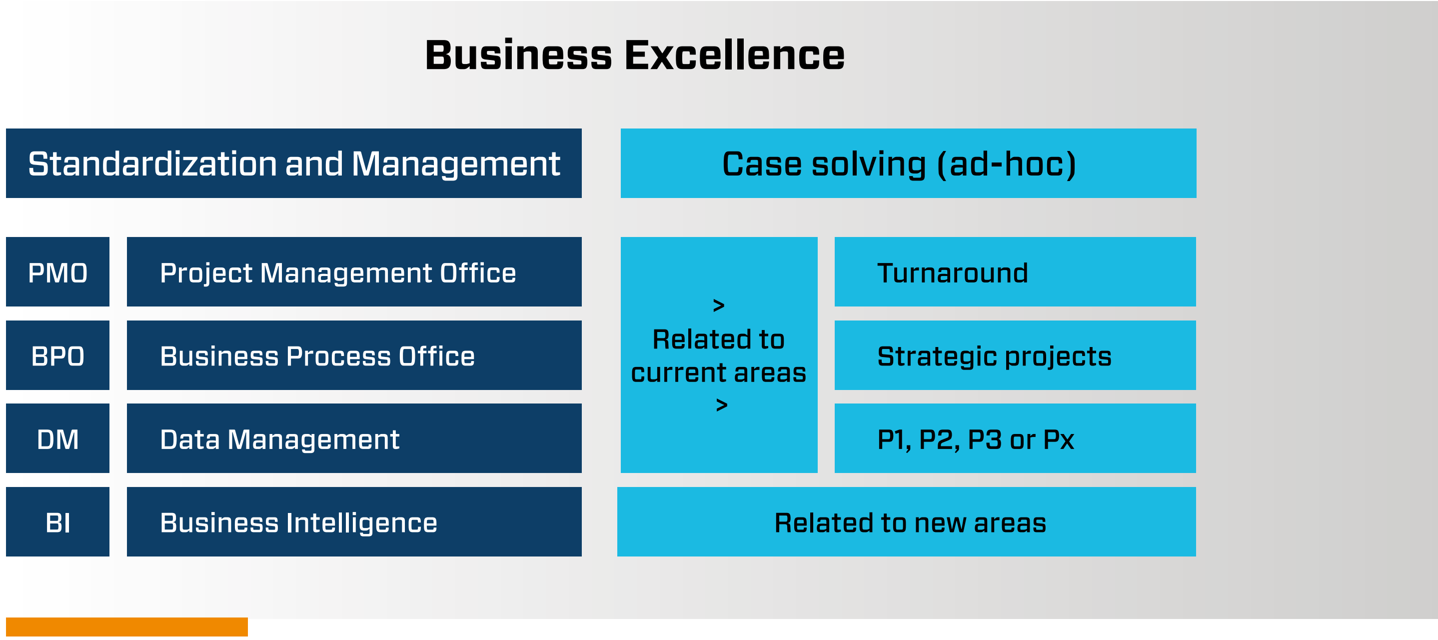
Key elements of World-Class manufacturing at Nedschroef include:

1. **Safety:** Ensuring a safe working environment for all employees by adhering to health and safety regulations and preventing workplace accidents.
2. **Quality Control:** Consistently producing high-quality products that meet or exceed customer expectations. This includes minimizing defects, errors, or deviations during the production process.
3. **Process Optimization:** Continuously improving manufacturing processes to increase efficiency, reduce waste, and lower costs. This involves the use of lean manufacturing techniques, automation, and data analysis to enhance productivity.
4. **Employee Engagement:** Fostering a culture of collaboration and involvement where employees at all levels are empowered to contribute ideas for improving processes, solving problems, and enhancing performance.
5. **Innovation:** Constantly seeking new technologies, methods, and tools that can improve the manufacturing process, either through new materials, advanced machinery, or innovative production methods.
6. **Sustainability:** Minimizing the environmental impact of manufacturing processes, which includes reducing energy consumption, waste, and emissions, and utilizing sustainable materials.
7. **Customer Focus:** Aligning production goals with customer needs, ensuring that products are delivered on time, at the right price, and meet the desired specifications.

Nedschroef strongly believes that its persistent focus on “World-Class manufacturing” is one of the cornerstones of its strategic growth plan, which creates value for itself, customers, and shareholders. Key strategic projects and initiatives are initiated and involve people from various departments and levels throughout the organization.

WORLD-CLASS MANUFACTURING AND BUSINESS EXCELLENCE

From a turnover perspective, parts are what drives our business. If there are no parts to sell, there is no Nedschroef. To sell parts in a profitable way, Nedschroef needs to ensure that it works effectively and efficiently at all levels in the organization.



The main objective is to sell and deliver both current and future parts to our existing and future customers in present and future markets, while meeting legal and customer requirements.

With manufacturing being the core of the above, and Continuous Improvement driving the optimization in this area, the organization and processes outside of the actual manufacturing area play an important role as well.

In the new organization setup, effective per 1 November 2024, 3 key elements are identified to fuel the transition model, which are: people, process and data. This leads to the main goal of 'Business Excellence' which is: to identify and optimize (or eliminate) non-value-adding or inefficient activities by providing transparency on the company's processes and data, leading the change.

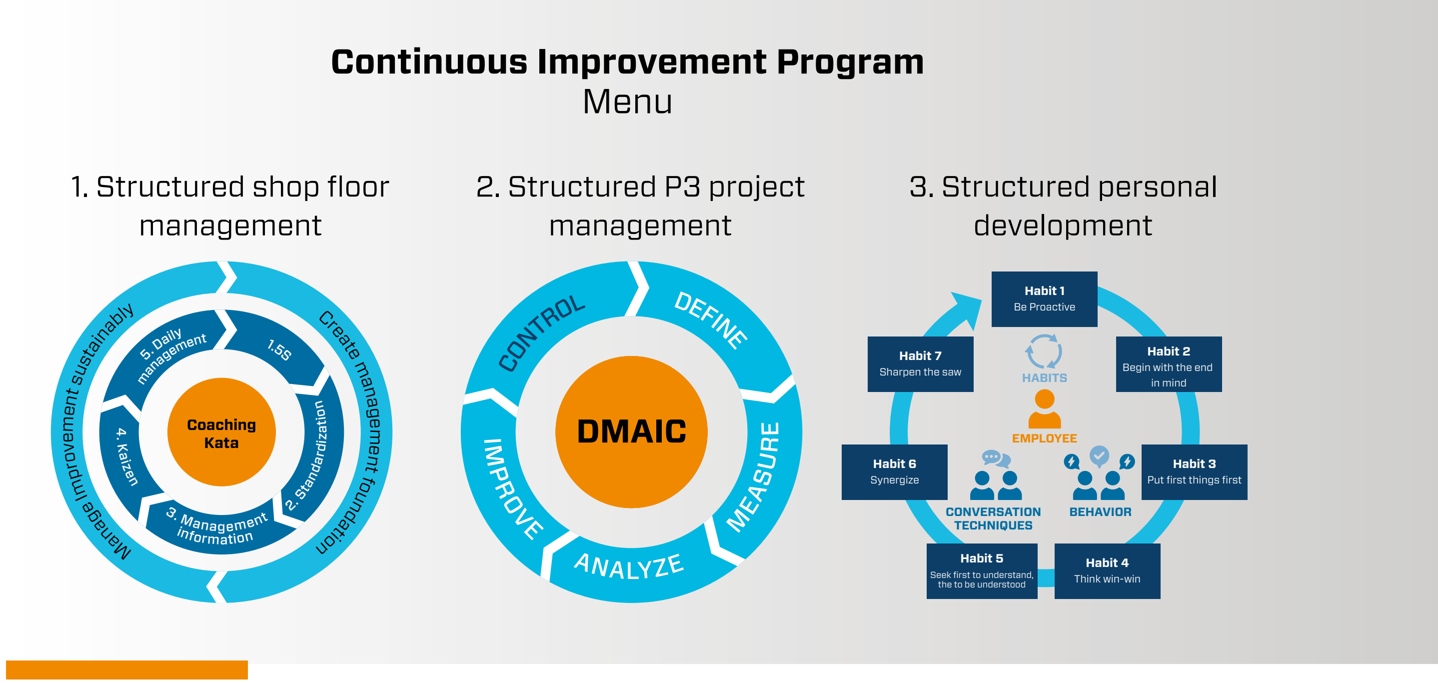
Business Excellence will set up a structured approach for project management, process management, data management and business intelligence prioritization. Besides setting up this structured approach, Business Excellence will actively engage in solving cases. Cases can be related to the topics 'Turnaround', 'Strategic projects', 'P1, P2, P3 or Px processes*' or in the future 'new areas'. By solving the cases (short term, quickly) the organization will benefit in the short term because cases will be prioritized on impact and added value.

* *These are our core processes:*
P1: from customer request or product development to offering;
P2: from customer order to customer approval;
P3: from handover to serial production to product end-of-life cycle;
PX: all supporting functions (such as for example HR, IT, Sales, Procurement, etc.).

WORLD-CLASS MANUFACTURING AND CONTINUOUS IMPROVEMENT

In line with the CI Strategy House 2027 which was developed and published in 2023, several employees received Lean Six Sigma Green Belt training in 2025 and the majority of them decided to continue with a DMAIC-project to become a certified Lean Six Sigma Green Belt.

In 2024 the CI organization, strategy house and learning & development program has been updated, to match the current organizational structure and way forward. The main focus is to further optimize the continuous improvement organization into one that embraces a culture of ongoing learning, innovation, and problem-solving, where every member of the organization is actively involved in improving processes, products, and services.



The top 3 focus points for the CI organization are:

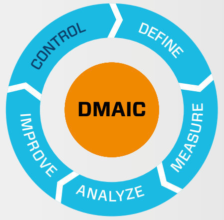
1. 1.Structured shop floor management to ensure incremental improvements, making use of the NMDS (Nedschroef Management Development System) systematic approach
2. Structured DMAIC (Define, Measure, Analyze, Improve, Control) cycles to systematically improve (serial) processes, aiming for sustainable growth and efficiency over time.
3. Structured personal and interpersonal relationship building, based on the 7 Habits (by Steven R. Covey), giving content to our LEAP Nedschroef values to further improve collaborations within and across Nedschroef teams.

The top 3 focus points

1. Structured shop floor management

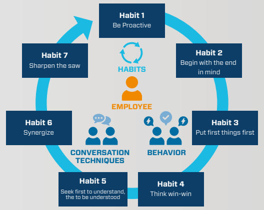
- Implementing 5 routines/kata's and creating the basic CI culture
- In LEAN this is called white & yellow belt
- KPI's: amount of people trained, improvement activities realized, assessment score.

2. Structured P3 project management



- Systematic approach to reduce waste, solve medium/big problems to achieve process stability
- In LEAN this is called green & black belt
- KPI's: amount of people trained & improvement projects realized.

3. Structured personal development



- Principles of effective personal and interpersonal behavior
- Given content to our corporate L.E.A.P. values
- KPI's: amount of people trained & assessment score.

Research and development

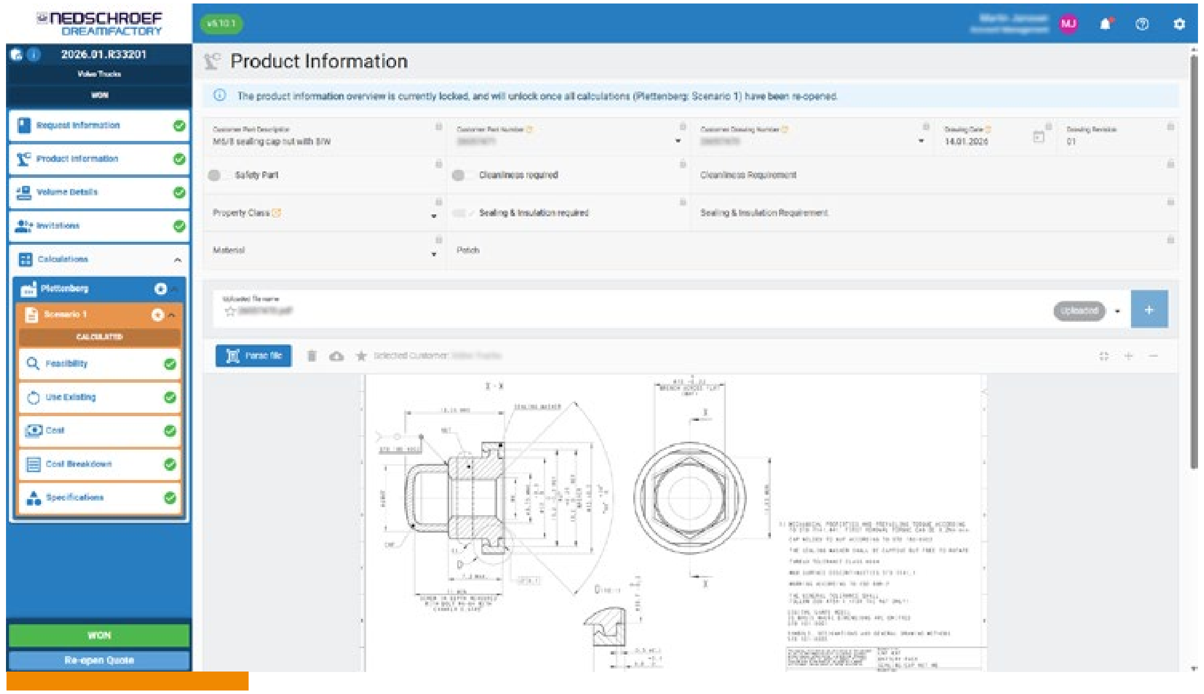
Connected to its product strategy, and more specifically to the cold forged parts of this strategy, Nedschroef is increasingly capable of forming and assembling products using more than one production technique. To achieve growth in this area, Nedschroef has built up the required machine and assembly equipment and developed all the related know-how.

Over the past year, the CoCs have further developed the required skills based on the clear product line allocation redefined in 2025. The new function of Product Management has created clear product roadmaps for the most important product clusters. Within Research and Development (R&D) an integration of Business Development, and Central Engineering was executed. Research and Development (R&D) is partially transferring Innoform activities to the involved CoCs. The development focus was copper parts to gear up with electrification of car vehicles.

R&D is also supporting Nedschroef's digital agenda by establishing a strong foundation for technical master data management. In parallel, the Techno Centre plays a leading role in various standardization projects, and the replacement of many local software solutions by group wide standards. For operational data pilots started to realize a companywide MES system. In a step-by-step approach 4 Proof of Concepts are running in a advanced assembly environment.

The project on automatic tooling design is being continued for "free shaped products" This forging tooling generator will be tested within R&D for automatic stage plan generation has been created. This will ultimately enable a fully automatic process from customer input to tool design.

Another digital advantage comes from "the Dream Factory", a digitalized quotation system. R&D is driving DreamFactory for complex parts. This system is used for business intelligence purposes on a global level across all the CoCs. Based on algorithms, the RFQ customer data is analyzed and transferred into new business potential, whereby ground rules define the kick-off for new product development projects. In 2025, for example, Nedschroef reviewed unreleased offers as input to explore new R&D projects for Nedschroef product roadmaps.



Nedschroef Techno Centre – Driving Intelligent Cold Forming

The Research Centre of Machinery & Tooling is developing the next generation of cold-forming machines, in which servo technology partially or fully replaces conventional mechanical drive systems. This transition enables precise control of stroke, speed, and position, resulting in improved repeatability, flexibility, and energy efficiency. In combination with integrated sensor technology, this creates a data-driven machine platform that excels in stability, product quality, and uptime.

Our innovation agenda extends beyond servo-driven systems. By integrating high-speed camera technology, the forming process can be analysed at extremely high frame rates. Critical moments in production become visible and measurable, enabling early detection of deviations and structural process optimization. This significantly strengthens quality assurance and shortens the learning curve when introducing new applications.

In addition, we have further developed our Fly-Over Punch technology (FOP). This solution optimizes product transfer between stations through advanced finger-circle mechanisms, allowing components to be moved faster, more precisely, and with reduced mechanical stress. The result is higher output speeds and improved overall process reliability, particularly in high-volume production environments.

We continue to invest in digitalization and process control. The enhanced Human Machine Interface (HMI) provides operators with real-time insight into machine conditions and performance indicators. By combining intelligent monitoring with the structured registration of events such as tool changes or tool wear, sensor data can be more accurately correlated with actual process events. This forms a solid foundation for the further development of condition-based maintenance strategies.

As part of a pilot project, a conventional forging machine has been equipped with additional instrumentation to enable predictive and condition-based maintenance. By combining advanced data analysis with operator input, we reduce unplanned downtime and production

losses while improving maintenance predictability.

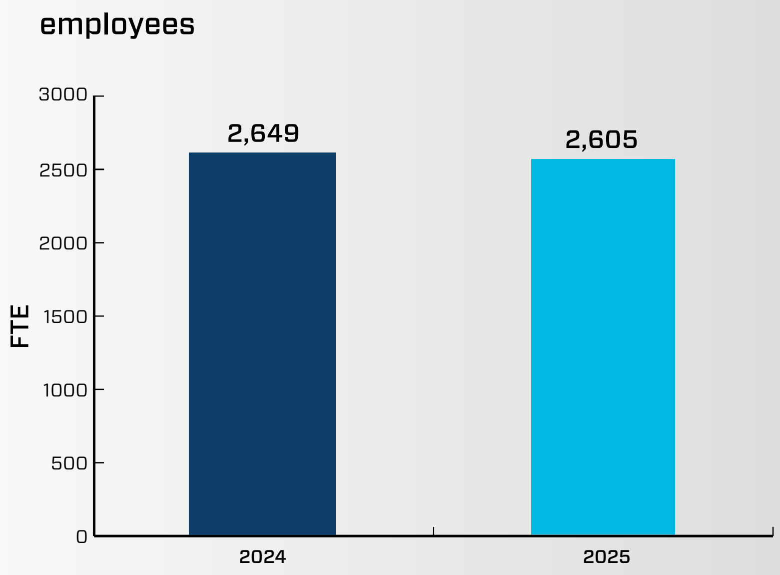
Looking ahead, the Research Center is actively exploring the integration of Artificial Intelligence within our machine platforms. By combining machine data, process knowledge, and advanced learning algorithem, we aim to move toward self-optimizing systems capable of continuously improving performance, anticipating deviations, and supporting operators with intelligent decision guidance. This vision of truly adaptive, data-driven forming technology represents a natural next step in our innovation roadmap. Further developments in this area will be shared in future Annual Reports.

Beyond product and technology development, the Nedschroef Techno Centre plays a central role in distributing technical expertise throughout the Nedschroef Group. Through Expert Groups focusing on cold forming, materials, coatings, and application engineering, knowledge is actively shared between the Centers of Competence, and insights from external research initiatives are translated into practical applications.

Through the Nedschroef Academy, this expertise is further transferred to both Nedschroef engineers and engineers from our customers, reinforcing our position as a technology and knowledge partner within the global fastener industry.

Organization and employees

HR's mission is to attract, engage, develop and retain competent employees and to provide them with an inclusive and inspiring work environment that motivates and encourages them to make Nedschroef's vision their own. To do this, Nedschroef wants to offer the best possible employee journey for its employees. As a global company, Nedschroef recognizes the value of diversity, inclusion and equal opportunity, whilst encouraging a culture of open and transparent communication. Nedschroef employed 2,605 full-time equivalents (FTE's) at the end of 2025 (2024: 2,649 FTE's). Nedschroef is scaling up employees in our facilities in Stara Zagora (BG), Bad Hersfeld (Germany) and Tarragona (ES) but also needed to let go employees as a result of the transformation and centralization.



An important part of our transformation journey are our core values. These values define how we work together by guiding the behaviors we need to successfully drive our transformation This is reflected in our 'LEAP' values:

- Leadership and Initiative
- Effective Inclusion
- Adaptability & Resilience
- Planning & Execution

The values are a crucial part of our performance management processes.

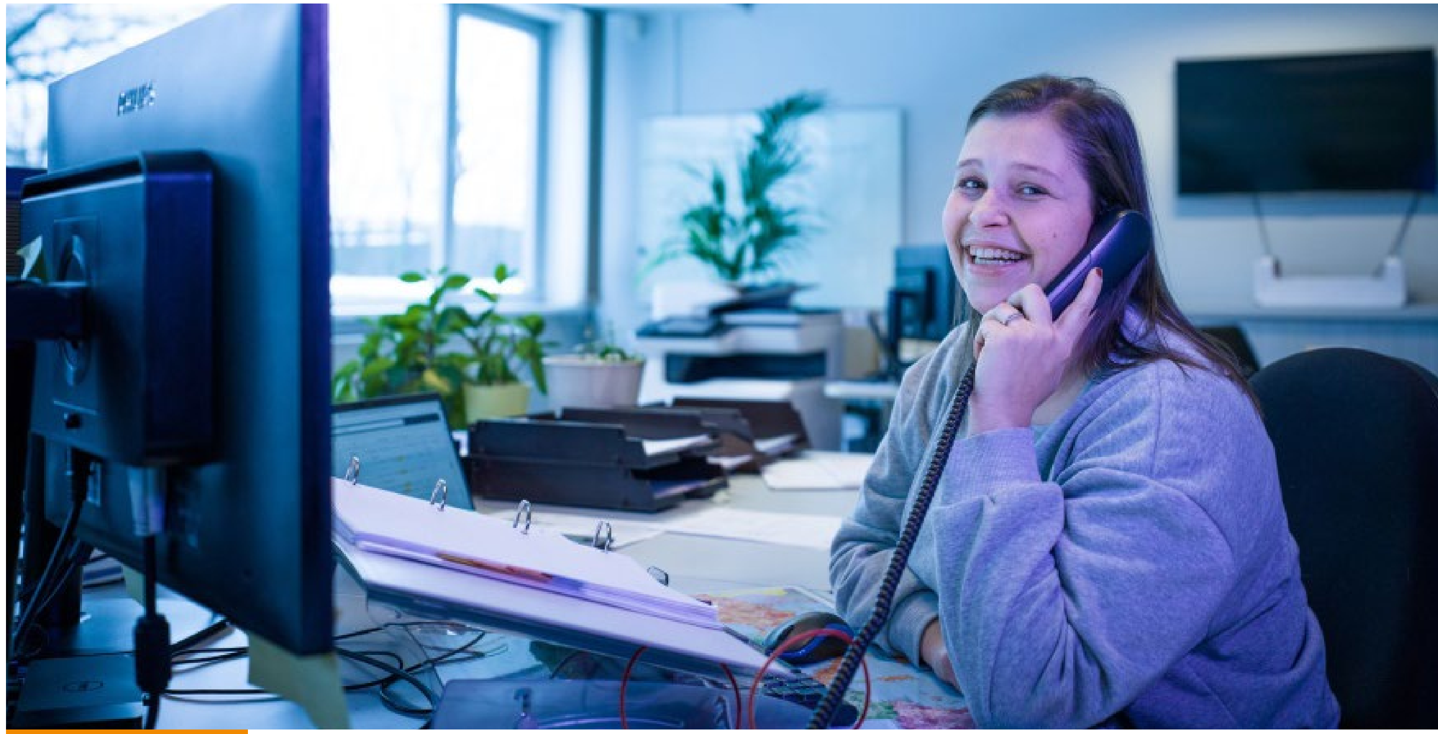
Standardization, digitalization and harmonization of HR processes is key to preparing Nedschroef for further growth, at both a local and central level. During 2025, existing HR initiatives were further improved, and new initiatives were started to continue improving the global HR processes through our global HR system. This system covers several core processes such as performance management, recruitment and onboarding, and learning. Next to this, it provides people related data which supports our leadership with data driven decision making.

During 2025, a new leadership structure was further sharpened to create more focus on the transformation of the BU Automotive and specific Product and Business Lines. Nedschroef also continued to execute its common ground program. This program focuses on the standardization and centralization of its supporting functions and is aimed at improving the quality and efficiency of these functions.

In the area of development, Nedschroef Academy is continuously improving in order to offer training modules that reflect the needs of the Nedschroef organization.
These training modules are offered in classroom training courses and e-learning modules.

Furthermore, Nedschroef regularly offers online compliance training courses, some of which are embedded in the onboarding program for new employees.
With respect to the more technical subjects, in close cooperation with Engineering (mainly focused on production processes), Nedschroef's R&D specialists are training Nedschroef employees on the latest developments in the cold forging technique, which is a key competence.

Nedschroef strives for more diversity within the company. Diversity comes in many forms like cultural background, age, religion, race and ethnicity, etc. Nedschroef strives for gender equality across the company. One of the goals is to have a more balanced ratio between men and women. In 2025, 19.7% of the total employees are female employees. Looking at the top management, 13% of top management are female employees (top management is defined as Executive Committee and Directors reporting to them). In the Supervisory Board consisting of 6 members, one member is female. Nedschroef is committed to bring the percentage of female employees in top management to 20% by 2027. This by creating an inclusive environment, data visibility on gender balance for management and HR and focus on transparency and diversity within our recruitment process. By means of applying an external salary benchmark, leadership commitment and by improving our health and wellbeing policies, Nedschroef wants to achieve equal pay for men and women. This should help increase the number of females that are stimulated and encouraged to take (senior) leadership positions within Nedschroef.
By creating an environment and working conditions where all people feel valued, the diversity should improve including the number of female employees.



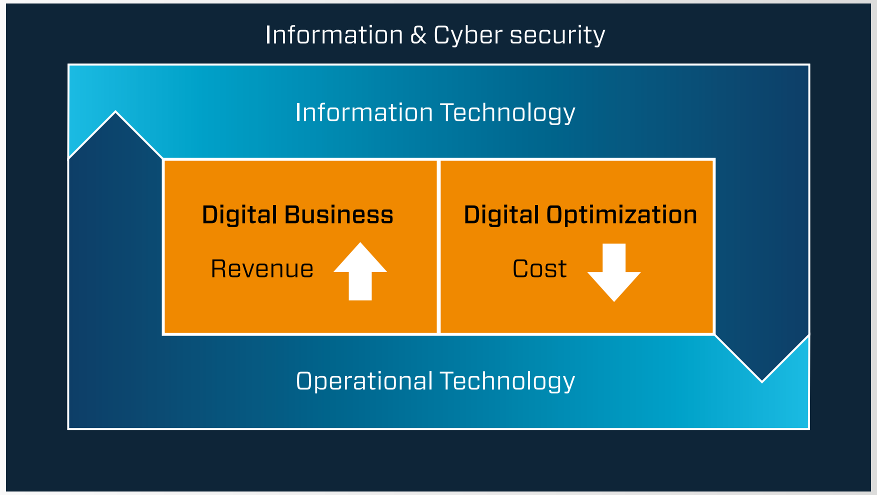
In 2025, the Executive Committee has taken the next step in strengthening the relationship with our European and Central Works Councils, devoting specific attention to our transformation journey.

Digitalization, information & technology

Digitalization is about business outcomes. At Nedschroef, this means digital optimization, reducing overall costs by changing processes and applying technology. Digital optimization is strongly related to the common ground strategy of Nedschroef. However, digitalization is not only about cost reduction. The updated Nedschroef strategy also states that 1% of its sales needs to come from digital business. Digital business therefore has a different focus, i.e. creating or increasing revenues.

Digitalization is enabled by Information and Operational technology. These previously separated technology domains become increasingly integrated as Industry 4.0 initiatives emerge. To manage the risks associated with digitalization and ensure compliance with all applicable laws, norms and customer requirements, information and cybersecurity are managed holistically.

To improve the outcome of digital business, Nedschroef has moved the digital business organization closer to the operational business, resulting in a direct reporting line to BU Engineering of Systems and BU Machinery & Tooling where the digital products are defined and developed to shorten the time to market. In parallel, digital optimization is focused on corporate IT services.



Digital business

Digital business has detailed further product ideas and roadmaps to bring them to the market. At Machinery & Tooling, further steps have been taken on the implementation of the digital vision called Omolis. This includes both a smart machine and a smart online cloud platform. The combination of the smart machine and the online platform enables manufacturers to become more efficient and effective, while BU Machinery & Tooling can increase its sales via e-commerce and online services. In 2024, BU Machinery & Tooling developed a new Human-machine-interface that extends analytic and control capabilities for operators, based on the digital records of the machine.

Digital optimization

In 2024, the transformation program **CROWN** (Continuous Refinement Operations Worldwide at Nedschroef) was completed with the full rollout of the **Infor LN Cloudsuite** ERP system within the Finance function. With this implementation, Nedschroef established a solid foundation for its digital ambitions. Business processes across all locations have been standardized and brought together into one integrated system, which creates the basis for further automation. In 2025, this resulted in the implementation of a fully automated, touchless invoice processing flow—an important milestone in streamlining financial operations.

During 2025, Nedschroef also invested in AIdriven tools to support S&OP planning within the BU Automotive. These tools enable the organization to gain deeper insights and achieve a more predictable operational planning process, contributing directly to the optimization of operating working capital. In addition, AI capabilities have been introduced in the procurement function, supporting and strengthening the company's procurement strategy and enhancing decision-making across the supply base.

Global IT extended its internal service portal for all central functions to provide "one landing point" where all employees can submit requests for central services, e.g. HR Employee requests, Legal services, IT Services & IT Solutions, Techno Centre and Quality Change management. This was achieved with JIRA (an Atlassian product), the standard tool for internal service management and project management.

Again, the Dream Factory project has made big steps and followed a multi-year roadmap that is in line with the agile approach of software development to deliver continuous improvements and new features to the business.

The Dream Factory team, comprising Business & IT specialists, developed a new Graphic user Interface for more convenience and state-of-the-art seamless release management. With these activities, the user experience took a huge step with no more downtimes and easier navigation to work in a more focused and efficient way on customer requests for quotations

IT

IT as a global shared service center has already standardized corporate IT services via a centrally managed team. Nedschroef's Global IT performs all IT services for all users at Nedschroef – and with a customer satisfaction score of 4.7 of 5 stars, it provides high service quality to its internal customers.

Already in 2024, Global IT introduced the Enterprise Architecture for all its Nedschroef locations to blueprint the future architecture and harmonize the IT Application landscape across the whole Nedschroef Group. In 2025 Nedschroef has further made steps with the centralization of key IT positions within the group. This will create synergies and this helps to prioritize the actions in digital transformation which will ultimately reduce IT costs significantly and speed up the digital innovation.

Operational Technology (OT)

OT has become more and more important to be centrally managed due to the rapid increase in digitalization in shopfloor control and automation, e.g. the EPB (Electronic Parking Brake) line in Helmond.

An IT & OT governance model and organizational requirements have been discussed and will be used as guidelines and reflection going forward. Meanwhile, Nedschroef will proceed with the first projects to gain OT experience, e.g. automated warehousing and the new machine sensors and controls at BU Machinery & Tooling.

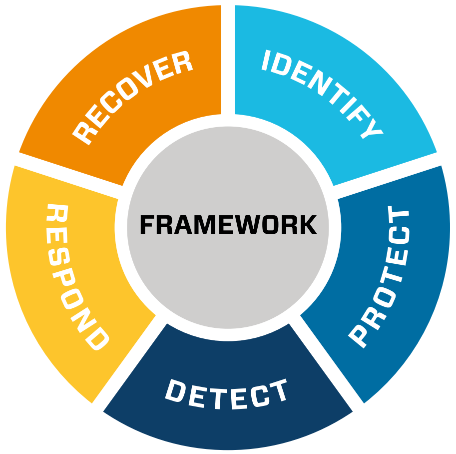
Information and Cybersecurity

Nedschroef continues to strengthen its cybersecurity posture in alignment with the National Institute of Standards and Technology (NIST) Cybersecurity Framework. In 2025, we retained our cybersecurity maturity score of 2.97 (out of 3), first achieved in 2024 as per the internal assessments reflecting the sustained effectiveness of our security controls and governance.

Nedschroef is TISAX-compliant under the framework of the ENX Association, ensuring alignment with the information security expectations of the automotive industry supply chain. Our controls continue to evolve in response to emerging cyber threats and EU regulatory requirements, with ongoing enhancements to our governance, risk, and compliance processes. Nedschroef has also established an Information Security Management System (ISMS) framework to support structured and continuous security management.

Operationally, cybersecurity monitoring has been strengthened through our Security Operations Center (SOC), which oversees both IT and Operational Technology (OT) environments to safeguard business systems and production infrastructure.

In addition, Nedschroef promotes strong employee awareness through its training platform powered by SoSafe. Regular training and phishing simulations help reinforce cybersecurity and data privacy awareness across the organization. Through continuous monitoring, regulatory alignment, and employee engagement, Nedschroef remains committed to maintaining a resilient and evolving cybersecurity posture.



Risk management

RISK MANAGEMENT RESPONSIBILITY

Risk management is integral to the achievement of Nedschroef's long-term goals. Nedschroef's ability to identify and exploit opportunities as well as respond resiliently to negative developments is critical to the success of the organization. Responsibility for risk management, reviewing its effectiveness, and internal control systems lies with the Executive Committee, which reports to and is supported by the Supervisory Board.

RISK MANAGEMENT AND CONTROL SYSTEMS

Risk management at Nedschroef starts with the tone at the top, promoting ethics and values which are codified in its Code of Conduct. This Code of Conduct sets out the standards of behavior for all Nedschroef employees. Compliance with the Code of Conduct is monitored via compliance officers, and a whistleblower procedure has also been established to promote the reporting of violations.

Nedschroef's risk management strategy and policies are captured in its processes and systems. Swimlanes for key processes have been drawn up, and a delegation of authority policy and authorization matrix has been defined, on which Nedschroef's systems are built. Nedschroef has strengthened its internal control and ability to respond and preempt risks through the new organizational structure as well as the centralization and standardization of functions and processes, like Finance & IT.

RISK ASSESSMENT

Nedschroef has a two-pronged approach to risk management. First, as part of the corporate management system, all entities such as CoC Altena, as well as process owners such as Procurement, review and update their risks and opportunities at least once a year. Second, every 3 to 4 years an in-depth group-wide risk assessment is performed, the most recent being in Q4 2024.

Risks are scored on impact and likelihood, the combination of which is then compared against Nedschroef's risk appetite to define mitigating actions where appropriate. Specifically, mitigating actions are formulated under these circumstances:

- Risks with a financial impact of above € 5 million regardless of likelihood
- Risks with a financial impact of € 1 to € 5 million with a likelihood of 'possible' (medium) or 'more likely than not' (high).

Additionally, risks are incorporated into the decision-making process on a multitude of topics. For example: project scopes include an overview of associated risks in execution and possible negative effects.

The principal risks and mitigating actions are summarized below:

Risks	Risk description	Mitigating actions
Market	Nedschroef delivers most of its products and services to the Automotive industry in Europe. Within the Automotive market, Nedschroef faces the risk of being overly dependent on a few large customers. This compounds the ubiquitous price pressure in the industry and threatens financial performance. A deteriorating economic environment or other market disturbances (such as the conflict in Ukraine) could be detrimental to Nedschroef's financial results and ability to achieve strategic targets. Mounting pressure from Chinese OEMs on Nedschroef's customer base, global political pressure through trade barriers, and other external factors are expected to impact Nedschroef's end markets. Regional for regional business development and supply chain management are evaluated as an ongoing activity as these elements are fluid on a monthly basis. Insufficient logistic resilience and agility to respond to (negative) market shifts has resulted in financial pressure historically, and the risk remains relevant.	Nedschroef continuously strives to strengthen its competitive position within the Automotive industry. Shifting production to best-cost locations, vertical integration through the acquisition of Leist, diversification of its product portfolio, and emphasizing complex parts are examples of this pursuit. The growth of CoC Kunshan in China directly mitigates the dependency on the European market. Industry diversification remains a strategic target to reduce the dependency on the Automotive industry. Sales and operations planning (S&OP) and the implementation of a push-pull principle in Nedschroef's value chain will result in improved demand forecast and thus sharper capacity planning while reducing inventory levels and improving cashflow.

Risks	Risk description	Mitigating actions
Competition	Primary competition for BU Automotive are other western European fastener manufacturers, while Business Line Machinery & Tooling and Business Line Engineering of Systems (CP Tech) face competition globally and locally respectively. The European fastener market is fragmented, with competition increasingly coming from best-price countries resulting in intensified competition. Direct imports from non-European countries do not yet represent a significant threat due to the reluctance of OEMs and Tier 1s to enlarge their supplier portfolio, quality and delivery concerns, as well as sustainability considerations. Competition on Nedschroef's F1 product portfolio is particularly intense and poses a meaningful profitability risk.	Business Line Machinery & Tooling and particularly Business Line Engineering of Systems (CP Tech) face different competitive landscapes, and revenue from those units is not under pressure from competition for BU Automotive. Machinery & Tooling manages a customer spread across different industries to mitigate the automotive impact. Whereas CP Tech is not affected by the mainstream automotive industry but managing the early adapter programs, including extending activities outside automotive. Nedschroef is focusing on enlarging the proportion of total sales of complex cold formed and functional parts (F2 and F3) which are harder to imitate and have a higher value add to its customers. The competitiveness and profitability of Nedschroef's F1 product portfolio is continuously being strengthened by numerous operational excellence and continuous improvement initiatives.
People	Attracting and retaining talent, as well as minimizing possible dependencies on key staff, is a major task for Nedschroef, and as such poses a significant risk to Nedschroef's operations and financial results. The strategy and ever-changing environment of Nedschroef's organization requires new skills for which its workforce may not be fully equipped.	Nedschroef has an integrated HR process which includes regular performance reviews underpinned by a newly defined set of desired behavior. This includes development plans for upskilling employees for future roles, as well as reviews and benchmarks of retention and attrition within the organization. Nedschroef has targeted programs to retain and develop talent and has concrete retention measures in place for strategically critical employees.

Risks	Risk description	Mitigating actions
Information technology	Information and data security as well as IT infrastructure are critical to Nedschroef. The risk of cyber-attacks is continuous, requiring protection to ensure IT services and information stay shielded. The unavailability of critical IT infrastructure may cause operational disruptions. Relatedly, legacy systems and processes can cause disruptions, inefficiency, and may hinder strategic change.	Cybersecurity actions are ongoing to ensure Nedschroef is protected, including insurance. Extensive awareness programs have been initiated, supported by accompanying policies, to ensure people are informed and able to recognize and respond appropriately to cyber-attacks. An aligned system roadmap is being developed to mitigate the risk of legacy systems.
Financial	The international nature of Nedschroef's business exposes it to currency risk, primarily the US dollar (USD) for BU Machinery & Tooling, pound sterling (GBP) for Business Line Trade & Service in the United Kingdom, and the Chinese yuan (CNY) for CoC Kunshan. Borrowings issued at variable rates expose Nedschroef to cash flow interest rate risk, while those issued at fixed rates expose it to fair value interest rate risk. Insufficient liquidity poses a significant risk. Excessive inventory levels in the case of market fluctuations in particular, as well as operational losses or low margins, may impede operations. A material cashflow shortage may also influence Nedschroef's credit rating, impacting its compliance with covenants and ability to raise capital.	Nedschroef uses a variety of financial instruments to mitigate currency as well as interest risks, such as currency hedging and holding cash at variable rates. Financial performance is monitored regularly, including cash and trade working capital positions. At management level, monthly financial reports are reviewed within 10 calendar days after the end of the month. In addition, cash flow forecasting is carried out on a rolling basis for both management and compliance purposes. The quality of these information disclosures is safeguarded through clear end-to-end process descriptions captured in the work instructions and accounting manual. Compliance with these processes is tested frequently, and the financial statements and relevant internal controls are audited both internally and externally on a regular basis.

Risks	Risk description	Mitigating actions
Business operations	Nedschroef depends on cost-effective procurement, efficient manufacturing and the timely distribution of products to customers. Its supply chain is happening as we are transporting materials from the Far East to Europe. These transports can be jeopardized by geographical events. Raw materials, particularly different grades of steel, comprise a significant part of the cost of goods sold. Fluctuations in these costs cannot always be passed on to the customer and need to be carefully managed.	Nedschroef prioritizes organizational improvements to reduce costs, improve operational and engineering productivity, and optimize procurement. A dedicated sourcing strategy including multiple suppliers and the outsourcing of services aims to mitigate these risks. Inversely, safety/consignment stock ensures operational bottlenecks from the suppliers' perspective are minimized.
Product quality	Fasteners are relatively low value compared to the total value of a system or vehicle in which they are applied. Nevertheless, fastener malfunctioning or quality issues may compromise the complete system and have serious implications. Maintaining product quality when shifting production to another plant is another risk that requires managing.	Nedschroef follows automotive quality management systems and complies with all relevant standards. Employees are made aware of the importance of quality. Furthermore, Nedschroef continuously invests in process controls and automated product checks to prevent out-of-specification and malfunctioning products.
Legal and regulatory	Nedschroef is expected to grow in sales, headcount, and global presence. This results in it being exposed to a growing number of rules and regulations in different jurisdictions. Compliance obligations include environmental management systems (EMS), tax laws, anti- corruption, and international trade regulations. Violations of these rules could lead to significant fines.	Nedschroef has implemented a Governance, Risk, and Compliance (GRC) tool to obtain a holistic view of applicable risk control frameworks, control processes, and audit actions and statuses. This tool helps improve compliance and structures its compliance activities. This is combined with biannual compliance training given to all employees to ensure the Nedschroef community understands what compliance is and how important their behavior is in this regard.

Code of Conduct for internal risk management and control systems

GENERAL

Nedschroef's Code of Conduct, last updated in the first quarter of 2023, supports Nedschroef's commitment to responsible corporate citizenship and its pursuit of a sustainable future, economically, socially and environmentally. It is a guide to help answer questions about integrity and ethics in business conduct and how not to interfere in the employee's private lives. It governs Nedschroef's business decisions and actions all over the world. It applies equally to corporate actions and to the behavior of all employees in all positions within the Nedschroef Group. It is subject to the applicable laws in the jurisdictions in which Nedschroef operates.

The 'internal control framework' described below is used to safeguard the reliability of the financial reporting and the operational controls.

DELEGATION OF AUTHORITY

Nedschroef introduced a Delegation of Authority policy and authorization matrix in 2013 (last updated April 2022). This policy prescribes the delegation of the authorization process for management decisions in a detailed manner per business cycle and process. All Nedschroef employees are obliged to adhere to this authorization scheme in their daily business activities.

ACCOUNTING MANUAL

Nedschroef's accounting manual, last updated in the fourth quarter of 2023, provides detailed guidelines for the financial reporting process. The International Financial Reporting Standards (IFRS) as adopted by the EU have been fully incorporated into the guidelines. On-the-spot audits are carried out to monitor compliance with the guidelines. In the event of discrepancies, corrective actions are taken.

STRATEGIC PLANS

The strategic plans are translated into budgets for each group company. Budgets and plans are assessed against the current situation on a monthly basis and corrective measures are taken if necessary. The monthly reviews are conducted by the responsible senior managers.

INTERNAL EVALUATIONS AND EXTERNAL AUDITS

Every year, in consultation with the Audit Committee of the Supervisory Board and based on the results of the external audits, Nedschroef staff draw up and implement a schedule and scope of internal evaluations and external audits. The scope setting of the internal evaluations is the responsibility of the Audit Committee and is derived from the risk control framework and the internal evaluation reports. The internal evaluation may lead to systematically implemented corrective measures. The main findings from the management letters of the external audits are discussed in the Executive Committee and the Supervisory Board.

Based on the 'internal control framework', the Executive Committee establishes that:

- the system of internal controls provides reasonable assurance that the financial statements contain no material misstatement
- the system of internal controls worked adequately in 2025
- there are no indications that the system of internal controls will not work adequately in the coming year
- the financial statements give a true and fair view of the financial position of the company and the results of its business activities and contain the required information.

WHISTLE-BLOWER PROCEDURE

In 2005, Nedschroef introduced a whistleblower procedure to protect employees who report violations of business ethics from any negative personal consequences.
To ensure compliance with the EU Directive 2019/1937 on the protection of whistleblowers, the procedure was updated in May 2022. These updates align with local implementations of the directive and have been integrated into Nedschroef's general Code of Conduct. Given that local requirements vary and, in some countries, are subject to co-determination by employee representation bodies, country-specific policies were developed and a corporate whistleblowing policy made available in Nedschroef's Corporate Management System as of November 2024.
The whistleblowing system offers multiple channels for reporting, including local outside counsel to ensure low-threshold access in the local language and, where feasible, in-person reporting options. Nedschroef has rolled out a uniform online reporting tool in 2025 supporting 42 languages to further enhance accessibility.
In 2025, no significant business ethics irregularities were reported.

Geopolitical developments and impact on the Group

Ongoing geopolitical tensions continue to create uncertainty in global markets and have led to increased volatility in energy prices, inflationary pressure across supply chains, and disruptions in international trade flows. These developments may affect both cost levels and supply reliability for industrial manufacturers such as the Group.
The Group is exposed to rising energy prices and broader inflationary impacts within the supply chain, in particular for steel, energy, and fuel related inputs. These effects are relevant across a wide range of products and regions. To mitigate this risk, the Group has contractually agreed pricing mechanisms with customers where possible, allowing for the pass through or adjustment of cost increases. The applicability and extent of price adjustments are assessed on a customer by customer basis, taking into account contractual terms, market conditions, and long term customer relationships.
In addition, the Group faces potential supply chain disruptions, particularly with respect to sourcing from Asia. In response, the Group has proactively implemented mitigating measures, including increased safety stock levels, adjustments to lead times, and the diversification and optimization of supply routes. These actions are intended to safeguard continuity of production and delivery performance.
Management continuously monitors geopolitical developments and their potential impact on operations, costs, and supply chains. Where necessary, further mitigating actions will be taken to protect the Group's operational stability and financial performance.

Outlook

2026 is again expected to be a challenging year for Nedschroef. The continuing impact of the conflicts in Ukraine and the Middle East, import tariffs in the USA as well as the overall limited market growth overall is the base for this.

Nedschroef will restructure the organization further in 2026 regarding overhead, direct and indirect staff to significantly improve the result for the year in line with the step up in 2025. Product allocation internally will be done in line with line organization structure to create focus for all location within the Nedschroef group.

In 2026 Nedschroef expects a positive operational development of the cash flow. Prognosed capital expenditures are fully covered by new working capital financing facilities from external banks, as well as a new € 10 million shareholders loan which was received in Q1-2025. With the support of its shareholder, Nedschroef secured loans from external banks in 2025 to guarantee going concern.

In January 2026, the CP tech business unit was divested for total proceeds of 25 million. This transaction supports the result for 2026 and, more importantly, significantly strengthens the financial position and liquidity of Nedschroef, providing additional financial flexibility.

Logistical concepts (push-pull) are being adapted and will be implemented in the product lines for standards products in the period 2026-2028.
Moreover, the process of trading/outsourcing specific simple low volume parts will be

continued to ensure that Nedschroef can respond more flexibly to the market by focusing in his own production on medium/high runners This balance of the different volumes per part is connected to the product life cycle of our customers.
Nedschroef is moving more production to both Eastern Europe and Spain to benefit from best cost structures. In the coming year, Nedschroef will therefore continue to invest significantly to support its strategic plans, including the further expansion of its global footprint, the broadening of its product portfolio in its current market segments, and the evolution of its product portfolio in accordance with its strategy so that it is ready for the (automotive) industry of the future.

Nedschroef explored expansion possibilities in the worldwide component manufacturing based on mid-long term trends we see in the market and adapted our focus on these identified trends. Furthermore, R&D efforts will be intensified to keep pace with customer demands and offer innovative fastening and cold-forging solutions.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in the Financial Statements, are based on the assumption of continuity of the company.

The year 2025 was characterized by lower sales mainly in the complementary business unit The volatility of the orderbook per part number and the overall order book that was dropping during the lead-time of ordering steel and producing parts, have led to structural high costs to achieve service level in line with the expectation of our customers. Driving the service level based on the customer orderbooks which were not predictable, was leading to a negative operating cashflow, when volumes were taken out of the call-offs after parts were launched. Also, fixed cost levels were not timely adjusted, which was negatively impacting the result.

Nedschroef has undertaken several initiatives to improve its profitability. Strategic investments took place, volumes was insourced to the acquired coating company and realize cost savings, new ERP platforms were and still are implemented and other strategic projects are being rolled-out amongst others to improve the response to demand fluctuations going forward and to harmonize and optimize Nedschroef's internal processes. The shift of furtherproduction to the facilities in Stara Zagora (BG) and Tarragona (ES) are an example of such initiatives.

To provide the need for additional cash flow, necessary for the strategic projects, many actions have started such as increasing the reverse factoring facilities and assessing opportunities to obtain additional financing.

In December 2025, Nedschroef closed a new covenant-free loan of € 151.7 million which is due in December 2028. This new financing has been partly guaranteed by Nedschroef's Chinese parent; Shanghai Prime Mingyu Machinery Technology Co., Ltd.

In conclusion, based on these matters and other facts and circumstances known to date, the Executive Committee is of the opinion that it is appropriate to prepare Nedschroef's consolidated financial statements on a going concern basis.

The Executive Committee is convinced that Nedschroef is on track to strengthen the company by moving production to Bulgaria and Spain, and at the same time changing the logistical concept and focusing on certain product clusters. Nedschroef is confident that, with the support of its shareholder, it will be able to achieve the targets set for 2026.
The Executive Committee wishes to thank Nedschroef's customers, employees, shareholders, suppliers and other stakeholders for their trust and looks forward to continuing their cooperation in the years to come.

Helmond, 29 May 2026

EXECUTIVE COMMITTEE
R.W.A. Janssen – CEO

Report from the Supervisory Board

The Supervisory Board is tasked with overseeing the overall direction of Nedschroef, providing guidance and supervision to the Executive Committee in matters of strategy, operational performance and the general conduct of business.

During the reporting period, the Supervisory Board supported the newly elected executive leadership team to continue the strategic transformation of the Company, with an aim to further enhance the Company's operational performance. The Supervisory Board held five regular meetings and six additional meetings in the reporting period.

Throughout the year, a few promising results surfaced as the transitional work carried forward into the deeper terrain.

Leist Holding GmbH & Co. KG, acquired successfully last year, helped to streamline business operations and reduce service and logistics costs, aligning with Nedschroef's long-term efficiency goals. Furthermore, a new service & logistic centre is currently being set up to optimize the logistic routes and better serve our customers locally.

The transfer of Nedschroef Helmond's F1 capacity to Tarragona moved ahead according to the set schedule. After receiving the building license in 2024, a new activity license for Tarragona was secured in the mid of 2025, which enabled the planned ramp-up of production.

Regarding the Win2Gether project, a more specific target for accelerating the production transfer was clearly defined. The PPAP process has been simplified to better align with internal requirements, and more machines and part numbers were transferred to the Bulgarian site.

The Executive Team also worked closely with the shareholder to focus on the continuous improvement of its financial structure. Re-financing was completed in December to secure the future business sustainability, in addition to the € 50 million of Shareholder loan conversion in 2024. Certain assets sale is being reviewed and under way to provide more cash reserve for internal restructuring and new investments.

Hua Zhuang
Chairman of the Supervisory Board

Sustainability Statement 2025

Nedfast Holding B.V.

Welcome to our Sustainability Report 2025, which is part of our Annual Report 2025. In conjunction with our Integrated Annual Report, this report provides an informed update on our sustainability activities and performance during the 2025 calendar year.

Introduction

For the fourth year in a row, Nedfast Holding B.V. has chosen to publicly disclose the most significant impacts on the economy, environment, and people, including impacts on human rights, as part of the annual report.
Since Nedschroef must comply with the EU Corporate Sustainability Reporting Directive (CSRD) from reporting year 2027, the report was to a large extend, without claiming compliance yet, prepared based on the European Sustainability Reporting Standard (ESRS) for the period 1 January to 31 December 2025.

Nedschroef has developed its own criteria for sustainability reporting on most topics and indicators while incorporating elements from the ESRS for guidance purposes. For more details, please refer to the Glossary and Content Index at the end of the report.

Organization
The legal name of the organization is Nedfast Holding B.V. and is commonly known as "Nedschroef". Shanghai Prime Machinery Company, which is located in Shanghai, China, has the full ownership of the Nedschroef Group, and the ultimate parent is Shanghai Electric Holding Group Co., Ltd. The Nedschroef Headquarters is located at Kanaaldijk N.W. 75, 5707 LC in Helmond, Netherlands, and Nedschroef is represented in more than 25 locations over 3 continents.
For detailed information about our organization, please visit our website ***nedschroef.com***

Activities
Nedschroef operates globally, supplying a wide range of products and services.

- We provide automotive OEMs (Original Equipment Manufacturers) and their suppliers with the parts they need to manufacture vehicles and vehicle components.
- We provide our customers with advanced engineering services to support the realization of their development projects.
- We develop and implement C-parts management solutions that drive value and reduce costs throughout the supply chain.
- We provide metal parts manufacturers worldwide with premium metal forming machines and tooling solutions.
- We provide aviation OEMs and MROs (Maintenance, Repair, and Operations) with the nuts, bolts, rivets, inserts, and studs they need to manufacture, maintain, repair and overhaul airplanes and their components.
- We provide high quality surface treatments for the fastener manufacturers within the automotive industry.

For more information, please visit our website ***nedschroef.com*** Nedschroef mainly sources materials and services from external suppliers in Europe and Asia. The materials can be categorized into:

- Components of steel, plastic, rubber, etc. for the Automotive and Aviation industry.
- Raw material such as steel wire and sheet metal, semi-finished steel components and plastic parts which are processed in our own operations for the Automotive and Aviation industry.
- Components such as cast iron, steel structures, electrical and hydraulic systems, tools, etc. for our machines and tools manufacturing.
- The services can be categorized into:
- Process-related such as heat treatment, surface treatment, and machining.
- Logistics-related such as transportation, sorting and packaging, and warehousing.

The most significant change in activities during the current reporting period compared to the previous one is the inclusion of surface treatment operations at Leist entities, which were acquired in Q4 2024. These sites have a substantially higher environmental impact than the other Nedschroef entities, due to the higher usage of chemicals, water withdrawal and natural gas in the processes. Leist entities were incorporated into the report since 1 January 2025, and the update of DMA in Q4 2025 did not result in any additional ESRS disclosures. The baseline has not been updated based on the impact of Leist, but will be evaluated in 2026.

General Information

BASIS FOR PREPARATION

The 2025 Sustainability Report provides an update of key quantitative sustainability data and includes brief commentary on developments during the reporting year. Following the major restructuring completed in 2024 to align with the Corporate Sustainability Reporting Directive (CSRD), this year's report is intentionally concise. As we await the release of the updated European Sustainability Reporting Standards (ESRS), no significant changes have been made to the overall structure. We remain committed to progressing toward full CSRD compliance by 2027.

The Sustainability Statement has been prepared on a consolidated basis, consistent with the scope of the 2025 consolidated financial statements, with the following exceptions:

Kunshan (Nedschroef Kunshan):
In 2022, Kunshan became a joint venture between Nedschroef and Shanghai Prime Machinery Company and, as a result, is no longer consolidated in the financial statements of NedFast Holding B.V. However, Kunshan remains an integral part of the Nedschroef Group's operational structure and is therefore fully consolidated in all aspects of the Sustainability Statement. Furthermore, Kunshan's revenue is included in the calculation of relevant KPI intensities.

The Double Materiality Assessment of impacts, risks, and opportunities addresses occurrences across both the upstream and downstream segments of the value chain.

Where specific data is required from particular areas of the value chain on relevant topics, it is disclosed transparently within the Sustainability Statement to ensure clarity and accountability

Most of the reported quantitative metrics are derived from primary data. Metrics disclosed under ESRS Disclosure Requirement E1-6 – Gross Scopes 1, 2, and 3, as well as Total GHG Emissions, involve a degree of measurement uncertainty due to reliance

on certain assumptions and estimations.
Detailed information on definitions, assumptions and estimations is available in the Glossary.

The Sustainability Steering Committee decided to seek external limited assurance by PricewaterhouseCoopers Accountants N.V. (PwC) for a small - but rational - number of sustainability indicators. The scope has slightly changed (head count to FTE) from previous years and includes the following indicators:

- Gross Scope 1 GHG emissions [tCO2-eq] (Company vehicles, Fugitive emissions, and Stationary combustion)
- Gross Scope 2 GHG emissions [tCO2-eq] (Purchased Electricity and Purchased Heating)
- Gross Scope 3 GHG emissions [tCO2-eq] (Top 2 categories - Cat. 1 Purchased Goods and Services and Cat. 11: Use of sold products)
- Waste generated in the company's own operations and sent to recovery [tons KG]
- Waste generated in the company's own operations and sent to disposal [tons KG]
- Employees by head count, Female [#]
- Employees by head count, Total [#]
- Average number of training hours per employee [hours/FTE]
- Total recordable work-related accidents [#]
- Number of convictions of violation of anti-corruption and anti-bribery laws [#]

The scope of external assurance can change in the coming years to become compliant with the CSRD requirements. The indicators that fall within the scope of limited assurance are marked, in the Indicator Overview, with the √ symbol. See section 'Other information' for the limited assurance report of PwC, which includes details on scoping and outcomes. PwC also performed an audit on the financial statements for the reporting year, which is available in section 'Other information'.

Governance

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

At Nedschroef, the administrative, management, and supervisory bodies oversee sustainability matters, ensuring accountability and informed decision-making. The Executive Committee and Supervisory Board, composed of experienced leaders, provide strategic guidance on managing sustainability risks and opportunities. The Executive Committee supports the Supervisory Board in governing Nedschroef by providing direct supervision of the company's operational activities, with a focus on transformation, customer engagement, and regional operations. This structure enables the CEO to maintain a more sustainable span of control over the organization's diverse operations.

The Executive Committee consists of 5 executive members, and there is no representation of employees or other workers in the Executive Committee.

The Executive Committee is composed of seasoned professionals, each bringing specific expertise to their roles:

- Rob Janssen, Dutch. CEO and Member of the Management since 2021.
- Caspar van Lieshout, Dutch. CFO and Member of the Management since 2025.
- Jules Cleutjens, Dutch. Vice President HR and Member of the Management since 2022
- Zonghan Xu, Chinese. Vice President Greater China and Member of the Management since 2020.
- Richard van den Dungen, Dutch. Vice President Sales & Business Development and Member of the Management since 2024.

Together, the Executive Committee combines expertise across transformation, finance, human resources, regional management, and business development to support the company's strategic and operational goals.

The Supervisory Board consists of 6 non-executive members, and there is no representation of employees or other workers in the Supervisory Board.

The Supervisory Board comprises experienced professionals with extensive knowledge relevant to the company's sectors, products, and geographic presence:

- Mr. Hua Zhuang, Chinese. Chairman and Member of the Supervisory Board since 2023 and currently Vice Chairman of Shanghai Prime Machinery.
- Mr. Ding Yuqing, Chinese. Member of the Supervisory Board since 2024 and currently CEO of Shanghai Prime Machinery.
- Ms. Ye (Shelley) Bao, Chinese. Member of Supervisory Board since 2023 and currently Deputy General Manager at Shanghai Prime Machinery.
- Dr. Peter Pleus, German. Member of the Supervisory Board since January 2020 and former Member of the Board of Management and President of Schaeffler Group Automotive.
- Mr. Herman van Everdingen, Dutch. Member of the Supervisory Board since April 2020 and former Partner at Catalyst Advisors.
- Mr. Yibing (Edmund) Chu, Chinese. Member of the Supervisory Board since 2023 and currently Director Strategic Investments at Shanghai Prime Machinery.

This collective expertise spans metal forming machinery, fastener production, and complex system engineering across automotive and other industrial sectors, ensuring a deep understanding of the company's markets and operations.
In the governing bodies the female diversity is 9.1% (1 female and 10 male), and the geographical/cultural diversity is 54.5% (6 European and 5 Asian).
The Supervisory Board and Executive Committee collectively oversee the company's impacts, risks, and opportunities, ensuring alignment with strategic objectives and sustainability goals.

The Supervisory Board provides oversight of the company's strategy, governance, and risk management, focusing on long-term value creation and addresses ESG priorities.

The Executive Committee, led by the CEO, is responsible for implementing strategies to manage impacts, mitigate risks, and capitalize on opportunities across operational, customer, and regional dimensions. Specific areas of focus include:

- Transformation initiatives to enhance operational sustainability and efficiency.
- Regional leadership, ensuring localized risk management and opportunity development.
- Financial oversight and business development to adapt to changing market conditions.

This governance structure ensures a clear division of responsibilities while maintaining effective collaboration between supervisory and executive bodies to address the company's risks, opportunities, and broader impacts.
Responsibilities for overseeing impacts, risks, and opportunities are integrated into the company's governance framework through clearly defined terms of reference, mandates, and policies.

The Executive Committee implements strategies to manage impacts and risks, embedding KPIs linked to ESG goals into management objectives to drive accountability.
Additionally, sustainability and risk management policies define processes for identifying and mitigating risks, supported by subcommittees that offer focused oversight and recommendations.
This governance structure promotes accountability and ensures alignment with the

company's strategic and sustainability objectives.

Management oversees impacts, risks, and opportunities through a structured approach that includes delegated responsibilities, reporting lines, and integrated controls.

Specific members of the Executive Committee manage areas such as transformation, finance, sustainability, and regional operations, often supported by cross-functional committees.
Executive Committee members report to the CEO, who is accountable to the Supervisory Board, where regular reporting helps ensure transparency and alignment with strategic goals.

Dedicated frameworks and KPIs are used to monitor and manage risks and opportunities, integrated with finance, operations, and compliance to provide a comprehensive approach.
This governance structure promotes accountability, integration, and effective oversight.

Nedschroef has been committed to sustainability for several years and since 2021, with annual publication of Sustainability reports. These reports are complemented by a monthly Sustainability Steering Committee meeting attended by the CEO and CFO, which facilitates ongoing discussion and decision-making on sustainability strategies. The Sustainability Director plays a key role, bringing expertise in sustainability topics and reporting, and ensuring alignment with best practices.

INFORMATION PROVIDED AND SUSTAINABILITY MATTERS ADDRESSED BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The management and supervisory bodies are regularly informed about sustainability-related topics to ensure effective oversight and decision-making.

The Sustainability Director holds regular Sustainability Steering Committee meetings with the CEO and CFO. These meetings serve as a platform to report on, discuss, and make decisions regarding material impacts, risks, and opportunities, as well as the implementation of due diligence processes.

During the reporting period, additional meetings were conducted to present and approve the Double Materiality Assessment, report on relevant KPIs, review audit findings, and evaluate drafts of the sustainability report. This iterative process ensures the accuracy and completeness of the final report.

Additionally, an annual Management Review, conducted in accordance with ISO 14001 and ISO 50001 standards, also provides a structured assessment of environmental and energy management systems, further informing the management on sustainability performance and compliance.

The Supervisory Board is presented with the finalized Sustainability Report, providing them with an overview of the results and effectiveness of policies, actions, metrics, and targets adopted to address sustainability matters. This multi- layered reporting structure ensures that all governing bodies remain informed and engaged in overseeing the company's sustainability strategy and performance.

The management and supervisory bodies at Nedschroef systematically consider impacts, risks, and opportunities in strategy, major transactions, and risk management. Sustainability is embedded in strategic oversight to align with long-term goals, addressing financial and non-financial risks such as regulatory compliance and resource efficiency.

For major transactions, ESG factors are assessed alongside financial implications, including impacts on carbon footprint, supply chain sustainability, and strategic alignment. In risk management, sustainability-related risks like regulatory changes and climate disruptions are integrated into mitigation efforts.

Periodic updates from the Sustainability Director, supported by KPIs and audit findings, ensure informed decision-making and sustainable business practices.

During the reporting period the following material impacts, risks, and opportunities were monitored and evaluated:

- **Climate change mitigation and energy transition**: Focus on reducing greenhouse gas emissions, increasing renewable energy usage, and transitioning to hybrid systems for heat treatment processes.
- **Regulatory compliance**: Ensuring alignment with ESG reporting standards, including CSRD and ISO 14001 and 50001 requirements.
- **Resource efficiency and waste management**: Efforts to optimize material usage, reduce waste, and improve recyclability.
- **Supply chain sustainability**: Monitoring and enhancing the sustainability of upstream supply chain processes.
- **Stakeholder expectations**: Addressing demands from customers, banks/insurance and regulators for sustainable practices and transparent reporting.
- **Performance monitoring**: Tracking progress through KPIs and aligning targets with strategic sustainability objectives.

These focus areas highlight the company's commitment to addressing material sustainability topics in alignment with its strategic goals.

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Nedschroef aims to enhance awareness and accountability regarding sustainability and safety. To support this goal, the Emissions KPI and the Lost Time Accidents KPI (later reported as Recordable work-related accidents) are directly linked to the Short-Term Incentive (STI) payout. The actual incentive amount is determined by multiplying the STI payout calculation by the average performance of these KPIs, thereby aligning employee rewards with the company's sustainability and safety objectives.

Performance is assessed against specific sustainability-related targets, including:

- **Emissions KPI:** Measures the company's progress in reducing greenhouse gas emissions, aligned with sustainability goals and climate action initiatives.
- **Lost Time Accidents (LTA) KPI**: Tracks workplace safety performance by monitoring incidents that result in lost work time, emphasizing the company's commitment to employee health and safety.

These KPIs ensure a focused approach to achieving measurable sustainability and safety impacts.

The Emissions KPI and the Lost Time Accidents KPI are used as performance benchmarks. The actual incentive payout is calculated by applying a multiplier based on the average score of these KPIs, as outlined in the following scale:

Average KPI Score	Multiplier
Less than 75%	95%
75% - 110%	100%
Greater than 110%	105%

This approach ensures that sustainability and safety performance directly influence remuneration, reinforcing the company's commitment to these priorities.

Climate-related considerations are included in remuneration through individual or team performance targets, such as emissions reductions or energy efficiency improvements, aligning with the company's climate goals.

Climate considerations are assessed using the Emissions KPI - CO2eq intensity metric, which measures greenhouse gas emissions relative to a specific activity or output, ensuring a focused approach to reducing the carbon footprint.

The performance is assessed annually, with the results of the Short-Term Incentive (STI) targets, including GHG emission reduction targets developed independently by the entity, integrated into the evaluation process.

The percentage of the remuneration recognized in the current period that is linked to climate related considerations is 5%.

The Executive Committee, comprising the CEO and CFO, and the Supervisory Board hold ultimate accountability for the incentive schemes' terms

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Nedschroef's risk management and internal control system ensure reliable and accurate sustainability reporting by encompassing data collection, validation, and reporting processes across the value chain. Data is validated through various checks, and a structured risk assessment addresses completeness, estimation accuracy, and reporting timelines.

Cross-functional reviews, oversight by the Sustainability Director, and reporting tools ensure real-time KPI tracking. Internal and third-party audits verify data integrity, while updates are regularly reviewed by the Sustainability Steering Committee. This system ensures transparent and compliant sustainability reporting.

Nedschroef identifies and prioritizes sustainability reporting risks, focusing on data accuracy, completeness, and availability. Risks are evaluated by likelihood and impact, with high-priority issues addressed immediately and lower risks monitored through routine controls. Regular reviews by the Sustainability Steering Committee and escalation to leadership ensure proactive management and alignment with standards.

Nedschroef has identified key risks in sustainability reporting and implemented mitigation strategies with controls:

- **Data completeness and accuracy**: Risks of incomplete or inaccurate data are mitigated through various validation processes, reporting tools, and cross-functional reviews to ensure reliability.
- **Estimation uncertainty**: Challenges in estimating sustainability metrics are addressed by applying standardized methodologies and incorporating sensitivity analyses.
- **Compliance risks**: Potential non-compliance with reporting standards is managed through regular audits, preparing for adherence to the CSRD frameworks, and oversight by the Sustainability Steering Committee.
- **Timeliness**: Delays in data availability are minimized through streamlined workflows, clear deadlines, and advanced reporting systems.

These measures ensure accurate, complete and timely sustainability reporting while aligning with regulatory and stakeholder expectations.

Nedschroef integrates risk assessment findings and internal controls into sustainability reporting by embedding them in key functions. Validated data ensures accuracy, while findings refined data methods, enhance tools, and guide training. Oversight by the Sustainability Steering Committee ensures corrective actions are implemented, supporting accurate reporting and regulatory compliance.

Nedschroef regularly reports risk assessment findings through structured updates and reviews. The findings are presented during monthly Sustainability Steering Committee meetings, where the Sustainability Director reports on key risks and mitigation efforts.

Additionally, the Executive Committee and Supervisory Board receive detailed updates on the effectiveness of risk management processes highlighted in the sustainability report. The reporting ensures that risks are actively monitored, and mitigation strategies are aligned with company goals and regulatory requirements.

Strategy & business model

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Nedschroef, headquartered in Helmond, Netherlands, is a leading supplier of fasteners, components, and metal forming machines for automotive, industrial, and aviation industries. The company operates across three business units: BU Automotive, BU Engineering of Systems and BU Machinery & Tooling. Its portfolio includes standard fasteners, niche products, and cold-forged parts, with a strong focus on innovation and market expansion.

The company's strategy for 2025 emphasizes profitable growth and operational excellence. Key initiatives include diversifying its product range, expanding in new mobility applications, and increasing its presence in markets such as China and the U.S. Nedschroef has also prioritized improving its cost structure and efficiency through centralization and digitization, aiming to optimize its financial position and competitiveness.

Nedschroef's innovation roadmap drives advancements in materials, manufacturing processes, and digital services like the SetupWizzard Digital. The company also focuses on sustainability, aligning with global emissions reduction goals and promoting a safe work environment. Additionally, its people-centered approach enhances employee development and engagement.

Through strategic diversification, digitalization, and sustainability efforts, Nedschroef aims to secure long-term growth while maintaining a competitive edge in global markets. The company continues to monitor its strategy's implementation, ensuring adaptability and progress toward its future goals.

Nedschroef secures raw materials like steel and non-ferrous metals from strategic suppliers, developing strong, long-term relationships to ensure quality and sustainability. The company invests in R&D to drive innovation in materials, manufacturing, and digital services.

Outputs and Outcomes:
Nedschroef produces fasteners, components, and metal forming machines that help customers reduce energy consumption and emissions, particularly in electric vehicles. Customers benefit from improved efficiency, while investors gain from sustainable growth. Employees and communities benefit from Nedschroef's commitment to well-being and local development.

Value Chain:
The value chain spans raw material sourcing, production in Europe and Asia, and collaboration with OEMs and Tier 1 suppliers. Nedschroef co-develops solutions with customers for lightweighting and electrification. Key suppliers ensure quality, while customers are supported through direct sales and after-sales services, including machine maintenance. Nedschroef operates across automotive, aerospace, and industrial sectors, focusing on sustainability and innovation.

Headcount of employees by geographical area

Geographical area	Employees by headcount
Asia	189
Europe	2,441
North America	5
Total	**2,672**

Breakdown of total revenue

Significant ESRS sector	Total revenue for specified sector [in €million]
Automobiles & Other Transport Vehicles	608,4
Machinery & Equipment	65,8
Total	**674,2**

The Net revenue includes 100% consolidation of Kunshan (joint venture).

Detailed information is available in the financial statements.

Nedschroef's sustainability-related goals are embedded in its corporate strategy, focusing on decarbonization, resource efficiency, and social responsibility across its products, customer base, geographic regions, and stakeholder relationships.
For its products and services, Nedschroef aims to reduce the carbon footprint by incorporating low-emission materials and optimizing manufacturing processes.
The company is developing lightweight fasteners and components to improve energy efficiency in the automotive and aerospace sectors and is expanding its range of energy-efficient metal forming machines.

In relation to customer categories, Nedschroef collaborates with OEMs and Tier 1 suppliers to support their net-zero ambitions. It provides data to assist customers in Scope 3 reporting and focuses on developing tailored solutions for e-mobility and lightweight applications.

Geographically, Nedschroef's sustainability initiatives are adapted to local contexts. In Europe, efforts focus on complying with EU sustainability regulations, increasing renewable energy use, and phasing out fossil fuels. In China and Asia-Pacific, the company applies its group-wide sustainability standards to Kunshan.

Regarding stakeholder relationships, Nedschroef strengthens responsible sourcing by implementing supplier sustainability assessments and enforcing its Code of Conduct.
It promotes employee well-being, diversity, and development with a strong focus on health and safety. Transparency remains a priority in sustainability reporting for investors and regulators. Additionally, Nedschroef supports local communities through initiatives in education, vocational training, and environmental stewardship.

Sustainability is central to Nedschroef's strategy, with key focus areas including decarbonization, resource efficiency, responsible sourcing, and employee well-being. The company targets reducing Scope 1 and 2 emissions by phasing out natural gas, increasing renewable electricity use, and upgrading to energy-efficient technologies.

Product innovation emphasizes lightweight components for vehicle electrification and efficiency. Resource efficiency is addressed through increased recycled material use and supplier sustainability programs.

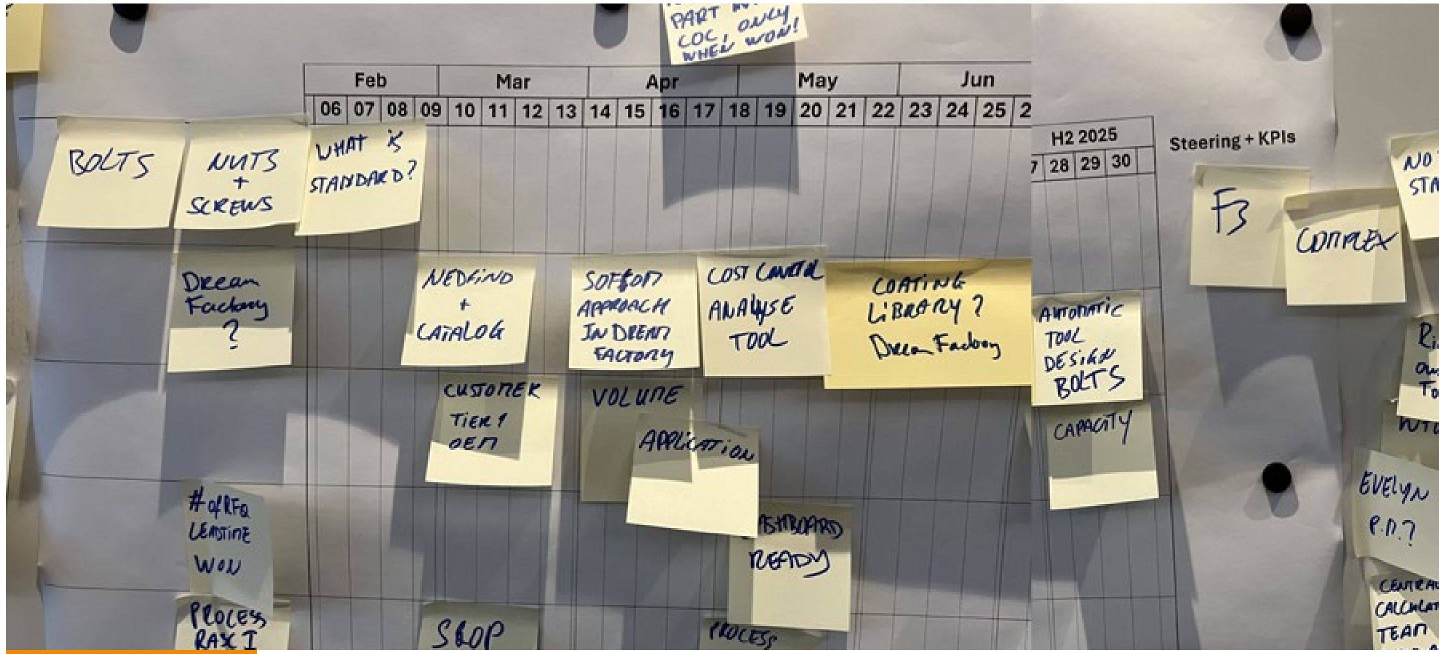
Key challenges include phasing out fossil fuels, improving supplier sustainability performance, and ongoing adapting the organizational structure into sustainability systems. Critical initiatives focus on digitalization, process centralization, and employee development to support these transitions, with progress overseen by the Sustainability Steering Committee..

Our Stakeholders

INTERESTS AND VIEWS OF STAKEHOLDERS

Nedschroef identified the following key stakeholder categories and the most common approach to engagement::

Stakeholder	Approach to engagement
Shareholder: Nedschroef has only one shareholder.	• Supervisory Board meetings • Annual reports • Onsite visits
Customers: Automotive and Aviation industry, and manufacturers of metal forming parts.	• Trade fairs and exhibitions • Visits, workshops and meetings • Audits and surveys • Website and social media
Suppliers: Products, raw materials, and product-related services.	• Visits, workshops and meetings • Audits and interviews
Employees and representatives: Permanent or temporary, full-time or part-time contracts. Local and central works councils.	• MyNedschroef • Townhall meetings • Works Council meetings • Website and social media
Governments, tax authorities and Civil society: Local and national authorities. Neighbors, universities, and associations.	• Onsite visits and meetings • Onsite events



Nedschroef organizes various stakeholder engagement mechanisms such as meetings with employees, customers, and suppliers, workshops to co-create solutions, community dialogues to address local impacts, supplier audits to ensure compliance, and digital platforms for ongoing feedback collection.

The purpose of stakeholder engagement is to understand and prioritize material issues such as carbon reduction and recyclability, build trust, drive innovation, ensure compliance with regulations, and mitigate potential risks. This approach aligns the company's strategy with stakeholder expectations while fostering collaboration and transparency.

Stakeholder input is integrated into strategy through materiality assessments, shaping annual priorities and guiding actions. Progress is tracked through KPIs focus with regular feedback loops ensuring stakeholders are informed about how their input is addressed.

Nedschroef recognizes the importance of effective stakeholder engagement to align the strategy and business model with stakeholder interests:

Stakeholder	Interests
Shareholder	▪ focus on ESG alignment and value creation.
Customers	▪ demand low-carbon manufacturing and recyclability, shaping the transition to renewable energy use.
Suppliers	▪ seek collaboration on responsible sourcing, reinforcing transparent supply chain management and shared sustainability goals.
Employees and representatives	▪ prioritize safe conditions, skill development, and sustainability involvement, driving operational efficiency and energy-saving initiatives.
Governments, tax authorities and Civil society	▪ drive compliance and transparency, guiding adherence to standards and improved reporting. ▪ prioritize minimized emissions and resource use, addressed through efficient, sustainable manufacturing practices.

Nedschroef integrates stakeholder interests into its strategy through a structured governance framework. Regular Sustainability Steering Committee meetings, led by the Sustainability Director with the CEO and CFO, address material impacts, risks, opportunities, and due diligence aligned with stakeholder expectations.

A Double Materiality Assessment conducted during the reporting period identified and prioritized stakeholder concerns. This process, along with meetings to review KPIs, audit findings, and sustainability reports, ensures stakeholder interests are embedded in strategic decisions.

An annual ISO 14001 and 50001-compliant Management Review further incorporate stakeholder perspectives on environmental and energy management. The finalized Sustainability Report, presented to the Supervisory Board, summarizes the effectiveness of actions taken, aligning Nedschroef's business model with stakeholder priorities.

Impact, risk and opportunity management

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

Nedschroef follows a structured process to identify, assess, prioritize, and monitor its environmental and social impacts, informed by double materiality and due diligence. The company evaluates ESG factors across operations, supply chain, and product lifecycle, identifying direct and indirect impacts.

The assessment evaluates the likelihood and severity of these impacts, and a due diligence process ensures human rights and environmental risks are addressed, including supplier assessments.

Measurable goals and KPIs are set to track progress, and regular monitoring through audits and internal reviews ensures effective mitigation. This process supports proactive management of material impacts, risks, and opportunities.

Nedschroef identifies, assesses, prioritizes, and monitors financial risks and opportunities by evaluating factors like cost volatility, market disruptions, and regulatory changes. Financial metrics, such as ROI and scenario modeling, help assess potential impacts. A materiality matrix is used to prioritize risks based on their financial significance. The company continuously monitors key financial indicators like cash flow and operating margin, integrating findings into financial planning and strategy. The Sustainability Steering Committee oversee the process, ensuring effective mitigation and capitalizing on opportunities.
Nedschroef's materiality assessment considers both impact and financial materiality using key input parameters:

- **Stakeholder Perspectives:** Insights from customers, suppliers, investors, employees, and regulatory bodies.
- **Regulatory & Market Analysis:** Compliance with EU regulations (CSRD, EU Taxonomy) and industry trends.
- **Environmental & Social Data:** Greenhouse gas emissions, resource consumption, supply chain impacts, and labor practices.
- **Financial Implications:** Potential costs, revenue opportunities, and financial risks linked to sustainability factors.
- **Risk Likelihood & Severity:** Probability and magnitude of sustainability risks affecting operations and strategy.

These parameters ensure a structured, data-driven approach to identifying material sustainability impacts, risks, and opportunities.

The double materiality assessment evaluates ESG topics for both impact and financial materiality of a company's activities. Here's a shortened breakdown of the process: Methodologies:

1. Identify Material Topics:
- Engage internal and external stakeholders.
- Benchmark against industry standards and peers.

2. Risk and Impact Analysis:
- Identify the impact, risks and opportunities for all material topics both from an impact and financial materiality perspective.

3. Mapping and Prioritization:
- Create a materiality matrix to prioritize issues based on financial risk and opportunities and impact on people and the environment.
- Use weighting factors to assign importance.

4. Scenario Analysis:
- Analyze the sensitivity of material issues to future scenarios (e.g., regulatory shifts).

5. Align with ESG Frameworks:
- Reference ESRS standard for consistency..

Assumptions:
1. Long-Term Perspective: ESG factors can have both short and long-term financial consequences.
2. Interdependence: Impact and financial materiality are interconnected.
3. Stakeholder Sensitivity: Evolving stakeholder expectations influence market position.
4. Data Availability: Some ESG data may be more qualitative than quantitative.
5. Regulatory Trends: Increasing market and regulatory pressures on ESG issues.

This process helps prioritize ESG risks and opportunities based on their financial risk and opportunities and impact on people and the environment.

Nedschroef's Sustainability Steering Committee oversees sustainability-related risks, while the Executive Committee integrates these risks into corporate strategy.
The decision-making process involves identifying risks through stakeholder input, regulatory analysis, and internal assessments, followed by evaluating and prioritizing them based on financial and sustainability impacts. After a structured approval workflow, material risks and opportunities are integrated into business planning and operations.

Internal controls track key risks and mitigation measures, monitoring key risk indicators to ensure proactive management, and conducting compliance checks through audits and assurance processes.

Continuous improvement is achieved through regular reviews, audits, and updates to align risk management with evolving regulations and business needs.

Nedschroef embeds sustainability risks into its Corporate Management System - Risk and Opportunity Analysis, assessing them alongside financial, operational, and strategic risks. Identified through stakeholder engagement and regulatory monitoring, these risks are evaluated based on effect and likelihood.

Until 2023, the materiality assessment was conducted according to the GRI Standards, focusing on sustainability impacts, but in 2024 it was refined to align with evolving regulations, stakeholder expectations, and business priorities.

The materiality assessment now follows the ESRS framework, integrating both impact and financial materiality to comply with double materiality requirements. This includes enhanced stakeholder engagement, a more structured financial risk evaluation, and expanded scenario analysis.
In Q3-2024 a comprehensive update was conducted, incorporating updated EU regulatory requirements such as CSRD and industry best practices, and in Q4-2025 the material assessment was reviewed to evaluate impact material and financial material from the Leist entities. Moving forward, the materiality assessment will be performed annually, ensuring continuous alignment with strategic objectives and external developments.

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE BUSINESS'S SUSTAINABILITY STATEMENT

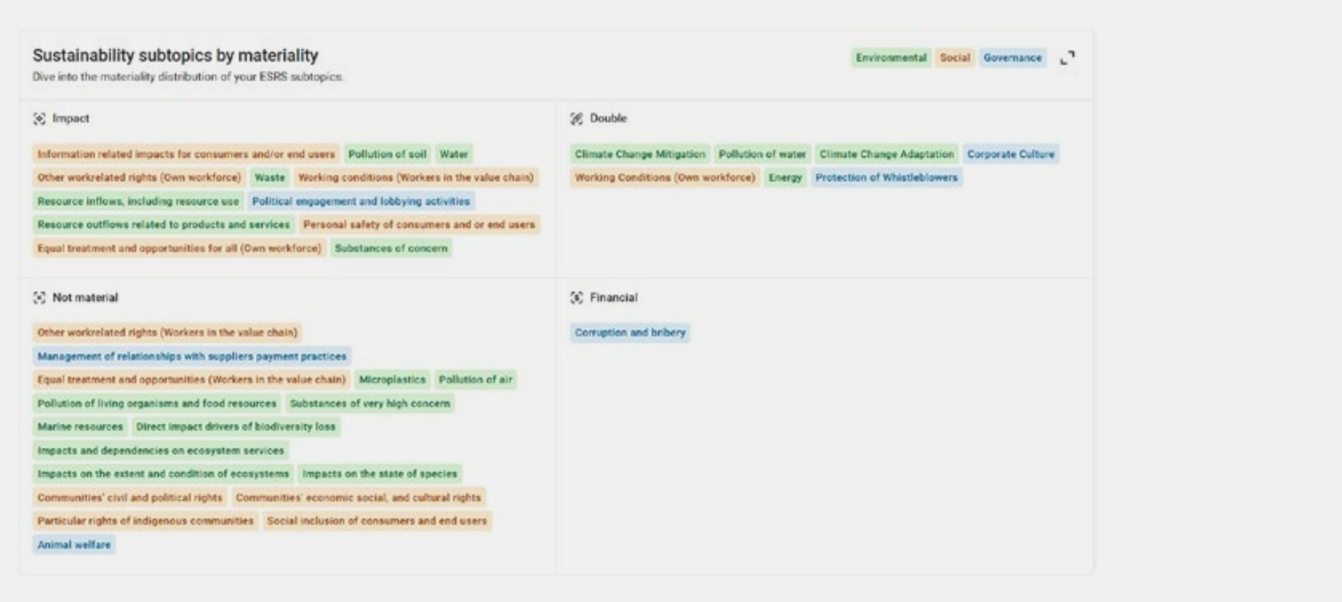
The Position Green DMA solution (software application supporting sustainability reporting) is based on the requirements as set out in the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) adopted in July 2023. The materiality assessment solution follows the principle of double materiality, comprising of impact and financial materiality.

According to double materiality, a sustainability matter is deemed material out of one or both of the following perspectives:

Impact materiality – An impact the business has on people and the environment, determined based on materiality of the impacts; and/or

Financial materiality – A sustainability related effect from a financial perspective affecting the company's financial position, financial performance, cash flows, its access to finance or cost of capital.

Double materiality assessment result for Nedfast performed in 2025:



Environmental Information

Climate change

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

The Scope 1 and 2 GHG emission reduction targets are aligned with industry standards and customer expectations in the automotive sector, ensuring compliance with best practices and advancing progress toward a low-carbon future.

Using 2020 as the reference year, the targets aim for a 50% reduction by 2030 and 100% by 2040. These targets are more ambitious than the cross-sector (ACA) reduction pathway, which projects a 42% reduction by 2030 and 90% by 2050, as outlined in the publication *'Pathways to Net-zero – SBTi Technical Summary (Version 1.0, October 2021)'* and are consistent with the goals of the Paris Agreement.
The most significant levers for decarbonization and the planned actions to achieve the GHG emission targets per Scope are::

Scope 1 GHG emissions:
- Natural gas used for manufacturing equipment/processes and room heating will be progressively replaced or rebuilt with equipment powered by renewable energy sources such as electricity, hydrogen, or biofuel..

Scope 2 GHG emissions:
- Electricity from non-renewable sources will be gradually replaced with electricity from renewable sources.

Scope 3 GHG emissions:
- Purchased Goods and Services: Legal and customer requirements are driving continuous GHG emission reductions in the supply chain, particularly for steel, which contributes significantly to GHG emissions.
- Inbound and Outbound Transport: Legal and customer requirements are also driving GHG emission reductions in the transportation sector.

In addition to the planned actions to achieve the GHG emission targets, we also identified targets and action on:

Waste Reduction and Recycling:
- Minimize waste generation through improved processes and maximize the recycling and reuse of materials to reduce emissions associated with waste management.

Implement Water Recycling and Reuse Systems:
- Install technologies that allow for the recycling and reuse of water within manufacturing processes to reduce the demand for fresh water.

Nedschroef has already made significant strides in executing the transition plan for climate change mitigation, focusing on reducing GHG emissions, improving energy efficiency, and aligning with regulatory frameworks.

The following outlines the key areas of progress:

Scope 1 and 2 GHG emission reductions:
- Since the base year of 2020, a 22% reduction in Scope 1 and 2 GHG emissions have been achieved, primarily driven by increased renewable energy usage and energy efficiency initiatives. .

Increased renewable energy usage:
- Nedschroef made significant progress in transitioning to electricity from renewable sources. As of the latest reporting period, 86% of the electricity consumption comes from renewable sources, which is well on track to meet the 2030 target of 100% electricity from renewable sources.

Long-term energy strategy:
- Nedschroef committed to sourcing 100% renewable energy by 2040 and is actively working toward this goal through continued investments in manufacturing equipment powered by renewable energy.

The overall Strategic Business Plan includes defined goals to reduce GHG emissions from Scope 1, 2, and Scope 3 in alignment with the Paris Agreement and stakeholder requirements. Based on this, a comprehensive Sustainability Strategy, including a breakdown of relevant objectives, is developed.

The transition plan for climate change mitigation is integrated into the strategy and aligned with the annual business and financial planning.

The operational (OpEx) and capital expenditures (CapEx) costs are estimated for implementation of the decarbonization levers for the coming years.

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The Sustainability Policy considers Nedschroef's actual and potential impacts on environmental, social and governance matters through our operations and supply chains and applies to all Nedschroef companies. It is based on the ESG framework, which is an accounting framework with three parts: Environmental, Social and Governance to evaluate our business practices and performance in a broader perspective to create greater business value. The policy relates to how the products, services, and operations within our company and across our supply chain will be continually reviewed and improved, so that we can integrate environmental, social and governance considerations into our everyday practices and make a positive contribution to society.

Extract from the Sustainability Policy:

- We mitigate climate change by reducing both direct and indirect CO2 emissions through the transition from non-renewable to renewable energy sources.
- We adapt to climate change by implementing measures such as Continuity, Contingency, Emergency Plans incl. Disaster recovery, to prepare for potential natural disasters.
- We commit to procuring energy from renewable sources, ensuring alignment with the goals set in our Sustainability Strategy to achieve a low-carbon future.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Sustainability Policy, which is available in full version on request.

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In addition to ongoing projects and initiatives aimed at improving energy efficiency, the following key actions were taken in 2025 to mitigate climate change:

- One natural gas-powered heat treatment line was taken out of operation for renovation and conversion into a hybrid system powered by both natural gas and/or electricity. The line was taken into operation again in 2025.
- The share of purchased electricity from renewable sources increased from 83% to 86%.

As part of the transition plan for climate change mitigation, the following key actions are planned:

- Phase out natural gas for manufacturing equipment and room heating by rebuilding or replacing equipment with systems powered by renewable energy sources such as electricity, hydrogen, and/or biofuel.
- Phase out electricity from non-renewable sources by continuously increasing the use of electricity from renewable sources.

The listed key actions - phase out natural gas and electricity from non-renewable sources, are expected to reduce the Scope 1 and 2 GHG emissions to zero by 2040.

The phase out of natural gas for manufacturing equipment and room heating affects several operational entities in Europe and the phase out of electricity from non-renewable sources affects few operational entities both in Europe and China.
The phase out of natural gas will continue until 2040 and the phase out of electricity from non-renewable will continue until 2030.

Implementing the action plan requires significant investments and internal/external manpower, which will be continuously considered and scheduled over the coming years. The heightened focus on sustainable operations, including the procurement of renewable energy, contributes to increased operational expenditures (OpEx), which are reflected in the costs detailed in the financial statements. Similarly, substantial investments in renewable energy projects, energy-efficient technologies, and electrification initiatives are directly linked to capital expenditures (CapEx) reported in the financial statements.

Nedfast is not in scope of the regulation CapEx plan required by Commission Delegated Regulation (EU) 2021/2178.
The listed key actions related to climate change mitigation are depending on sufficient availability of energy from renewable sources and will necessitate substantial operational (OpEx) and capital expenditures (CapEx) over the coming years.
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TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Climate-related matters are integral to the Sustainability Strategy, Objectives, and Policy, as well as the Environmental and Energy Policy. Objectives are defined, targets are set and regularly monitored by the Executive Committee through the Sustainability Steering Committee and the annual Management Review. Any additional local KPIs will align with corporate objectives and be monitored locally. The Cross-Company Group Environment and Energy team contributes by driving standardization, sharing best practices, and exchanging lessons learned.

Main objectives, targets and base year are listed.

Name of target	Base year	Baseline value	2025	2030	2035	2040
Scope 1 GHG emissions (tCO_2eq)	2020	17,346	18,230	18,230	9,115	0
Scope 2 GHG emissions – market-based (tCO_2eq)	2020	19,114	1,911	0	0	0
Scope 3 GHG emissions (tCO_2eq)	2020	471,769	408,582	353,857	288,916	235,894
Electricity from renewable sources [%]	2020	10	90	100	100	100

The GHG emissions are covered by the target CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3.

For Scope 1 GHG emission, there are mainly two levers for decarbonization:
- Natural gas for manufacturing equipment/processes and room heating, which continuously will be rebuilt/replaced and powered by energy from renewable sources such as for example electricity, hydrogen, and/or biofuel.
- Other fuel types for Company vehicles.

For Scope 2 GHG emission, there is one lever for decarbonization:
- Electricity from non-renewable sources, which continuously will be replaced by electricity from renewable sources.

The method for accounting Scope 1 and Scope 2 GHG emissions has followed the GHG Protocol since the base year of 2020 and has been validated annually by an external assurance provider since 2021.

For Scope 3 GHG emission, there are mainly two levers for decarbonization Upstream:
- Purchased Goods and Services, where legal and customer requirements are constantly driving GHG emission reductions in the supply chain - especially transition to low carbon emission steel, which is a significant portion of the GHG emission.
- Inbound and outbound transport, where legal and customer requirements are constantly driving GHG emission reductions in the transporting sector, by using less carbon emission fuel types and/or compensation with carbon credits.

The method for accounting Scope 3 GHG emissions has followed the GHG Protocol since the base year of 2023.

In 2024, a GHG Protocol screening was conducted with the support of an external consultant to identify GHG emission sources and select the appropriate methods for calculating these emissions.

No changes were made to Scope 1 and 2, and the base year, baseline, target year, and target remain unchanged for now, but the substantially higher environmental impact

from Leist must be evaluated in 2026 to ensure meeting target 2040.

Scope 3 was redefined in 2024 compared with previous reporting years (only upstream) and since 2024 includes 12 of the 15 categories, with the remaining 3 categories identified as not material. The base year, baseline, target year, and target have been redefined accordingly.

From 2020 to 2023, the “UK Government GHG Conversion Factors for Company Reporting” were used for GHG emissions calculations. Where certain factors were unavailable, local emission factors to CO2eq were applied.

Starting from 2024, GHG emissions are calculated using the software solution provided by Position Green, based on emissions factors from various international sources e.g. DEFRA, IEA, Exiobase, etc.

In the Sustainability Policy, we commit to procuring energy from renewable sources, ensuring alignment with the goals set in our Sustainability Strategy to achieve a low-carbon future.

A target has been set to progressively increase the purchase of electricity from renewable sources, aiming to reduce Scope 2 GHG emissions to zero by 2030.

Electricity consumption and energy mix are calculated using actual data from supplier invoices, advance payments, and/or supplier portals for each entity.

The entities report monthly, and the performance is monitored and reviewed at the group level. When necessary, corrective actions are identified and implemented to ensure that the target is met.

The target was established in 2020, which also serves as the base year, with a sub-target set for 2025 and the final target for 2030.

ENERGY CONSUMPTION AND MIX

Energy consumption and mix	2025	2024
(1) Fuel consumption from coal and coal products [MWh]	0	0
(2) Fuel consumption from crude oil and petroleum products [MWh]	8,487	7,436
(3) Fuel consumption from natural gas [MWh]	108,043	75,939
(4) Fuel consumption from other fossil sources [MWh]	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources [MWh]	10,911	9,557
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	127,441	92,933
Share of fossil sources in total energy consumption [%]	64.1	61.5
(7) Consumption from nuclear sources [MWh]	2,828	2,152
Share of consumption from nuclear sources in total energy consumption [%]	1.42	1.42
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [MWh]	0	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [MWh]	68,755	55,966
(10) The consumption of self-generated non-fuel renewable energy [MWh]	0	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	68,755	55,966
Share of renewable sources in total energy consumption [%]	34.6	37.1
Total energy consumption [MWh] (calculated as the sum of lines 6, 7, and 11)	199,023	151,051

Energy consumption and the energy mix are determined using actual data from supplier invoices, advance payments, and information from supplier portals for each entity.

GROSS SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS

	Actual			Target		
	2025	2024	% 2025 / 2024	2025	2030	2040
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions [tCO_2eq]	23,535	16,548	42.2	18,230	18,230	0
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions [tCO_2eq]	26,095	23,128	12.8	-	-	-
Gross market-based Scope 2 GHG emissions [tCO_2eq]	4,811	4,955	-2.9	1,911	0	0
Significant Scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions [tCO_2eq]	363,622	398,974	-8,9	408,582	353,857	235,894
1 Purchased goods and services	301,727	320,516	-5.9	-	-	-
2 Capital goods	3,526	4,362	-19.2	-	-	-
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	10,424	8,287	25.8	-	-	-
4 Upstream transportation and distribution	18.696	17,052	9.0	-	-	-
5 Waste generated in operations	122	136	-10.5	-	-	-
6 Business traveling	609	1,850	-67.1	-	-	-
7 Employee commuting	3,573	3,238	10.3	-	-	-
9 Downstream transportations	4,497	19,966	-77.5	-	-	-
10 Processing of sold products	111	114	-2.7	-	-	-
11 Use of sold products	20,328	23,447	-13.3	-	-	-
12 End-of-life treatment of sold products	4	5	-13.0	-	-	-
15 Investments	3	1	170.1	-	-	-
Total GHG emissions						
Total GHG emissions (market-based) [tCO_2eq]	**391,967**	**420,477**	**-6.8**	**428,723**	**372,087**	**235,894**

Approximately 90% of the purchased electricity from renewable sources is certified with a Guarantee of Origin (GO).

Where Scope 1 and 2 are measured and/or calculated on primary data, and the majority of Scope 3 categories are based on assumptions.

Detailed information on definitions, assumptions and estimations is available in the Glossary.

When selecting emission factors, the goal is to prioritize the most accurate, high-quality data available to enhance the reliability of GHG calculations across all scopes. The choice of emission factors is determined by the scope and the specific activity being measured, with a clear preference for more specific, verified data sources whenever possible to ensure precision and credibility.

In the beginning of 2024, a screening of the Scope 3 GHG emissions was conducted. The screening included evaluation of all 15 categories identified by the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version).

The outcome of the screening determined that the following categories are not relevant and therefore excluded from reporting, as Nedschroef has no activities in these areas:

- Category 8: Upstream Leased Assets
- Category 13: Downstream Leased Assets
- Category 14: Franchises

Scope 3 GHG emissions are mainly measured using the ‘spend-based’ method (92%) and the rest uses the ‘activity-based’ method. Detailed information on definitions, assumptions and estimations is available in the Glossary.

GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

In 2025 Nedschroef did not purchase or cancel any carbon credits.

INTERNAL CARBON PRICING

The carbon pricing scheme applies for all CAPEX applications and for all entities. Internal carbon pricing for Scope 1 and 2 GHG emissions is embedded in the CAPEX procedure for new equipment investments, with the following objectives:
- Conduct cost-benefit analyses
- Driving energy efficiency
- Promote low-carbon investments
- Incentivize consideration of climate-related issues in decision-making
- In 2024 the carbon price is 50 €/tCO_2eq.

The pricing scheme used is a shadow price in €/tCO_2eq, determined through benchmarking against industry peers via desktop research.

Pollution

POLICIES RELATED TO POLLUTION

The Environmental and Energy Policy takes into account Nedschroef's context, including the nature, scale and environmental impact of our products, processes, activities and services, and applies to all Nedschroef companies. While striving to fulfil our mission and vision, we want to minimize our negative impact on the environment and pursue long-term enhancement of energy performance.

Extract from the Environmental and Energy Policy, which also addresses the substitution and minimization of the usage of substances of concern and substances of very high concern:

- We improve air quality from our process exhaust.
- We reduce the impact of chemical substances on human health and the environment, including air, water and soil.
- We will not use any substances of very high concern.
- We continually aim to reduce the usage of any substance of concern like Toluol, Alumal Deox 411 and PFAS.
- We integrate ISO14001 and ISO 50001 requirements into our business processes and continually improve our Environmental and Energy Management System, to enhance our Environmental and Energy performance.

We integrate ISO14001 requirements into our business processes and continually improve our Environmental Management System, to enhance our environmental performance and continually reduce the impact on the environment, and health and safety on people.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Environmental and Energy Policy.

ACTIONS AND RESOURCES RELATED TO POLLUTION

In the reporting year, there were no significant actions in addition to those carried out by the entities on daily operations.

Emissions to air, water and soil from operations are regularly monitored and below limits from the individual business permits.

Two locations have limited contamination of soil and ground water from the past, which are regularly monitored and analyzed by external companies.

At one location, currently no actions are necessary for cleaning the soil, since there is a controlled situation without any ecological risks. Cleanup is only needed during natural moments. Ground water was monitored during the reporting year to check for natural decomposition and possible spreading. This will continue until 2027 when there will be a new evaluation of the situation with the local government.

At the other location, continually cleaning (pump and treat) of affected ground water is taking place. Annual evaluation with the local government is ongoing.
Currently the situation is stable without any risks for the environment and/or humans, but at an unspecified point of time, the contaminated soil must be cleaned by in-situ process, which will take up to 6 years.

The affected stakeholder groups for the pollution are neighborhood, local governments and Nedschroef.

Currently the time horizons are not defined, since annual evaluations with the local governments are ongoing.

The current OpEx at both entities is approx. € 34.5 K annually and the estimated future costs for in-situ process, etc. is approx. € 1.2 M and are expected to be materialized within the coming 10-15 years.

TARGETS RELATED TO POLLUTION

Measurable, outcome-oriented, and time-bound targets related to pollution are specified in each of the local business permits given by the local governments.

Nedschroef tracks the effectiveness of policies and actions by ongoing measurement of relevant pollution sources and yearly monitoring by internal and external auditors during ISO 14001 Environmental Management System audits and annual Management Reviews.

Ongoing measurement of relevant pollution sources and yearly monitoring by internal auditors and external auditors during ISO 14001 Environmental Management System audits and annual Management Reviews.
Ecological thresholds and entity-specific allocations are specified in each of the local business permits given by the local governments.

SUBSTANCES OF CONCERN AND VERY HIGH CONCERN

Substances of concern	Amount generated/used during production or procured [kg]		Amount that left the company's facilities as emissions, products, or part of products/services [kg]	
	2025	**2024**	**2025**	**2024**
Carcinogenicity categories 1 and 2	132,370	706	8,000	0
Chronic hazard to the aquatic environment categories 1 to 4	820,638	453,752	22,999	0
Endocrine disruption for human health	1,400	580	0	0
Endocrine disruption for the environment	131	131	0	0
Germ cell mutagenicity categories 1 and 2	4,989	9	0	0
Hazardous to the ozone layer	0	0	0	0
Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties	2,940	2	0	0
Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties	0	0	0	0
Reproductive toxicity categories 1 and 2	74,575	7,292	1,851	0
Respiratory sensitisation category 1	96,116	33,764	13	0
Skin sensitisation category 1	500,589	126,457	23,834	0
Specific target organ toxicity, repeated exposure categories 1 and 2	194,038	10,973	9,853	0
Specific target organ toxicity, single exposure categories 1 and 2	324,348	211,015	1,850	0
Total	**2,283,003**	**844,681**	**81,387**	**0**

Calculation of substances of concern is based on reporting of chemicals which includes substance of concern from each location.
Some reported chemicals contain several substances of concern and are therefore reported several times in the listed amounts.
The reported amounts are used during production or procured although the actual share of substance of concern is less.

Water and Marine Resources

POLICIES RELATED TO WATER AND MARINE RESOURCES

The Environmental and Energy Policy considers Nedschroef's context, including the nature, scale and environmental impact of our products, processes, activities and services, and applies to all Nedschroef companies. While striving to fulfil our mission and vision, we want to minimize our negative impact on the environment and pursue long-term enhancement of energy performance.

Extract from the Environmental and Energy Policy:

- We reduce the water withdrawal, consumption, discharge, and associated impacts through efficiency measures, such as water recycling, reuse and treatment of water discharge.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Environmental and Energy Policy.

Sustainable oceans and seas are not adopted in any policies or practices and was not assessed as material in the DMA

ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

Actions taken in the reporting year 2025:

Recording and reporting of water sources:
- Continuous tracking and reporting of water withdrawal sources to enhance understanding of environmental impacts.

Reduction of water withdrawal:
- Implementation of various local initiatives such as reuse/recycle of water for process cooling, switching from 3rd party to surface water and fixing leakages leading to local reduction in water withdrawal..

Local projects for further reductions:
- Initiation of focused projects to explore additional reduction opportunities.

Actions planned for the future:

Enhanced monitoring and data collection:
- Installation of additional water meters were needed to measure usage more accurately for various purposes.

Ongoing evaluation and adaptation:
- Continuous assessment of water reduction initiatives to determine effectiveness and identify further improvement opportunities.

Expansion of reduction initiatives:
- Scaling up successful local initiatives such as reuse/recycle of water for process cooling to other locations and exploring innovative approaches to minimize water withdrawal further.

These efforts demonstrate a commitment to sustainable water and are mainly related to the locations accounting for the most water withdrawal.

TARGETS RELATED TO WATER AND MARINE RESOURCES

The corporate Environmental and Energy objectives and targets are set - and monitored on regular basis - with the top management via our Sustainability Steering Committee and Management Review. Any additional, local KPI’s will be in line with the corporate objectives and monitored locally.

Extract from the Environmental and Energy Policy:
- We reduce the water withdrawal, consumption, discharge, and associated impacts through efficiency measures, such as water recycling, reuse and treatment of water discharge..

The following two objectives and targets are set:
- Water withdrawal absolute in m^3 - base year in 2020
- Water withdrawal intensity in m^3/€ sales - base year in 2020

No significant changes in the methodology since base year 2020.

WATER WITHDRAWAL ABSOLUTE

The corporate ambition, as outlined in the Environmental and Energy Policy, is to reduce total water withdrawal. Water usage data is sourced from invoices, meters, and/or portals across various entities, with the two most significant withdrawals coming from:

- **Surface and ground water:** Primarily used for cooling manufacturing processes in closed circuits.
- **Third-party water:** Used for other purposes, such as drinking, washing, and cleaning.

	Unit	2025	2024
Surface, Ground and Produced water	m^3	139,146	92,359
Third-party water	m^3	57,655	49,618
Total water withdrawal	**m^3**	**196,801**	**141,977**

Each entity's water withdrawal is categorized into five water stress levels, based on the World Resources Institute's "Aqueduct Water Risk Atlas." This publicly accessible global database and interactive tool maps water-related risk indicators, enabling comparison across large geographical areas to identify regions or assets that warrant closer attention.

	Unit	2025	2024
Low	m^3	8,083	8,047
Low-Medium	m^3	33,349	318
Medium-High	m^3	24,533	25,735
High	m^3	130,029	106,961
Extremely High	m^3	807	916
Total water withdrawal	**m^3**	**196,801**	**141,977**

Approximately 66% of the total water withdrawal occurs in areas classified as having High or Extremely High water stress.

The water withdrawal is monitored and reviewed annually by the Sustainability Steering Committee and reported in the Sustainability Report. Since the base year of 2020, water withdrawal has significantly decreased from 280,355 m^3 and is expected to meet the targets for the coming years – 137,400 m^3 by 2030.

Water consumption
Nedschroef's products do not contain any water. Therefore, all water withdrawals are either evaporated, discharged back to natural sources such as rivers and canals, or discharged to third parties via sewers or storage tanks.

Resource Use and Circular Economy

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Environmental and Energy Policy takes into account Nedschroef's context, including the nature, scale and environmental impact of our products, processes, activities and services, and applies to all Nedschroef companies. While striving to fulfil our mission and vision, we want to minimize our negative impact on the environment and pursue long-term enhancement of energy performance.

Extract from the Environmental and Energy Policy:

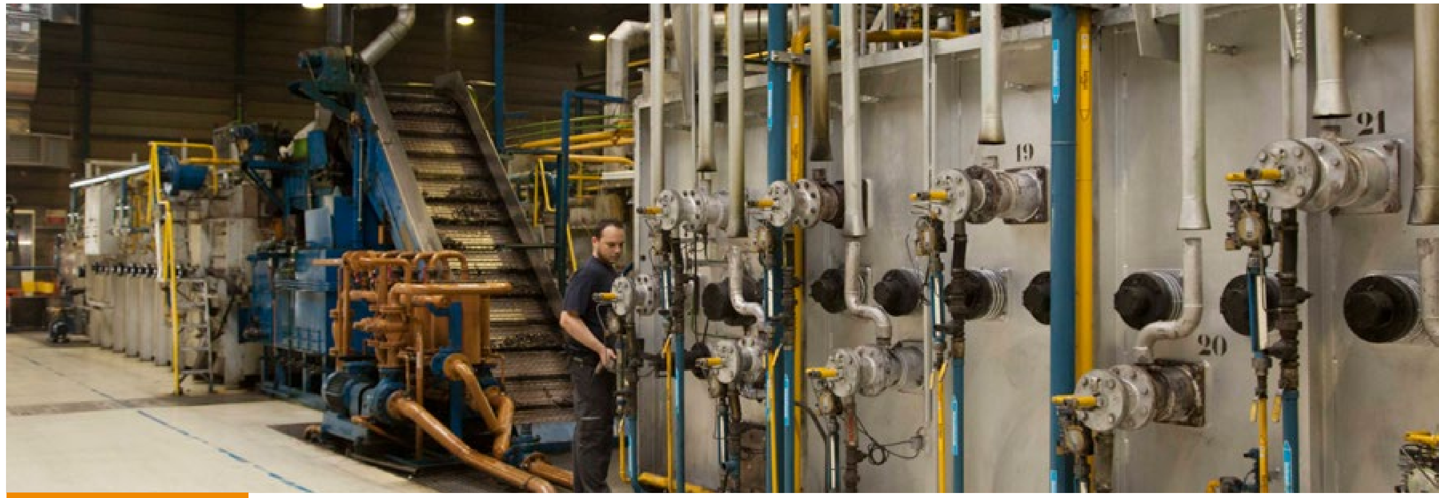
- We aim towards full transparency of use of hazardous, scarce and conflict materials. We drive towards replacing hazardous materials with more environment-friendly solutions and material that can be reused, recycled or safely disposed of.
- We reduce the generation of waste and unavoidable waste, that is currently incinerated or landfilled, will systematically be replaced by waste that can be recycled or reused.

The Executive Committee, comprising the CEO and CFO, holds ultimate accountability for the Environmental and Energy Policy.

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The key actions related to resource use and circular economy taken in the reporting year and planned are:

1. Transition to Electric Arc Furnace (EAF) Production:
Nedschroef primarily manufactures products from metals such as various types of



steel, stainless steel, and aluminum. These materials are either processed internally or sourced as finished or semi-finished goods. In line with the European Critical Raw Materials Act (Annex II, Section 1), the raw materials used may contain negligible quantities of some critical raw materials.

Steel production follows two main routes:

1. Blast Furnace-Basic Oxygen Furnace (BF-BOF):
- This method produces new ("virgin") steel, utilizing 20–25% secondary materials.

2. Electric Arc Furnace (EAF):
- Often associated with recycling, this route incorporates up to 100% secondary materials.

These pathways are commonly referred to as the “primary” (BF-BOF) and “secondary” (EAF) production methods, reflecting their respective reliance on raw versus recycled inputs.

Nedschroef is in close contact with the steel manufacturers, who are increasingly investing in Electric Arc Furnace (EAF) production methods to meet the growing market demand for materials with reduced environmental impact, aligning with increasing customer requirements.

2. Waste Management Aligned with the Waste Hierarchy:
Nedschroef has implemented an effective waste management system and continues to optimize it in alignment with the waste hierarchy. All waste generated is managed by contracted waste contractors to ensure proper disposal outside the organization.

Waste is classified into two main categories:

1. Hazardous Waste
   Hazardous waste includes materials defined by Annex III of the Basel Convention or classified as hazardous under national legislation, such as the European Waste Catalogue (marked with a star in the waste code, e.g., 150202*). Examples include:
- Waste oil and emulsions from manufacturing processes.
- Water contaminated with oils from cleaning machines and floors.
- Absorbents, filter materials (e.g., oil filters), wiping cloths, and protective clothing contaminated by hazardous substances.
- Carbon-based linings, other linings, and refractory materials from heat treatment equipment.
- Sludge and filter cake from water treatment equipment using chamber filter presses

2. Non-Hazardous Waste
   Non-hazardous waste comprises materials that do not meet hazardous criteria, such as:
- Metal scrap from manufacturing processes.
- Wood pallets, cardboard, paper, and plastics.
- Residual waste.

This structured approach ensures that waste is appropriately managed, minimizing environmental impact and adhering to regulatory standards.

The expected outcomes of the action plans are:

1. Transition to Electric Arc Furnace (EAF) Production:
- Reduction in carbon footprint: Significant decrease in CO2 emissions due to the higher reliance on recycled materials and lower energy intensity of EAF compared to BF-BOF.
- Increased use of recycled materials: Enhanced circularity by integrating up to 100% secondary materials into steel production.
- Alignment with market demands: Support for customer requirements for low-impact materials, improving competitive positioning in the market.
- Environmental benefits across the value chain: Positive impacts upstream (raw material sourcing), within operations (reduced energy and resource use), and downstream (sustainable product offerings).

2. Waste Management Aligned with the Waste Hierarchy:
- Reduction in waste to landfill: Prioritization of prevention, reuse, and recycling minimizes landfill contributions.
- Resource efficiency: Enhanced recovery and recycling of materials, such as metal scrap and packaging waste, promote sustainable resource use.

- Compliance and sustainability goals: Continuous adherence to regulatory requirements and achievement of annual waste reduction targets.
- Value chain integration: Waste management practices support environmental sustainability upstream (material sourcing), within operations (process optimization), and downstream (recycling opportunities for customers).

Overall, these actions will foster resource efficiency, reduce environmental impacts, and contribute to a more sustainable and circular economy.

Both the transition to Electric Arc Furnace (EAF) steel production and the implementation of waste management practices aligned with the waste hierarchy are relevant across the entire value chain - upstream, within our own operations, and downstream - contributing to significant environmental benefits.

The transition of steel production from Blast Furnace-Basic Oxygen Furnace (BF-BOF) to Electric Arc Furnace (EAF) requires substantial investment and will take several years to fully implement.

Waste management, aligned with the waste hierarchy, is an ongoing process integrated into our daily operations, supported by annual targets to drive continuous improvement.

TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Non-Hazardous waste
Nedschroef is committed to achieving full transparency in the use of hazardous, scarce, and conflict materials, aligning with its sustainability objectives to minimize environmental impact, enhance resource efficiency, and support a circular economy. This commitment contributes to broader policy goals, including the European Green Deal, and aligns sustainable development priorities by promoting safe material use and waste reduction.

Materials are evaluated through supplier declarations, audits, and compliance checks against frameworks such as the European Critical Raw Materials Act and REACH regulations. The approach assumes the continued evolution of regulations and growing availability of eco-friendly and recyclable alternatives, enabling the phased elimination of hazardous materials while increasing reliance on sustainable alternatives.

This target applies to all Nedschroef locations and operations globally, ensuring a consistent and unified approach across all regions.

The target relates to circular economy by reducing and replacing hazardous materials with alternatives that can be reused or safely recycled, aligning with the waste hierarchy and minimizing landfill contributions.

This approach integrates sustainability into material flows, enabling circular resource management while reducing environmental impacts across the value chain.

Waste generation is categorized according to the European Waste Catalogue (EWC) from the European Environment Agency. It is monitored, reviewed, and audited at each location and has been centrally reported and consolidated annually since 2022.

Trends over recent years show a gradual increase in the proportion of non-hazardous waste, aligning with Nedschroef's strategy and defined targets for sustainable waste management.

The target is to achieve 100% non-hazardous waste by 2040.

Waste diverted from disposal

Nedschroef is committed to reducing overall waste generation and systematically replacing unavoidable waste currently destined for incineration or landfill with waste that can be recycled or reused. This target directly supports the waste hierarchy and aligns with Nedschroef's sustainability objectives to minimize environmental impact, enhance resource efficiency, and contribute to a circular economy. It reflects broader policy objectives such as the European Green Deal and the EU Circular Economy Action Plan, focusing on sustainable waste management and resource recovery. Waste categorization and monitoring rely on the European Waste Catalogue (EWC) and annual waste audits, ensuring compatibility with international sustainability efforts. The approach assumes continued advancements in recycling technologies, the availability of eco-friendly materials, and the development of infrastructure to handle recyclable and reusable waste.

This target applies to all Nedschroef locations and operations globally, ensuring a consistent and unified approach across all regions.

The target relates to circular economy by reducing and replacing non-recyclable materials with alternatives that can be reused or safely recycled, aligning with the waste hierarchy and minimizing landfill contributions.
This approach integrates sustainability into material flows, enabling circular resource management while reducing environmental impacts across the value chain.

Waste generation is categorized according to the European Waste Catalogue (EWC) from the European Environment Agency. It is monitored, reviewed, and audited at each location and has been centrally reported and consolidated annually since 2022.

Trends over recent years show a gradual increase in the proportion of waste diverted from disposal, aligning with Nedschroef's strategy and defined targets for sustainable waste management.

The target is to achieve 95% by 2030 and 100% by 2040 of waste diverted from disposal.
The targets presented by Nedschroef are voluntary and not mandated by legislation. However, they align closely with regulatory frameworks such as the European Green Deal, the EU Circular Economy Action Plan, and other national and international sustainability policies.

While these targets exceed current legal requirements, they reflect Nedschroef's proactive commitment to sustainability, resource efficiency, and environmental stewardship, ensuring alignment with evolving market demands and future regulatory expectations.

Nedschroef has refined its waste management targets and metrics to better align with sustainability objectives and evolving regulatory frameworks.

Notable updates include:

- Transition from general waste reduction goals to a specific target of achieving 100% non-hazardous waste and 100% waste diverted from disposal by 2040.
- Shift to detailed categorization and tracking of waste streams using the European Waste Catalogue (EWC), ensuring consistency with EU regulations.
- Standardized waste reporting across all locations, incorporating site-level audits and centralized data consolidation for annual reviews.
- Assumes continued innovation in recycling technologies and material recovery processes to enable broader adoption of recyclable materials.
- Anticipates increased market availability of environmentally friendly and recyclable alternatives to replace hazardous materials.
- Relies on the continued development of supportive regulations and policies to facilitate waste reduction and resource efficiency.
- Differences in local waste management infrastructure and recycling capabilities may affect the uniform application of targets.
- Variability in supplier data accuracy and consistency may impact comprehensive tracking of upstream waste contributions.
- Operational data collected through waste audits, manufacturing records, and process evaluations at each location.
- Supplier declarations, third-party certifications, and compliance checks against frameworks like REACH and the European Critical Raw Materials Act.
- All data is aggregated and analyzed centrally to track progress, identify gaps, and guide strategy adjustments.

By refining targets, methodologies, and data collection processes, Nedschroef ensures measurable progress toward its waste reduction and sustainability goals while adapting to evolving circumstances and challenges.

RESOURCE INFLOWS

Nedschroef's products primarily utilize metals such as steel, stainless steel, and aluminum. These materials are either processed internally or sourced as finished or semi-manufactured goods, with an average recycled content of approximately 20-25%. All manufacturing scrap is collected and sold to third-party partners for 100% recycling, aligning with circular economy principles.

Some special products incorporate attached plastic components, which are evaluated for recyclability.

While Nedschroef does not directly process natural resources like ores or minerals, various mineral oils are utilized in processes such as forming, quenching, and lubrication. These oils are recovered post-use and sold for recycling, ensuring minimal environmental impact. Efforts are ongoing to explore alternative, sustainable process materials.

Products are packaged in either returnable KLT containers (from German: Kleinladungsträger), which are extensively reused, or in recyclable corrugated cardboard boxes. The KLT system significantly reduces packaging waste, while the cardboard achieves a 100% recycling rate.
Other resource inflows, such as machines and equipment, represent a minimal contribution compared to the primary materials described above. However, their procurement and utilization are carefully managed to align with Nedschroef's sustainability objectives.

RESOURCE OUTFLOWS

Nedschroef's production process is centered on creating high-quality, durable products designed with circular economic principles.
The key products per business unit/line are:

Business Unit Automotive:
- Standard fasteners, specially engineered parts, component subassemblies or a combination.

Business Line Machinery & Tooling:
- Premium metal forming machines, spare parts and tooling solutions.

Business Line Engineering of Systems:
- Systems and Components for Chassis and Body for Automotive, system and components for structure and suspension for Aerospace and other equipment like SetupWizzard.

The products are primarily made of metal, valued for its durability and high recyclability, with selected electronic components integrated into specialized applications. This metal-centric approach promotes circular economic principles by facilitating reuse, remanufacturing, and recycling components.

Product durability:

Product	Expected durability of the product placed on the market in relation to the industry average
Business Unit Automotive:	1
Business Line Machinery & Tooling:	1.4
Business Line Engineering of Systems:	1

Nedschroef does not use a specific external reparability rating system, but the products are designed with reparability in mind, ensuring they align with sustainability and circular economic principles.

Metal Components and Systems:

- Automotive and aviation components are manufactured to high precision standards, allowing for ease of disassembly and replacement of individual parts.
- Modular designs enable straightforward repairs and adjustments without the need to replace entire assemblies.

Machinery & Tooling:

- Metal forming machines and tool solutions are designed for durability and serviceability. Spare parts are readily available, and service is supported through technical manuals and assistance.

The above information is based on estimations and internal expert assessments.

Waste generated in the company's own operations:

	2025	2024
Total amount of waste generated [tons]	**14,938**	**13,779**
Total Amount of Waste Diverted from Disposal [tons]	13,061	12,835
- Preparation for reuse [tons]	1,044	1,372
- Recycling [tons]	9,821	10,206
- Other recovery [tons]	2,196	1,257
Hazardous waste [tons]	3,629	2,788
Non-hazardous waste [tons]	9,432	10,047
Total Amount of Waste Directed to Disposal [tons]	1,877	944
- Incineration [tons]	863	670
- Landfill [tons]	44	105
- Other disposal [tons]	970	169
Hazardous waste [tons]	1,145	546
Non-hazardous waste [tons]	732	398
Percentage of Waste diverted from disposal [%]	87.4	93.1

	2025	2024
Total Amount of Hazardous Waste [tons]	4,774	3,334
Total Amount of Non-hazardous Waste [tons]	10,164	10,445
Total Amount of Radioactive Waste [tons]	0	0
Percentage of Non-hazardous Waste [%]	68.0	75.8

In the manufacturing sector, several waste streams are typically relevant due to the processes involved.

These waste streams can vary depending on the specific materials, production techniques, and regulatory requirements.

The most relevant waste streams from common manufacturing activities:

1. Hazardous Waste:

- Chemical Waste: Waste from solvents, cleaning agents, or industrial chemicals used in processes like surface treatment or cleaning.
- Oily Waste: Used process oils, or lubricants.
- Contaminated Packaging: Containers, barrels, or packaging that held hazardous substances and required special disposal.

2. Non-Hazardous Waste:

- Scrap Metal: Leftover or defective metal parts and from manufacturing, stamping, or cutting processes.
- Plastic Waste: Waste from packaging materials used for products or components.
- Paper and Cardboard: Waste from packaging materials used for products or components.
- Wood: Pallets, crates, or other wood used in packaging or supporting materials.

3. Construction and Demolition Waste:

- Concrete and Brick: From any construction, renovation, or demolition activities related to production facilities.
- Insulation: From renovation or rebuilding of infrastructure.

4. Electronic Waste (E-Waste):

- Obsolete Machinery or Electronics: Discarded electrical components, computers, or equipment used in manufacturing processes.

5. Process-Specific Waste:

- Sludge: From wastewater treatment processes, surface treatment, or cutting processes.
- Dust and Particulates: Collected from filters in air purification systems, particularly in processes generating fine dust or particulate emissions.

6. Energy-Related Waste:

- Batteries: Used or damaged batteries from equipment or energy storage systems.
- Lighting Equipment: Fluorescent tubes, bulbs, or other lighting fixtures containing hazardous components.

7. Organic Waste:

- Biological Waste: From cafeteria or break rooms.

8. Packaging Waste:

- Plastics, Cardboard, and Pallets: Generated from the packaging of raw materials or finished products.
- Stretch Wrap and Strapping: Used in securing products during shipping.

99% of the waste contains the following materials:

- Metal: scrap metal
- Mineral oil and emulsions
- Commercial and industrial waste
- Wood
- Paper and board: mixed
- Plastics: average plastics
- Household residual waste

The data are sourced from direct measurements provided by local waste management and recycling companies. Waste categorization follows the European Waste Catalogue (EWC) from the European Environment Agency. In Kunshan, China, local waste categories have been mapped to align with the EWC to ensure consistency in reporting and compliance.

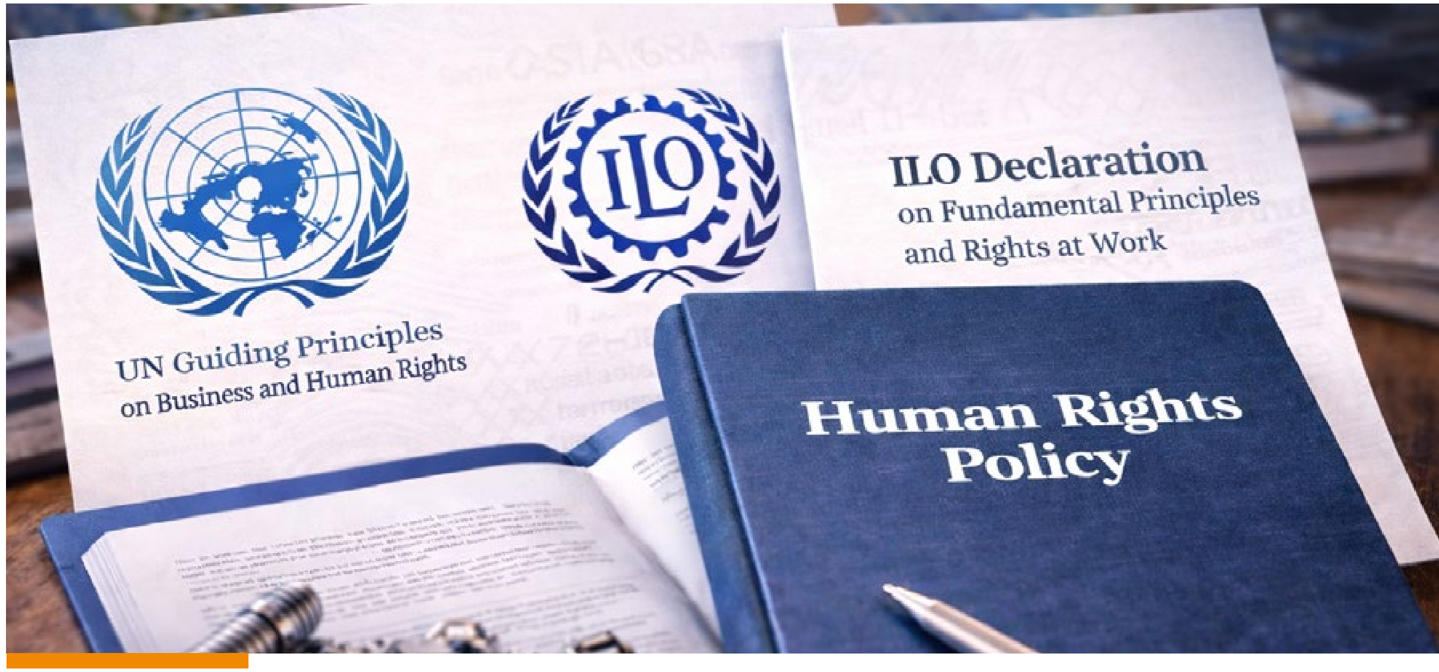
Social Information-Own Workforce

POLICIES RELATED TO OWN WORKFORCE

Human rights policy commitments

In our company the majority of Nedschroef's human right policy commitments are integrated in the sustainability objectives and code of conduct.

- Our Sustainability Objectives and Targets are set - and monitored on regular base - with our top management via our Sustainability Steering Committee and Management Review. Our various Cross Company Groups, as there are CCG Health & Safety, CCG Human Resources and CCG Environment & Energy contribute to standardization, sharing of best practices and exchanging lessons learned.
- Our Code of Conduct supports Nedschroef's commitment to responsible corporate citizenship and its pursuit of a sustainable future - economically, socially as well as environmentally. It should be seen as a guide to help answer questions about integrity and ethics in business conduct and how not to interfere in the employee's private lives. It governs Nedschroef's business decisions and actions all over the world and applies equally to corporate actions and to the behavior of all employees in all positions within the Nedschroef group.
- Furthermore, it is subject to the applicable laws in the jurisdictions in which Nedschroef operate.
- The Code of Conduct is not all-encompassing but formulates a minimum standard of behavior. This applies to all employees in all positions at Koninklijke Nedschroef Holding, including its subsidiaries, who are entitled to specify or add additional local rules to be compliant with local legislation. It is the duty and responsibility of each manager to provide the necessary information to the employees, who in turn must make a reasonable effort to know and understand which guidelines apply to their position or seek support from their manager in case of doubt.



- Additionally, Nedschroef maintains a corporate whistleblowing policy, anti-bribery and anti-corruption (ABAC) policy, export control policy, relationships with suppliers' policy, political engagement policy, competition law (antitrust) policy and Dawn Raids policy.

Applicable legislation, like the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, have been used as inspiration to set the content of Nedschroef's Human Right policies.

Compliance with the Code of Conduct is monitored via Human Resources and Compliance Officers, who are appointed at cluster level by the Executive Committee. The compliance officers report annually to the Executive Committee on the development of the Code of Conduct and advise on ethical issues in general.

Discrimination and inclusion

Nedschroef aims to eliminate discrimination (including harassment), promote equal opportunities and advance diversity and inclusions, as described - among other topics - in the following sections of Nedschroef's Code of Conduct:

- Non-discrimination and harassment
- Socioeconomic compliance
- Employment
- Occupational Health & Safety
- Diversity, equal opportunity, inclusion
- Freedom of association and collective bargaining
- Whistleblower regulation

Our Code of Conduct stipulates that Nedschroef will not tolerate any kind of discrimination such as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, and harassment, against any employee, customers, suppliers, business partners or any other stakeholder on any grounds of the topics above and migrant status, HIV and AIDS, genetic predisposition and lifestyles.

Nedschroef promotes diversity, equal opportunity, inclusion, and remuneration regardless of age, ancestry and ethnic origin, citizenship, creed, disability, gender, etc. and takes diversity aspects into account when considering how to communicate. Nedschroef respects women's rights and rights of minorities and indigenous peoples.

As a prevention method, our Code of Conduct and Sustainability Policy are a standard awareness topic during the formal onboarding process of any new employee. Compliance with the Code of Conduct is monitored via managers, Human Resources and Compliance Officers, who are appointed at cluster level by the Executive Committee. Employees and other stakeholders are encouraged to make good faith reports of suspected misconduct, fraud, corruption, compliance issues or other improper behavior within Nedschroef, as indicated in Nedschroef's corporate Whistleblower Policy. The compliance officers report annually to the Executive Committee on the development of the Code of Conduct and advise on ethical issues in general.

Additional policy information

The key contents of the policies to manage Nedschroef's material impacts, risks and opportunities are part of Nedschroef's sustainability policy and Code of Conduct.

- Our Sustainability Policy includes (among others):
  - We aim to comply with all relevant legislation
  - We provide a safe and healthy workplace
  - We support diversity and inclusion
  - We create useful opportunities for development of skills and careers
  - We engage early and meaningfully with stakeholders
  - We look to provide sponsorship or monetary donations to local charities, sports, societies, youth groups, community centers and the like.

- Nedschroef's Code of Conduct covers (among others):
  - Anti-corruption
  - Non-discrimination and harassment
  - Child Labor
  - Forced and compulsory labor
  - Public Policy
  - Socioeconomic compliance
  - Alcohol and drugs
  - Conflict of interest
  - Business transactions
  - Privacy and data management
  - Assets and information
  - Export controls and Economic Sanctions
  - Security Forces
  - Employment
  - Labor/Management relations and communications
  - Occupational Health & Safety
  - Training and Education
  - Diversity, equal opportunity, inclusion
  - Freedom of association and collective bargaining
  - Whistleblower regulation

Our Sustainability Policy and Code of Conduct cover all of Nedschroef's own workforce.

Nedschroef's Executive Committee, represented by the CEO, is the most senior level in the organization accountable for the implementation of the policies.

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

Engagement with workers' representatives and the company's own workforce occurs across multiple stages and through various channels to ensure continuous communication, collaboration, and transparency.

Engagement with workers' representatives:
Engagement with local and group workers' councils follows e.g. legal requirements, such as in Germany's according to the Betriebsverfassungsgesetz (Works Constitution Act).

The communication with the workers' representatives takes place during key project phases, including before, during, and after initiatives, ensuring that representatives are involved in creating procedures and rules. Regular global town hall meetings and local works meetings also create the opportunity for open discussions, while the intranet serves as a platform for ongoing updates and information sharing. Workers' representatives always have the opportunity to raise questions or concerns directly with us such as with the managing director or with HR.

Engagement with the own workforce:
The company maintains regular engagement with its broader workforce through global town hall meetings and local works meetings. Updates are shared through multiple channels, including the intranet, email communications, whiteboards, and sometimes alongside pay slips. Employees are encouraged to reach out to HR or other appropriate contacts whenever they have questions or concerns, creating an open and supportive communication culture.

This structured approach ensures that all employees, whether represented by formal councils or not, remain informed, engaged and empowered to participate in the organization's development.

To mitigate possible impacts on our own workforce we have launched several initiatives such as a program which is based on Covey's 7 Habits, where we are currently training employees that will later train the rest of the employees, according to the 'train-the-trainer' principle. The 7 Habits are important to bring awareness to one's own way of working as well as the way we work with each other. Therefore, we find it important to spread this knowledge across all employees.
Furthermore, in 2025 we have implemented our new core values called "LEAP-Values". LEAP stands for Leadership & initiative, Effective inclusion, Adaptability & resilience, Planning & Execution".

The most senior role with the operational responsibility for ensuring that the mentioned engagement happens and that its results inform the company's approach would be our Vice President Human Resources.

This role is responsible for facilitating engagement with our stakeholders, which include our own workforce and the workers' representative, gathering feedback, and incorporating insights to guide the company's strategy.

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

Nedschroef's approach to providing remedy for any material negative impact on people in its workforce focuses on addressing the root cause, ensuring fairness, and supporting affected individuals. The process involves:

1. **Incident Identification:** Concerns raised by employees are tracked through grievance mechanisms like the whistleblower hotline or direct communication with management.
2. **Investigation and Assessment:** The company investigates any claims of harm or negative impact, assessing the scope and severity of the issue through internal or third-party reviews.
3. **Remedial Action:** Where harm is identified, appropriate corrective actions are taken. This may include offering support to affected individuals, providing compensation, improving workplace practices, or implementing further training to prevent recurrence.
4. **Continuous Improvement:** Nedschroef ensures that lessons learned from incidents contribute to better policies, procedures, and practices to prevent future harm.

By addressing issues quickly and effectively, Nedschroef aims to remedy any material negative impacts and improve the overall working environment.
Nedschroef provides several channels for its workforce to raise concerns or needs directly with the company, ensuring these are addressed promptly and effectively. These channels include:

1. **Whistleblower Hotline**: Employees can report concerns confidentially and anonymously through the hotline, covering a range of issues, including workplace safety, ethical concerns, or violations of company policies.
2. **Direct Communication with Management:** Employees have access to open lines of communication with their managers or team leads, allowing for direct discussion of issues or concerns in a more personal setting.
3. **Human Resources (HR) / Legal / Compliance Officers**: HR and related functions serves as a confidential resource for employees to discuss personal or professional issues, including concerns about workplace conditions, discrimination, or any other matters impacting their well-being.

4. **Employee Surveys and Feedback Tools**: : Nedschroef regularly conducts surveys and uses engagement tools to gather feedback from employees, ensuring their voices are heard and acted upon by leadership.

These channels ensure employees have accessible, supportive options for raising their concerns and that the company can respond appropriately.

Nedschroef's grievance and complaints handling process related to employee matters is designed to provide a fair, transparent, and efficient way for employees to raise concerns and have them addressed. The process includes the following steps:

1. **Submission of Grievances/Complaints**: Employees can submit grievances or complaints through multiple channels, including the whistleblower hotline, direct communication with management, or HR. Employees are encouraged to raise concerns promptly.
2. **Acknowledgment and Initial Review**: Upon receipt, the grievance is acknowledged, and an initial review is conducted to determine its seriousness and validity. The relevant department (HR, Compliance or Management) is notified to investigate the issue further.
3. **Investigation and Resolution**: The company investigates the grievance, ensuring that the process is impartial and confidential. This may involve interviews, gathering evidence, or consulting relevant stakeholders. If the complaint is valid, appropriate corrective action is taken to resolve the issue.
4. **Feedback and Follow-up**: After the investigation, the employee is informed of the resolution or action taken. Follow-up may be conducted to ensure the issue is fully addressed and that there are no further concerns.
5. Continuous Improvement: Feedback from the grievance process is used to review and improve policies, procedures, and practices to prevent similar issues in the future.

This mechanism ensures that employee grievances and complaints are handled in a respectful, fair, and timely manner.

Nedschroef assesses the awareness and trust of its workforce in the grievance and complaint processes through regular employee surveys, feedback sessions, and direct engagement with employees. The company uses the following methods:

1. **Employee Surveys**: Nedschroef will conduct periodic surveys to assess employee awareness of available grievance channels and the trust they place in these processes. The surveys help identify any gaps in understanding or areas where employees may feel hesitant to raise concerns.
2. **Feedback Sessions:** During town hall meetings, focus groups, or one-on-one meetings, employees are encouraged to provide feedback on the grievance handling process. This allows the company to gauge both awareness and trust in the mechanisms.
3. **HR and Management Interaction**: HR and management regularly engage with employees to ensure they are aware of the available channels and feel confident in using them. These conversations help to build trust and ensure the grievance process is seen as fair and effective.
4. **Incident Analysis**: The company tracks the number and types of complaints received, looking for trends that might indicate either trust or mistrust in the grievance process. A lack of complaints in an environment where concerns are expected might suggest that employees do not trust the system or are unaware of it.

These efforts ensure that Nedschroef continuously evaluates and improves its grievance mechanisms, reinforcing trust and ensuring employees feel empowered to raise concerns.

TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING RISKS AND PURSUING OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

We are reviewing the HR KPI's on a periodical base to analyze trends in several topics regarding our own workforce. In case there is a negative deviation, we will define the necessary and appropriate actions.

Key actions were taken for 2025 are the following:

1. Implementation Learning Management System and new training programs.
   - The Learning Management System has been implemented successfully in Q3 2025.
   - As a part of the new key actions for 2026, it is now important to use it for all trainings given or taken place at all locations.
2. New appraisal process and tool.
   - The new Goal Setting process for the appraisal was started in Q1 2025.
   - The Goals have been evaluated by the employees in December 2025 and are in evaluation by the managers (and incl. Calibration) in Q1 2026.
   - This concludes the first cycle of the new appraisal process
3. Implementation of new corporate values with a focus on diversity.
   - LEAP-Values have been implemented via trainings and internal campaign (communication, etc)
   - So far most of the Management-levels across the company have been trained

Key actions that are planned or underway for 2026 are the following:

1. Start using the Learning Management System to track all trainings in 2026 for all locations
2. Implement the Talent Review process by Q2 2026
3. Roll-Out of new corporate values on shop-floor level by Q4 2026

The scope is our own workforce

After we have defined the material impacts, we have set-up actions to mitigate the negative impacts. These actions are translated to projects where we have allocated resources to manage the actions and impacts. The impact of the actions is measured against our HR KPI's.

Nedschroef takes a proactive, multi-faceted approach to providing remedy and support to its workforce.

1. **Support Programs**: We offer healthcare, mental health support to employees facing challenges.
2. **Safety Measures**: Regular safety audits and health risk assessments ensure a safe work environment. Affected employees receive medical care.
3. **Training**: Ongoing training on safety helps prevent future impacts.
4. **Grievance Mechanism**: Employees can report concerns through an accessible grievance system, ensuring timely resolution and remedies.
5. **Employee Assistance Programs**: Confidential counseling and support are available for personal issues that may affect work.
6. **External Collaboration**: For complex issues, we partner with experts, unions and other stakeholders to enhance our response

The time horizon for each key action is as follows:

1. Start using the Learning Management System to track all trainings in 2026 for all locations
2. Implement the Talent Review process by Q2 2026.
3. Roll-Out of new corporate values on shop-floor level by Q4 2026

The expected outcome is as follows:

1. Implementation Learning Management System and new training program to increase training hours to develop the right skills. And to guarantee that all necessary documents are archived in one place according to one standard.
2. Implement the Talent Review process by Q2 2026 in order to keep developing our own workforces talents and also to keep succession going.
3. Roll-Out of new corporate values, to improve the behaviour of our own workforce and also improve our work-culture.

Nedschroef tracks and assesses the effectiveness of its actions and initiatives through a combination of data-driven metrics and employee feedback:

1. **Employee Feedback**: Direct feedback mechanisms help gauge employee satisfaction and the impact of our initiatives. We review this feedback to identify areas of improvement.
2. **Key Performance Indicators (KPIs)**: We have established KPIs. These metrics are monitored consistently to assess progress and effectiveness.
3. **Incident Reporting & Resolution Tracking**: We track reported incidents (e.g., safety issues, grievances), using this data to refine our processes.
4. **Health & Wellness Metrics**: We monitor employee health outcomes, such as sick days or usage of health programs, to evaluate the impact of our wellness initiatives.
5. **External Benchmarks**: We compare our outcomes against industry standards to ensure we remain competitive.

Nedschroef ensures its practices do not cause or contribute to material negative impacts on its workforce through strict adherence to our Code of Conduct and Data Privacy Policies. These frameworks guide our:

1. **Employee Well-Being**: Clear policies prioritize worker safety and fair treatment.
2. **Responsible Procurement & Sales**: We ensure ethical labor practices in our supply chain and transparent sales processes.
3. **Data Privacy**: We uphold strong safeguards to protect employee data and comply with data protection regulations.

All actions planned and in place are already covered.

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Gender diversity of females:
Nedschroef strives for more diversity within the company. Diversity comes in many forms like cultural background, age, religion, race, and ethnicity. One of the goals is to have a more balanced ratio between men and women. Because Nedschroef pays attention to diversity and it wishes to increase the percentage of women in the company's workforce.

This target provides a quantitative measure of diversity within Nedschroef's organization.

- It measures the % of female employees of the total number of employees.
- Across all locations we have 541 women employed.
- Our total number of employees are 2,750 people.
- The % of female employees of the total number of employees is therefore 19.7%.
- Target was to achieve 20% in year 2025.
- Base was 21.5% in year 2024.

Training and Education:
By reporting its average hours of training per employee, Nedschroef provides insight into the scale of its investment in training, and the degree to which the investment is made across the entire employee base.

In the context of this report, 'training and education' is defined as:
- all types of vocational training and instruction.
- paid educational leave provided by Nedschroef for its employees.
- training or education pursued externally and paid for in whole or in part by Nedschroef.

Training does not include on-site coaching by supervisors.

Average training hours that Nedschroef's employees have undertaken during the reporting year. Calculated as total number of training hours provided to employees per total number of employees, by gender.

- In 2025 we have done around 68,420 hours of training in all Nedschroef locations.
- The FTE for all those locations as of 31.12.2025 is: 2,429.8
- Broken down, this means that per FTE 28.16 hours of training have been done in 2025.
- Per 1,000 FTE 28,159 hours of training have been done.
- Target was to achieve per 1,000 FTE 15,000 hours in year 2025.
- Base was per 1,000 FTE 19,348 hours in year 2024.

The targets were established based on our objectives related to specific topics, with an anticipated increase due to the launch of several initiatives in these areas on one hand. On the other hand, the target was set at a careful level because the number of FTEs remains relatively stable, making it more challenging to achieve the higher target with the same level of resources. In 2025 the LEAP value initiative resulted in a big increase in training hours per FTE.

This situation introduces certain assumptions and limitations, particularly regarding efficiency gains and the ability to scale impact without additional workforce investment.

The measurement methodology remains consistent, relying on existing data collection processes. However, the effectiveness of the new initiatives will be a key factor in meeting the targets. Any deviations from expected progress may indicate the need for adjustments in strategy.

We do not directly involve our own workforce and worker's representatives in the target-setting process. Instead, targets are communicated through the Sustainability Report at the beginning of the year and upon if the targets have been reached or not and what possible new initiative could be to meet the target next time or to increase the achievement.

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Gender	Number of employees (head count)
Male	2,165
Female	507
Other	0
Not disclosed	0
Total	**2,672**

Country	Number of employees (head count)
Germany	1,622
France	35
Denmark	60
Belgium	120
United Kingdom	37
Spain	135
Bulgaria	64
China	189
United States of America	5
Netherlands	345
Sweden	26
Czech Republic	34

Employee category (FTE)	Female	Male	Total
Number of employees	433.1	1,996.7	**2,429.8**
Number of permanent employees	412.9	1,910.7	**2,323.6**
Number of temporary employees	20.01	83.91	**103.9**
Number of non-guaranteed hours employees	0.2	2.1	**2.3**
Number of full-time employees	343.8	1,933.7	**2,277.5**
Number of part-time employees	89.47	60.56	**150.03**

FTE is defined as full time equivalent. Full time being a working time equal or over 35h/week.

Employee Turnover

	2024
Employee turnover rate [%]	11.6
Employees who left the company during the reporting period	311

Methodologies:

1. Local Payroll Systems and Internal Reporting (NEDSET): Employee data is gathered from local payroll systems and NEDSET, our internal reporting. These provide details on employment status, working hours etc. serving as the primary sources for analyzing workforce-related metrics.
2. Local legal laws and tariff regulations: Compliance with local laws and tariff agreements is used to define and differentiate rates between full-time and part-time employees. These regulations guide the classification of employment types and calculation of relevant ratios or benchmarks.
3. Global HR system data: A centralized Global HR System is employed to collect information about employee characteristics. This includes details such as job classifications, demographic information, and other relevant key attributes.

Significant Assumptions:

1. **Accuracy of input data**: It is assumed that all input data provided by employees and collected through systems is accurate and up to date.

Limitations:

1. **Dependence on employee input**: The accuracy relies on input from employees. If the data submitted is incomplete, outdated, or inaccurate, it can impact the reliability.
2. **System constraints**: Variations in local payroll systems or inconsistencies in data entry practices across regions may affect the comparability or uniformity of the analysis.

A cross-reference can be deducted from the respective sections in our annual financial report.

CHARACTERISTICS OF NON-EMPLOYEES IN OWN WORKFORCE

The most common type of non-employees within Nedschroef are temporary employees (temps).

They bring flexibility to the workforce and are employed across a wide range of roles within both blue-collar and white-collar jobs. Despite their temporary status, temps are fully integrated into the company's processes, participating in day-to-day operations alongside permanent employees. In some countries (e.g. like Germany), their inclusion extends even further, granting them the right to participate in the election of workers' councils or other internal governance bodies.

Another common type of non-employees within Nedschroef are external advisors.

	2025
Number of non-employee workers in the company's own workforce (absolute numbers)	203.1
Total	**203.1**

Methodologies:

1. **NEDSET (Internal reporting):** The number of non-employees (e.g., temporary workers, contractors) is tracked and reported using NEDSET. Detailed insights into the engagement of non-employees and their contributions can be specified in this way.

2. **Temporary seasonal fluctuations and workforce adjustments:** During local holiday seasons, when employees are typically on leave, non-employees are engaged to mitigate the loss of working hours. This approach ensures operational continuity and maintains productivity levels by compensating for the temporary reduction in the workforce.

Significant Assumptions:

We assume that active non-employees are monitored correctly so that the numbers are accurate and up to date.

Limitations:

1. **Tough job market for non-employees/ scarcity:** The availability of non-employees is subject to challenges in the labor market. During periods of high demand or in niche roles, finding qualified candidates may prove difficult, impacting the ability to fully compensate for workforce shortages.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Country	Number of employees	Number of employees covered by collective agreements	Percentage of employees covered by collective agreements	Number of employees covered at the establishment level by workers' representatives	Percentage of employees covered at the establishment level by workers' representatives
Germany	1,622	1,023	63.07	1,043	64.30
Netherlands	345	343	99.42	338	97.97
France	35	35	100	4	11.43
Denmark	60	60	100	59	98.33
Sweden	26	6	23.08	6	23.08
Belgium	120	120	100	116	96.67
Spain	135	135	100	91	25.17
Bulgaria	64	0	0	62	96.88
Czech Republic	34	0	0	0	0
Total	**2,468**	**1,749**	**65.06**	**1,719**	**55.98**

Global workers' representatives' coverage:
Nedschroef is represented by European workers council.The global percentage of employees is covered at the establishment level by workers' representatives is 89.75%

Methodologies:

1. **Compliance with local Laws:** The analysis adheres to relevant local laws to ensure that employment conditions, classifications, and reporting practices align with jurisdictional requirements. This includes employee entitlements and working conditions mandated by the local government.
2. **Application of tariff regulations (if applicable)**: Where tariff regulations apply, these regulations are also incorporated. Tariff agreements define specific employment terms, including wages and benefits for employees, and serve as a benchmark for compliance.
3. **Data collection through local HR systems**: Information on employment terms, employee classifications, and tariff coverage is gathered through local HR systems. These systems serve as the primary source for workforce data.
4. **Verification of tariff coverage**: The application of tariff regulations is verified through employee contracts, which explicitly state whether the individual falls under a specific tariff agreement or not. This ensures a clear audit trail and proof of compliance.

Significant Assumptions:

1. **Compliance with standards**: The methodologies are designed to meet industry and regulatory standards for workforce reporting, including those outlined in applicable sustainability frameworks (e.g., ESRS or similar reporting standards).
2. **Accuracy of HR data:** It is assumed that local HR teams provide complete and accurate data, reflecting the actual employment terms and any applicable tariff agreements.

Limitations:
1. **Variability in local laws**: Local laws differ significantly between regions/ countries. This might require a more tailored analysis and could affect the comparability of data across countries.
2. **Tariff agreement applicability**: Not all employees may fall under tariff agreements or not all Nedschroef companies fall under a tariff. In cases where the coverage is ambiguous, verification through contracts may be time-consuming.
3. **Dependence on HR data quality**: The reliability of the analysis depends on the accuracy of data provided by local HR teams. Any discrepancies or outdated information may impact the results.

DIVERSITY METRICS

Distribution of top management by gender

	2025
Number of women in top management	6
Number of men in top management	41
Number of other in top management	0
Number of gender not disclosed in top management	0
Percentage of women in top management [%]	13
Percentage of men in top management [%]	87
Percentage of other in top management [%]	0
Percentage of employees with gender not disclosed in top management [%]	0

Distribution of employees by age

	2025
Number of employees under 30 years old	412
Number of employees 30-50 years old	1,320
Number of employees over 50 years old	940
Percentage of employees under 30 years old [%]	15.4
Percentage of employees 30-50 years old [%]	49.4
Percentage of employees over 50 years old [%]	35.2

When new employees enter the company, they will receive a personal questionnaire where they can add information on their gender (female, male, others, non-specific) and other personal information (birthday, family status, etc.).
Local HR mostly uses the local payroll system to collect this information on the employees' gender and are able to evaluate those.
The local gender KPIs are then added to the Holding KPI template and later consolidated by the Holding.

ADEQUATE WAGES

Methodologies:

1. **Local minimum wages:** Local minimum wage regulations are used as a foundational metric to assess employee compensation. These wages are benchmarked to ensure compliance with local labour laws and provide a baseline for evaluating fair pay practices.
2. **Tariff payment regulations**: Tariff agreements and payment regulations specific to the region are incorporated to determine compensation structures. These regulations guide how employee wages are calculated, especially for roles influenced by collective bargaining agreements or standardized pay scales.
3. **Global benchmarks**: Industry-specific global benchmarks are utilized to compare compensation and employment metrics across regions. These benchmarks provide insights into how local practices align with international standards, helping ensure global consistency while respecting local nuances.

Significant Assumptions:

1. **Regulatory compliance**: The analysis assumes that all wage and payment calculations align with current local regulations and global standards, ensuring compliance and fairness in reporting.
2. **Consistency in benchmark interpretation**: It is assumed that global benchmarks are applied consistently across regions, enabling meaningful comparisons. Variations due to regional economic conditions are accounted for during analysis.

Limitations:

1. **Variability in local regulations:** Differences in minimum wage laws and tariff payment regulations across regions and countries can complicate comparisons. These variations may limit the ability to generalize findings across all countries.
2. **Dependence on global benchmark relevance**: Global benchmarks may not always perfectly reflect local economic conditions or industry-specific challenges, leading to potential discrepancies in analysis.
3. **Accuracy of regulatory updates**: The methodology depends on having access to the latest regulatory changes and wage updates. Any delay in incorporating updates could impact the accuracy of the results.

SOCIAL PROTECTION

All employees are covered by social protection against loss of income due to major life events, either through public programs or through benefits offered by the company.

PERSONS WITH DISABILITIES

	2025
Percentage of total employees with disabilities amongst employees [%]	2.47

Methodologies:

1. **Local regulations on the definition of disability**: Local legal frameworks defining disability varies from country to country. These regulations guide the identification and classification of employees with disabilities. Data collection aligns with mandatory reporting requirements, ensuring compliance with regional laws.
2. **Local quotas and possible penalty mechanisms**: Many countries impose quotas for the employment of individuals with disabilities. These quotas are monitored through data on workforce composition. If the required quotas are not met, a penalty (e.g. fines or financial contributions) might apply.

▶ See example on the right side.

Significant Assumptions:

1. **Adherence to local legal definitions:** The analysis assumes that all assessments of disability align strictly with the legal definitions and criteria in each country, ensuring consistency in reporting.
2. **Quota Compliance Calculation:** It is assumed that the way of calculating the local quotas is accurate, including the proper documentation of employees with disabilities.

Limitations:

1. **Regional variability in definitions**: Differences in the definition of disability and when it is needed to be reported across countries can create inconsistencies, making it challenging to standardize data globally. This variability limits cross-regional comparisons.
2. **Accuracy of employee self-disclosure**: Data on disability often depends on employee self-disclosure, which may not always be complete or accurate due to privacy concerns or personal preferences.

Example:

Germany, since the largest employee base is located here.

For Germany only people with a disability degree equal to 50% are legally needed to be recorded. Those individuals are called “Schwerbehindert” or “severely disabled” and receive certain benefits as such (higher protection against dismissal, extra vacation days etc.). A legal entity in Germany has to reach a certain yearly % of employees that have a severe disability. If this percentage is not met, the company has to pay a yearly fine which is calculated by the company size.

TRAINING AND SKILLS DEVELOPMENT METRICS

	2025
Total participation in performance reviews [%]	54.5
Percentage of women who participated in performance reviews [%]	59.7
Percentage of men who participated in performance reviews [%]	53.3
Percentage of other* employees who participated in performance reviews [%]	0
Percentage of employees with gender not disclosed who participated in performance reviews [%]	0

	2025
Total training hours for female employees	4,864
Total training hours for male employees	63,555
Total training hours for other employees	0
Average training hours per employee with gender not disclosed	0
Average number of training hours per employee (HC)	25.6
Average number of training hours per employee (FTE)	28.2

At the end of the previous year or the beginning of the current year, local HR together with the local department leaders are planning the upcoming trainings (internal & external) that should take place this year (Schulungsplanungliste).

HR is taking care of the training registrations for the employees in case of external trainings. Once the training has taken place, the employee who has participated in said training, will hand over the training certificate to HR. In case of internal trainings, the attendance list will be given to HR.

With the attendance list and the certificates HR adds the training hours, participants etc. into the local trainings list (Schulungsübersicht). The locations use an Excel file or MyCornerstone once the learning module has been implemented for this. The trainings list contains all important information on the employees (status, age, function, seniority etc.) so that all training related KPIs can be derived from this list.

Three months after a training has taken place some locations use an evaluation sheet where the employee that took part in the training can evaluate the training itself (organization of the training, topics, instructor etc.) as well as the efficacy of the training. This evaluation sheet is given to HR later. This can help HR to decide if the same training should be offered again in the future.

The training hours are then collected in the KPI template from the Holding and are consolidated.

HEALTH & SAFETY METRICS

Employees in the company's own workforce

	2025
Percentage of own workforce who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines [%]	90.2
Percentage of own workforce who are covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party [%]	77.8
Fatalities as a result of work-related injuries	0
Fatalities as a result of work-related ill health	0
Recordable work-related accidents	83
Rate of recordable work-related accidents (per 1.000.000 hours worked)	18.3
Cases of recordable work-related ill health	0
Days lost to work-related injuries and fatalities from work-related accidents and work-related ill health and fatalities from ill health	1681

The majority of Nedschroef production locations are 3rd party certified for ISO45001:2018, via a multi-site certification set-up or single (stand-a-lone) certification.

Nedschroef's Health & Safety metrics are defined at corporate level. Monitoring is done via Nedschroef's subsidiaries and consolidated at corporate level. For example, pure Safety Key Performance Indicators are reported and monitored via a Cross Company Group Safety, whereby the opportunity is grasped to ensure lessons learned on accidents.

Historically, Nedschroef is relating process metrics rather to Full Time Equivalents (FTE), than Headcount (HC) data. All data reported in this section concerning Health and safety indicators for 2025, has consequently been related to FTE.

Nedschroef uses for the "Days lost to work-related injuries and fatalities from work-related accidents and work-related ill health and fatalities from ill health" the calculation method defined by the European Statistics on Accidents at Work (ESAW) for "Lost Time", from January 1st, 2025 onwards.

WORK-LIFE BALANCE METRICS

	2025
Percentage of employees entitled to take family-related leave [%]	100
Percentage of entitled employees that took family-related leave [%]	4.8
Percentage of entitled women that took family-related leave [%]	6.8
Percentage of entitled men that took family-related leave [%]	4.3
Percentage of entitled other employees that took family-related leave [%]	0
Percentage of entitled employees with gender not disclosed that took family-related leave [%]	0

Methodology:

1. **Local laws governing family-related leave:** The analysis relies on local legislation. These laws provide the legal framework for who qualifies, the length of leave allowed, and the specific payment entitlements during the leave period.
2. **Labor agreements:** In addition to local laws, specific labour agreements or collective bargaining arrangements are reviewed and applied. These agreements may establish additional provisions, such as extended leave durations or specific eligibility conditions that exceed statutory minimums.

Significant Assumptions:

1. **Compliance with local regulations**: It is assumed that all policies and practices adhere to the most current local laws and labour agreements to ensure legal compliance and accurate analysis.
2. **Employee responsibility for meeting deadlines**: Employees are responsible for meeting all necessary deadlines or administrative requirements to maintain their eligibility for family-related leave. Missing these deadlines results in ineligibility for such leave, as per established policies.

Limitations:
1. **Variability in local regulations**: Differences in family-related leave laws across countries may create inconsistencies when comparing entitlements or practices globally. This variability can limit the comparability of metrics.
2. **Dependency on employee compliance**: The reliance on employees to meet deadlines and fulfil administrative requirements introduces a limitation. Non-compliance may result in discrepancies between reported eligibility and actual entitlement
3. **The number of eligible employees** is very hard to determine, as mentioned above, we are dependent on the employee's information. Also family related leave is a very broad concept which can make it very challenging to determine the exact number of eligible employees (e.g. carers leave). Therefore we took the number of employees (HC) as our eligible employee number.

REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

	2025
Aggregated gender pay gap [%]	19.15

Methodologies:
1. **Data collection from local payroll systems**: Employee salary data is sourced from local payroll systems. These systems provide comprehensive information on total compensation (excluding bonuses and additional benefits) for each employee.
2. **Segmentation by job type**: The analysis considers contextual segmentation, recognizing that male employees are disproportionately represented in both higher-paying management positions and lower-paying blue-collar roles. This duality may influence the overall gender pay gap results.
3. **The average gross hourly earnings per gender** have been calculated by creating a sum from all gross hourly earnings per gender and divide this number by the number of companies (e.g. 500 € (sum of all male hourly earnings) divided by 21 (legal entities) = X)
4. **Exclusion of bonuses and benefits**: Bonuses and additional benefits do not significantly alter the overall gender pay gap and are excluded for simplicity and consistency across data sets.

Significant Assumptions:
1. **Gender pay gap likelihood**: It is assumed there will be a gender pay gap due to structural factors, such as the higher proportion of male employees in management positions, which typically offer higher salaries.
2. **Impact of occupational distribution**: The higher number of male employees in blue- collar roles is assumed to mitigate the overall pay gap to some extent, as these roles generally have lower salaries compared to management positions.
3. **Data accuracy from payroll systems**: It is assumed that the data retrieved from local payroll systems is complete, accurate, and up to date at the time of analysis.

Limitations:
1. **Variability in job roles and representation**: The differing proportions of males in management and blue-collar roles add complexity to interpreting the gender pay gap. The results may not fully reflect pay equity within specific job categories or hierarchies.
2. **Exclusion of bonuses and benefits**: By excluding bonuses and other forms of variable pay, the analysis does not account for potential disparities in total compensation, which could widen or narrow the observed gap.
3. **Regional differences in pay structures**: Differences in local pay structures, influenced by industry norms, tariff agreements, or minimum wage laws, may affect the results and their comparability across countries.

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

	2025
Total number of incidents of discrimination, including harassment	0
Number of complaints filed through channels for own workers to raise concerns (including grievance mechanisms)	0
Number of complaints filed through channels for own workers to raise concerns (including grievance mechanisms) to the National Contact Points for OECD Multinational Enterprises	0
Total number of severe human rights incidents connected to the company's workforce	0

*"**Important**: This photo clearly shows a 'near miss' situation and is part of an ongoing safety campaign."*

Nedschroef uses the following measurement methodologies and significant assumptions:

1. Measurement Methodologies:
- **Incident monitoring**: Tracking reported human rights concerns through grievance mechanisms, including the whistleblower hotline.
- **Risk assessments**: Periodic assessments of operations and supply chains to identify potential human rights risks.
- **Stakeholder feedback**: Engaging with employees, suppliers, and stakeholders to identify and address potential issues.

2. Significant Assumptions:
- **Reporting mechanisms** are assumed to capture all significant incidents, though underreporting is possible.
- **Supplier audits** are assumed to reflect broader supply chain practices due to the sampling approach.

3. Limitations:
- **Data Gaps:** Limited visibility into lower-tier suppliers and subcontractors.
- **Cultural and Regional Differences**: Local awareness and reporting practices may affect the identification of human rights risks.

These methodologies and assumptions provide a structured approach to monitoring and mitigating human rights incidents, while acknowledging inherent limitations.

Workers in the Value Chain

POLICIES RELATED TO VALUE CHAIN WORKERS

Nedschroef has a policy in place for the requirements like “Supplier Code of Conduct”, “Supplier Evaluation” etc.; all of them touch on the workers requirements.

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

Within the supplier evaluation, ISO 45001 is tracked and has a relevant impact.
In addition, we perform a risk analyze what can lead into a supplier development program. By making strategic decisions of volume share between suppliers or awarding process for new suppliers, supplier evaluation results as well as risk analyze results are considered.

Supplier evaluation is performed once a year, supplier risk analysis is performed once and if changes apply and the decision is influenced by each awarding and in yearly strategic decisions.

The CEO has the most operational responsibility.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Looking to the potential risk for workers in the supply chain, we have 2 chapters for value chain workers:
1) Health and safety in general
2) Working time & work-life-balance: Employees working more than e.g. 40 hours a week.

By asking for a certificate (e.g. ISO 45001) we can ensure the supplier is meeting the local and general standards and fulfils our requirements. That certificate is requested and is tracked by relevant suppliers.

In addition, the Supplier Code of Conduct is requesting general requirements and applicable for all suppliers.

In addition, a supplier risk assessment is looking at different risks, too.

We monitor our suppliers regularly and have no information about any issues.

Value chain workers can either use the whistle blower process to inform about issues or contact directly one of the buyers.

The whistle blower process is managed by the central legal consul (=compliance officer).

According to the policy in the Cooperate Management System the results are monitored and reported regularly. In case a topic is affecting the value chain, the compliance officer will contact immediately the Director of Procurement.

To assess the value chain workers, three topics are applicable and in use:

- Certificate (e.g. ISO 45001 OSH) tracking & evaluating in yearly supplier evaluation
- Supplier Code of Conduct is requesting general requirements and applicable for all suppliers
- Supplier risk assessment is looking for different risks

Within regular strategic dialogues with the main suppliers and having regular audits on site, we get additional insights into the way how the workers are.

TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS.

The Supplier Code of Conduct is applicable to all suppliers in the value chain and describes general requirements about workers in the supply chain.
In addition, with ISO 45001 we request that our suppliers are certified with an occupational health and safety management system.

We expect no issues relating to workers in the value chain.

All strategic category buyers are performing the supplier evaluation, supplier risk assessments and strategies..

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

We monitor our suppliers regularly and have no information about any issues.

Certificate (e.g. ISO 45001 Occupational health and safety management systems) for relevant suppliers is requested and tracked. A non-existent certificate has a direct impact to supplier evaluation and leads to supplier development or, if a supplier is not willing to fulfill, to a supplier change / strategy impact.
Tracking is made within Supplier Management Tool TACTO

The tracking of ISO 45001 and relevance in supplier evaluation process is added during last years, no trend available yet.

Governance information

Business conduct

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Nedschroef fosters its corporate culture through:

- **Establishment** – Core values are embedded in the Code of Conduct and key policies, communicated during onboarding, and reinforced by leadership.
- **Development** – Leadership training, employee programs, and cross-functional collaboration shape the culture in line with strategic goals.
- **Promotion** – Internal communications, town halls, and recognition programs highlight company values, supported by diversity and inclusion initiatives.
- **Evaluation** – Regular surveys and key metrics (turnover, satisfaction, compliance) help assess and refine cultural alignment.

These efforts ensure continuous alignment with Nedschroef's values and strategy.

Nedschroef promptly and objectively investigates business conduct incidents, including corruption and bribery. A whistleblower hotline allows confidential and anonymous reporting. The Compliance Officer assesses cases, collaborating with internal or external experts under strict confidentiality. Sensitive matters involving senior management are escalated to external investigators for impartiality. Findings are reviewed by the relevant governance body, with corrective actions and disciplinary measures applied as needed. These procedures uphold Nedschroef's commitment to integrity and accountability.

The functions most at risk for corruption and bribery at Nedschroef include:

Procurement: Supplier selection and contract negotiations pose risks of kickbacks or undue influence. Nedschroef conducts supplier due diligence through a trusted third party and enforces a supplier code of conduct.

Sales & Business Development: Negotiations in high-risk regions require strict oversight. Due diligence is performed on key distributors, agents, and consultants, following Transparency International's Corruption Perception Index and ICC guidelines. Rebates are closely monitored to ensure they reflect actual business improvements.

Logistics & Supply Chain: Interactions with customs and third-party providers increase exposure to facilitation payments.

Finance: Payment approvals and financial reporting require strong controls to detect irregularities.

Leadership & Regional Management: High-stakes decisions and interactions with public officials demand enhanced oversight, especially in weak governance regions.

These functions undergo controls, training, and monitoring to mitigate risks effectively. Nedschroef protects whistleblowers by using a non-retaliation policy that is also communicated actively to all new employees.

Nedschroef identifies, reports, and investigates unlawful or unethical behavior through a whistleblower hotline available in local languages via a global online platform or when necessary an external counsel network. Additional reporting channels include management, HR, Data Security and Legal. Internal audits, overseen by the Audit Committee of the Supervisory Board, ensure compliance with the ethics code.

At Nedschroef all new employees must attend the onboarding Compliance training on ethics and proper business conduct. The training is provided by the Legal department.

Nedschroef's key policies on corporate culture, risks, and opportunities are published in the Corporate Management System (CMS) on the intranet. These include the Code of Conduct, Whistleblowing Policy, Anti-Bribery & Corruption Policy, Delegation of Authority, and details of local compliance officers. The Whistleblowing Policy serves as an umbrella policy, linking to further policies and procedures managed by relevant functional support roles.

The Executive Committee is the highest level accountable for implementing policies and procedures. Ethics policies are published in the Corporate Management System by the Executive Committee and relevant functions. Support comes from the Group Compliance Officer, Human Rights Delegate, local compliance officers, and the Supervisory Board of Koninklijke Nedschroef Holding, which also oversees an Audit Committee.

The Executive Committee prioritizes setting the right tone from the top when establishing policies. This is reinforced and overseen by the Supervisory Board, which includes external advisors and shareholders.

The Company makes the policies available to both potentially affected stakeholders and stakeholders who need to help implement it by publishing them on Sharepoint and our website, where required. Furthermore, a close collaboration between the Group Compliance Officer and the local Compliance Officers and HR supports the implementation of our policies.

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Nedschroef strengthened its anti-corruption and bribery procedures in 2025:

- **Prevention –** Policies updated per ICC guidelines, CFO-approved. Role-specific employee training and third-party due diligence mitigate risks.
- **Detection –** A whistleblower hotline enables confidential reporting, supported by periodic audits and compliance reviews.
- **Response –** Reported incidents are investigated with impartiality and confidentiality, with clear disciplinary measures for violations.

These measures demonstrate Nedschroef's commitment to maintaining the highest compliance standards in alignment with the ICC model and evolving regulatory requirements.

Investigations are separate from the chain of management because they are done independently by the Group Compliance Officer, supported by his outside counsel network with the assistance of either HR or Finance functions.

Nedschroef reports outcomes to the administrative, management, and supervisory bodies as follows: findings from the whistleblowing hotline are reported to the General Counsel, who involve the relevant bodies as needed.

Nedschroef communicates its corruption and bribery policies to relevant parties to ensure accessibility and understanding. The policies are included in the Code of Conduct, published in the CMS on the Sharepoint. Additionally, the Legal department provides in-person or online training for (new) employees every two months.

Total headcount of employees in functions-at-risk (Management Board Members) during the reporting period was 40.
Number of employees in functions-at-risk that have received training during the reporting period was 10.
Percentage of functions-at-risk covered by training programs was 25 %.

Key actions related to corruption and bribery:

- Assessing the adequacy of our ABC procedures
- Preparing, implementing and communicating an effective ABC policy
- Embedding ABC procedures
- Ongoing governance and compliance

INCIDENTS OF CORRUPTION OR BRIBERY

Number of convictions of violation of anti-corruption and anti-bribery laws was 0. Amount of fines for violation of anti-corruption and anti-bribery laws was € 0.
Total number of confirmed incidents of corruption or bribery was 0.

Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents was 0.

Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery was 0.

Actions taken to address and avoid breaches in procedures and standards of anti-corruption and anti-bribery include the following:

Although no breaches in procedures and standards have been identified, Nedschroef remains committed to maintaining high compliance standards. The company has implemented preventive measures, including:

- **Updating Policies and Procedures**: Regularly reviewing and aligning policies with evolving regulations and best practices.
- **Enhanced Training**: Offering targeted anti-corruption and anti-bribery training for employees.
- **Risk Assessment**: Conducting periodic assessments to identify and mitigate vulnerabilities.
- **Whistleblower Mechanisms**: Strengthening reporting channels to empower employees to report concerns.

These actions reflect Nedschroef's proactive approach to fostering a strong compliance culture.

Nedschroef uses the following measurement methodologies and significant assumptions:

1. Measurement Methodologies:

- **Risk Assessments**: Periodic assessments evaluate geographic exposure, industry-specific risks, and third-party interactions.
- **Compliance Monitoring**: KPIs track the effectiveness of anti-corruption measures, including training completion, hotline use, and audit findings.
- **Policy Reviews**: Policies are reviewed and benchmarked to ensure relevance and effectiveness.

2. Significant Assumptions:

- The risk landscape is assumed to evolve gradually, allowing for proactive adjustments.
- Employee and third-party adherence to training and policies is presumed to be consistent, with deviations addressed promptly.
- Data from audits and assessments is assumed to represent the overall compliance environment.

3. Limitations:

- **Data Completeness**: Monitoring depends on the accuracy and completeness of data, which can be affected by underreporting or lack of awareness.
- **Evolving Risks**: Rapid regulatory or geopolitical changes may outpace the review cycle, creating temporary vulnerabilities.
- **Human Behavior**: Despite robust training and reporting, individual actions can bypass established controls.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Nedschroef's Executive Committee is responsible for overseeing political influence and lobbying activities. All sponsoring expenditures are reviewed and approved in accordance with the Delegation of Authority (DOA), which has low thresholds to ensure appropriate oversight. The threshold for CEO approval is € 5k, and expenditures above € 10k require a second approval. The Audit Committee of the Supervisory Board controls this process.

Nedschroef does not engage in direct lobbying activities but supports advocacy through industry associations such as the Deutscher Schraubenverband.

1. Main Topics Covered:

- **Sustainability in Manufacturing**: Advocacy for sustainable practices and reducing environmental impacts in the automotive supply chain.
- **Regulatory Harmonization**: Support for consistent regulations to facilitate cross-border operations.

2. Alignment with Material Impacts, Risks and Opportunities:

- These topics align with Nedschroef's materiality assessment, addressing environmental and regulatory risks while fostering opportunities for innovation and compliance leadership.

NNedschroef ensures its indirect lobbying efforts align with its public commitments to sustainability and responsible business practices.
Nedschroef is registered in the UBO register: 30224669-20241113-0001

To the best of our knowledge, no member of Nedschroef's bodies is a Politically Exposed Person. However, as Nedschroef is part of Shanghai Electric, it is possible that Chinese members of the Supervisory Board may also hold positions within the Central Committee of the Communist Party of China.

Nedschroef is registered in the Dutch trade register at the Chamber of Commerce, as required by law.

Glossary

This glossary provides definitions for terms used in this report.

A

Appraisal
A structured yearly supervisor / employee conversation about skills and development.

C

Corporate Sustainability Reporting Directive (CSRD)
EU legislation requires companies to report on environmental, social, and governance (ESG) topics in a standardized and transparent way, aiming to improve the quality and comparability of sustainability reporting.

D

Double Materiality Assessment (DMA)
A process to identify and assess sustainability topics that are material both from a financial perspective (impacting the company's value) and an impact perspective (impacting the environment, people, and society). It is a key requirement under CSRD and ESRS reporting.

E

Emission factors
Values that quantify the amount of greenhouse gas (GHG) emissions produced per unit of activity, such as energy consumed, fuel burned, or material processed. These factors are used to estimate emissions based on specific activities or inputs.

Emissions factors from various international sources such as, DEFRA, IEA and Exiobase.

Employee
An individual who is in a permanent or temporary employment relationship with Nedschroef according to national law or practice.

Employee turnover
Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

Employment category
- Blue-collar workers are people who perform manual skilled or unskilled labor.
- White-collar workers are people who work in an office or other administrative setting.

Employment contract
- Permanent: contract for an unspecified period (i.e., indefinite contract) for full-time or part-time work
- Temporary: contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate has been completed (e.g., the end of a project or return of replaced employees)

Energy from Non-Renewable Sources
Energy generated from finite resources that cannot be naturally replenished within a short time frame, such as coal, oil, natural gas, and nuclear fuels. Use of non-renewable energy contributes to greenhouse gas emissions and environmental impacts.

Energy from Renewable Sources
Energy generated from naturally replenished resources, such as solar, wind, hydro, geothermal, and biomass. Renewable energy reduces dependence on fossil fuels and helps lower greenhouse gas emissions.

European Sustainability Reporting Standards (ESRS)
The detailed reporting standards developed to support the CSRD, defining what and how companies must report on sustainability-related topics across environmental, social, and governance areas.

European Waste Catalogue (EWC)
A standardized classification system used in the EU to identify and categorize different types of waste with specific codes. It helps in waste management, reporting, and ensuring proper handling, recycling, or disposal according to legal requirements.

F

Full-time equivalent (FTE)
FTE is calculated monthly per location as total employees permanent or temporary contract hours divided by national law, tariff agreements or practice regarding working time.

G

Gender diversity of females
Employees registered as female in our systems in relation to total number of employees based on head count and based on FTE's.

Greenhouse Gas Emissions (GHG Emissions)
Gases released into the atmosphere that trap heat and contribute to global warming, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases. These emissions result from human activities such as energy production, transportation, and industrial processes.

H

Head Count (HC)
Total number of employees, typically including both full-time and part-time staff, but excluding external contractors unless otherwise specified.

I

ISO Standards
- **ISO 14001:** International standard for environmental management systems (EMS), providing a framework to manage environmental responsibilities and improve environmental performance.
- **ISO 45001**: International standard for occupational health and safety management systems (OHSMS), aimed at improving employee safety, reducing workplace risks, and creating safer working conditions.
- **ISO 50001**: International standard for energy management systems (EnMS), helping organizations improve energy efficiency, reduce energy consumption, and lower greenhouse gas emissions.

M

Market-based emissions
Emissions calculated based on the market mechanisms or emission reduction programs a company participates in, such as renewable energy certificates, carbon credits, or carbon trading schemes. These emissions reflect the impact of purchasing decisions in relation to carbon-intensive energy sources.

Metal
Primary products are made of metal such as various types of steel, stainless steel, and aluminum, which are either processed internally or purchased as finished or semi-manufactured goods or parts.

N

Near-miss injuries
Events that are reported in our health and safety systems did not result in injury/illness but had the potential to do so. They are defined as the sum of the number of reported unsafe situations (potential injuries), damage to property, used fire extinguishers and reported unsafe actions (behavior).

S

Scope 1
Direct greenhouse gas (GHG) emissions from owned or controlled sources, such as company vehicles combustion, refrigerants and stationary combustion. Calculation based on consumption from invoices, meters and/or web portals, and emission factors from Position Green database.

Scope 2
Indirect GHG emissions from the consumption of purchased electricity, company vehicles (electricity fuel-based method) and district heating.
Calculation based on consumption from invoices, meters and/or web portals, and emission factors from supplier and/or Position Green database.

Scope 3
All other indirect GHG emissions that occur in the value chain, including emissions from suppliers, product use, waste disposal, and employee commuting. Calculated on consolidated accounting group level (the parent and its subsidiaries with operational control), and emission factors from supplier and/or Position Green database.

Category 1: Purchased Goods and Services.
- Spend-based calculation method using consolidated P&L Statements from various ERP-systems.
- In 2025 the Exiobase 3.11 (2025) was used, and for 2024 the Exiobase 3.9 (2019) Products ”Basic iron and steel and of ferro-alloys and first products thereof” and “Fabricated metal products, except machinery and equipment” are adjusted for the steel price development since 2019 in accordance with the Deutscher Schraubenverband (DSV) price index of Walzdraht Borlegiert Mittelwert.

Category 2: Capital goods.
- Spend-based calculation method using consolidated PPEL Statements from various ERP-systems.

Category 3: Fuel- and energy-related activities not included in scope 1 or scope 2.
- Average-based calculation method using data from Scope 1 and 2 reporting.

Category 4 + 9: Inbound and outbound transport.
- Spend-based calculation methods use consolidated P&L Statements from various ERP-systems and estimations..
- Actual costs: Transport paid by Nedschroef.
- Estimation: Outbound transport paid by other parties and Nedschroef estimated based on volumes sold in tons per region (Europe, China, North America, Other), average distance from Nedschroef to customer/warehouse in km.

Category 5: Waste generated in operations.
- Average-based calculation method using consolidated data on the mass.

Category 6: Business travel.
- Supplier-specific calculation method using data from the travel agency for flights and and average-based calculation method using private mileage from employee Expense Statements.

Category 7: Employee commuting.
- Average-based calculation method using estimations on number of FTE's in each category and average one-way distance.
  - Working remotely: FTE working hours (234 days/year and 8 hours/day).
  - Bus (public transportation): FTE, average one-way distance, 234 days/year.
  - Average car (automobiles, motorcycles, scooters): FTE, average one-way distance, 234 days/year.

Category 8: Upstream leased assets.
- Not material

Category 10: Processing of Sold Products.
- In 2024 an Average-based calculation method using estimation of the electricity consumption of processing one screw is 100 J based on statistics from a M8 bolt, and 1J is equal to 0.000000278 kWh.
- This calculation is considered still to be valid.

Category 11: Use of sold products.
- In 2024 an Average-based calculation method using estimation of baseline is a standard cold forging machine named NB615 (32.62 tons) with a lifespan of 20 years = 2,080,000 kWh. or 63.765 kWh/ton.
- This calculation is considered still to be valid.
- In line with the GHG Protocol, Nedfast does not include emissions from end-use applications in which its fasteners are used.

Category 12: End-of-life treatment of sold products.
- Average-based calculation method using estimation of baseline is a standard cold forging machine named NB615 (32.62 tons), 31,358 tons (94%) metal parts and 1,262 tons (4%) electrical parts.

Category 13: Upstream leased assets.
- Not material

Category 14: Franchises.
- Not material

Category 15: Investments.
- Spend-based calculation method using annual revenue of equity Investment and share of equity in %.

Short-Term Incentive (STI)
Short-Term Incentive program for eligible employees based on financial target(s) and quantitative team targets.

Substance of Concern (SOC)
A chemical or material that may pose risks to human health or the environment due to its hazardous properties, toxicity, or persistence. Often subject to regulations and reporting requirements in product design, manufacturing, and supply chains.

Substance of Very High Concern (SVHC)
A chemical substance identified under the EU REACH regulation as having serious health or environmental risks, such as carcinogenic, toxic, persistent, or bioaccumulative. SVHCs are subject to strict reporting, communication, and authorization requirements within the EU.

T

Training and education
Training and education are defined as:
- all types of vocational training and instruction
- paid educational leave provided by Nedschroef for its employees
- training or education pursued externally and paid for in whole or in part by Nedschroef

This does not include on-site coaching by supervisors.

W

Waste
- Waste Diverted from Disposal, which is waste that is redirected from landfills or incineration through recycling, composting, or reuse, to reduce environmental impact and promote resource recovery.
- Waste Diverted to Disposal, which is waste that is sent to landfills or incineration for final disposal, often because it cannot be recycled, composted, or reused due to contamination or lack of viable alternatives.
- Hazardous waste, which is waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation e.g., European Waste Catalogue marked with a star in the waste code for example: 150202*.
- Non-Hazardous waste, which is waste that is not considered as hazardous.

Water Withdrawal
The total volume of water taken from natural or municipal sources (such as rivers, lakes, groundwater, or public supply) for use in operations, regardless of whether it is returned to the environment or not.

Worker
Person performing work or work-related activities that are under the control of the organization, including employees, contractors, and visitors.

Workforce
The company's own workforce includes employees who are in an employment relationship with the undertaking and also non-employees who are either individual contractors supplying labor to the undertaking ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities.

Work-related injury
Work-related injuries that are reported in our health and safety systems, also referred to as lost time accidents, is if an employee incurred an injury leading to more than 8 hours of paid sick leave for this employee. Accidents on the way to and from work are also included as accidents.

***Important**: This photo clearly shows a 'near miss' situation and is part of an ongoing safety campaign.*

Indicator overview

Type	Unit	2025	2024	2023
General Information				
Female diversity in governing bodies	%	9.1	8.3	-
Geographical/cultural diversity in governing bodies (European / Asian)	%	54.5	58.3	-
Employees by Headcount	#	2,750	2,565	2,456
Environmental Information				
Total fossil energy consumption	MWh	127,441	92,933	107,301
Share of fossil sources in total energy consumption	%	64.1	61.5	66.7
Consumption from nuclear sources	MWh	2,828	2,152	-
Share of consumption from nuclear sources in total energy consumption	%	1.42	1.42	-
Total renewable energy consumption	MWh	68,755	55,966	53,597
Share of renewable sources in total energy consumption	%	34.5	37.1	33.3
Total energy consumption	MWh	199,023	151,051	160,898
Gross Scope 1 GHG emissions √	tCO_2-eq	23,535	16,548	18,187
Gross market-based Scope 2 GHG emissions √	tCO_2-eq	4,811	4,955	6,690
Total Gross indirect Scope 3 GHG emissions	tCO_2-eq	363,621	398,974	432,772

Type	Unit	2025	2024	2023
Scope 3 Category 1: Purchased goods & service √	tCO_2-eq	301,727	320,516	-
Scope 3 Category 11: Use of sold products √	tCO_2-eq	20,328	23,447	-
Total market-based GHG emissions	tCO_2-eq	391,967	420,477	457,649
Substance of Concern	Kg	2,283,003	844,681	-
Total water withdrawal	m^3	196,801	141,977	160,370
Surface, Ground and Produced water	m^3	139,146	92,359	113,270
Third-party water	m^3	57,655	49,618	47,100
Total amount of waste generated	tons	14,938	13,779	13,996
Total Amount of Waste Diverted from Disposal √	tons	13,061	12,835	13,172
Total Amount of Waste Directed to Disposal √	tons	1,877	944	824
Percentage of non-recycled waste	%	12.6	6.9	5.9
Total Amount of Hazardous Waste	tons	4,774	3,334	3,593
Total Amount of Non-hazardous Waste	tons	10,164	10,445	10,403
Total Amount of Radioactive Waste	tons	0	0	0
Social Information				
Total Employees (HC) √	#	2,672	2,565	2,456
Gender diversity of females in Headcount √	#	507	451	425

Type	Unit	2025	2024	2023
Gender diversity of females	%	18.9	17.6	17
Employee turnover	#	311	319	186
Employee turnover	%	11.6	12.4	8
Employees covered by collective agreements	#	1,722	1,604	-
Employees covered by collective agreements	%	64.0	68.1	-
Gender diversity of females in top management	%	13	13	15
Percentage of total employees with disabilities	%	2.5	2.3	-
Training and education √	h/FTE	28.2	19.3	17.7
Total participation in performance reviews	%	54.2	49.9	58
Recordable work-related accidents √	#	83	42	65
Governance Information				
Total headcount of employees in functions-at-risk	#	40	43	-
Number of employees in functions-at-risk that have received training	#	10	5	0
Percentage of functions-at-risk covered by training programs	%	25	11.6	-

Type	Unit	2025	2024	2023
Number of convictions of violation of anti-corruption and anti-bribery laws √	#	0	0	-
Amount of fines for violation of anti-corruption and anti-bribery laws	€	0	0	-
Total number of confirmed incidents of corruption or bribery		0	0	-
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents		0	0	-
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery		0	0	-

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Financial Statements

2025

Consolidated profit and loss account
(x € million)

		Year ended 31 December	
	Note	2025	2024
Revenues from fasteners		610.0	613.6
Revenues from machines and tools		24.3	29.7
Total revenues from sales	[5]	**634.3**	**643.3**
Other operating income	[6]	4.6	10.0
Total revenues		**638.9**	**653.3**
Production capitalized for the group		1.4	0.4
Change in work in progress and finished products		2.9	(4.4)
Raw materials and consumables		(268.4)	(284.7)
Work subcontracted and other external costs	[7]	(138.3)	(149.5)
Gross Profit		**236.5**	**215.1**
Employee costs	[8]	(180.1)	(172.5)
Depreciation	[12]	(24.0)	(20.7)
Amortization	[11]	(2.3)	(2.2)
Other operating costs		(38.2)	(39.1)
Total operating costs		**(244.6)**	**(234.5)**
Operating result		**(8.1)**	**(19.4)**
Share in result of associate	[15]	0.9	0.7
Financial expenses	[9]	(12.3)	(13.8)
Income before income tax		**(19.5)**	**(32.5)**
Income tax expense	[10]	(1.2)	4.0
(Loss)/Income for the year		**(20.7)**	**(28.5)**
(Loss)/Income attributable to:			
Owners of the parent		(20.7)	(28.5)
Non-controlling interests		(0.2)	(0.3)
		(20.9)	**(28.8)**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(x € million)

	Note	Year ended 31 December 2025	2024
(Loss)/Income for the year		**(20.9)**	**(28.8)**
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment benefits before income tax	**[27]**	1.4	(0.6)
Income tax		(0.4)	0.2
Re-measurements of post-employment benefits after income tax		1.0	(0.4)
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation differences	**[23]**	(0.2)	0.3
Other		(0.1)	0.0
Other comprehensive income for the year, net of tax		**0.7**	**(0.1)**
Total comprehensive (expense)/income for the year		**(20.2)**	**(28.9)**
Total comprehensive income attributable to:			
Owners of the parent		0.7	(0.1)
Non-controlling interests		0.0	0.0
		0.7	**(0.1)**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

(before appropriation of result)

ASSETS	Note	As at 31 December 2025	As at 31 December 2024
		(x € million)	(x € million)
NON-CURRENT ASSETS			
Intangible assets	[11]	107.7	111.8
Property, plant and equipment	[12]	128.5	136.3
Right-of-use assets	[12]	47.1	48.2
Other long-term financial assets	[13]	38.8	26.2
Deferred tax assets	[14]	6.4	10.1
Investments accounted for using the equity method	[15]	9.7	8.7
Total non-current assets		**338.2**	**341.3**
CURRENT ASSETS			
Inventories	[16]	126.1	145.2
Machines under construction for third parties	[17]	9.9	7.9
Assets for disposal group held for sale	[18]	37.1	0.0
Trade receivables	[19]	27.6	32.0
Income tax receivable		1.8	0.9
Other receivables	[20]	32.2	24.0
Cash and cash equivalents	[21]	23.3	11.8
Total current assets		**258.0**	**221.8**
TOTAL ASSETS		**596.2**	**563.1**

EQUITY AND LIABILITIES	Note	As at 31 December 2025	As at 31 December 2024
		(x € million)	(x € million)
Group equity			
Share capital		0.0	0.0
Share premium		138.5	135.5
Other reserves		(0.2)	3.4
Retained earnings		33.4	50.0
Total shareholders' equity	[23]	**171.7**	**188.9**
Non-controlling interests	[24]	0.3	0.1
Total equity		**172.0**	**189.0**
NON-CURRENT LIABILITIES			
Borrowings	[25]	182.5	163.0
Lease liabilities	[25]	25.1	24.1
Provisions	[26]	2.3	3.1
Deferred tax liabilities	[14]	5.9	9.7
Post-employment benefits	[27]	12.8	14.4
Other liabilities	[28]	0.1	5.2
Total non-current liabilities		**228.7**	**219.5**
CURRENT LIABILITIES			
Borrowings	[25]	6.4	2.7
Lease liabilities	[25]	6.6	6.7
Liabilities for disposal group held for sale	[18]	31.8	0.0
Trade payables		94.7	93.5
Advance payments by customers		3.6	2.5
Employee benefits	[28]	18.2	19.1
Income tax payable		1.6	2.1
Other current liabilities	[29]	32.6	28.0
Total current liabilities		**195.5**	**154.6**
TOTAL EQUITY AND LIABILITIES		**596.2**	**563.1**

The accompanying notes are an integral part of these consolidated financial statements.

The financial statements on pages 118 to 185 were authorized for issue on 29 May 2026 by the Supervisory Board and Executive Committee.

Consolidated statement of changes in equity

(x € million)

	Attributable to owners of the parent										
	Share capital	Share premium	Other reserves					Retained earnings	Total	Non-Controlling interests	Total
			Legal and statutory reserves	Currency translation differences reserve	Actuarial results	IFRS16 Lease	Hedge reserve				
Balance as at 1 January 2024	**0.0**	**80.0**	**8.6**	**(3.5)**	**(0.7)**	**(1.0)**	**0.1**	**78.8**	**162.3**	**(0.5)**	**161.8**
Currency translation differences*		55.5							55.5		55.5
Other			(0.4)					0.4	0.0	(0.1)	(0.1)
Actuarial results [26]					(0.4)				(0.4)		(0.4)
Currency translation differences*				0.3					0.3		0.3
Other added from acquisition									0.0	0.4	0.4
Other comprehensive (expense)/income				**0.3**	**(0.4)**			**(0.1)**	**(0.1)**		**(0.1)**
(Loss)/profit for the year								(28.8)	(28.8)	0.3	(28.5)
Balance as at 31 December 2024	**0.0**	**135.5**	**8.2**	**(3.2)**	**(1.1)**	**(1.0)**	**0.1**	**50.4**	**188.9**	**0.1**	**189.0**
Opening balance 1-1-2025	0.0	135.5	8.2	(3.2)	(1.1)	(1.0)	0.1	50.4	188.9	0.1	189.0
Capital contribution**		3.0							3.0		3.0
Other			(4.2)				0.2	4.0	0.0		0.0
Actuarial results [26]					1.0				1.0		1.0
Currency translation differences*				(0.2)					(0.2)		(0.2)
Other								(0.1)	(0.1)		(0.1)
Other comprehensive (expense)/income				**(0.2)**	**1.0**			**(0.1)**	**0.7**		**0.7**
(Loss)/profit for the year								(20.9)	(20.9)	0.2	(20.7)
Balance as at 31 December 2025	**0.0**	**138.5**	**4.0**	**(3.4)**	**(0.1)**	**(1.0)**	**0.3**	**33.4**	**171.7**	**0.3**	**172.0**

The accompanying notes are an integral part of these consolidated financial statements.

Issued share capital
The authorized capital consists of 2 ordinary shares of € 10.00 each. As at year-end 2025 and 2024 2 ordinary shares have been issued and paid up.

* Currency translation difference reserve
Currency differences that arise as a result of translating the income statement and balance sheets of all group companies into the reporting currency (EUR). Subsidiaries that report in other functional currencies are:
Nedfast AB (SEK), Langeskov (DKK), Nedfast UK (GBP), Detroit (USD), Nedfast North America (USD) and Nedschroef Bulgaria (BGN).

** In 2024 debts of 45.9 were converted to equity without issuing of new shares. And 9.6 capital was contributed by the shareholder for the acquisition of a surface treatment company. In 2025 3.0 capital was contributed by the shareholder for the same 2024 acquisition.

Consolidated statement of cash flows

(according to the indirect method)

	Note	Year ended 31 December 2025	2024
Cash flows from operating activities		(x € million)	(x € million)
(Loss)/income for the year		(20.9)	(28.8)
Adjustments for:			
Income tax expense	[10]	1.2	(4.0)
Net financial result	[9]	12.3	13.8
Loss on disposal of property, plant and equipment		(0.1)	(0.5)
Depreciation	[12]	24.0	20.7
Amortisation	[11]	2.3	2.2
Provision Trade receivables		0.0	0.3
Minority interest		0.2	0.3
Change in non-current liabilities		(7.3)	6.6
Provision Inventory		0.8	0.0
Inventories		2.8	5.0
Machines under construction third parties		(2.0)	(0.8)
Trade and other receivables		(0.1)	8.0
Trade and other payables		5.7	(15.5)
Profit from association		(1.1)	(0.7)
Other		1.2	(1.1)
Cash flow generated from business activities		**19.0**	**5.5**
Transaction costs relating to acquisition of subsidiary		0.0	(1.1)
Interest paid		(12.4)	(14.2)
Income tax paid		(1.8)	1.9
Cash flows generated from operating activities		**4.8**	**(7.9)**

	Note	Year ended 31 December 2025	2024
Cash flows generated from investment activities			
Investment in property, plant and equipment	[12]	(14.7)	(19.6)
Investment in intangible assets	[11]	(2.0)	(1.2)
Investment in associates		0.0	(0.4)
Payment for acquisition of subsidiary, net of cash acquired		0.0	(13.7)
Exchange rate difference PPE	[12]	0.0	0.0
Proceeds from disposal of property, plant and equipment	[12]	0.1	0.9
Cash flow used in investment activities		**(16.6)**	**(38.3)**
Long term borrowings: (repayments)		(158.2)	(71.0)
Long term borrowings: additions		186.6	161.3
Long term borrowings: accrued intrest		0.7	0.0
Long term borrowings: capitalized commitment fee		0.0	0.1
Proceeds from liabilities regarding lease		(8.0)	(6.1)
Accrued interest lease liabilities		0.5	0.0
Change in equity		3.7	10.1
Cash flow generated from/(used in) financing activities		**25.3**	**94.4**
Net change in cash and cash equivalents		**13.5**	**48.2**
Cash and cash equivalents at beginning of year		9.8	(38.4)
Exchange gains on cash and cash equivalents		0.0	0.0
Cash and cash equivalents at end of year		**23.3**	**9.8**

Cash and cash equivalents:		
The composition was as follows:	**31-12-2025**	**31-12-2024**
Cash at bank and in hand (see *note 21*)	23.3	11.8
Current account overdraft in cashpool (see *note 25*)	0.0	(2.0)
Total	**23.3**	**9.8**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 GENERAL INFORMATION

Nedfast Holding B.V., which was set up according to its Articles of Association on 11 April 2007, registered with the Chamber of Commerce under number 30224669 and with its seat in Helmond, obtained effective control over Koninklijke Nedschroef Holding N.V. on 1 June 2007.
Nedfast Holding B.V. and its Nedschroef companies in the Group manufacture, distribute and sell fasteners, machines and tools. Most of the Group's production facilities are located in Western Europe. The company's legal form is that of a private limited company under Dutch law (besloten vennootschap – B.V.). The company was incorporated and is established in the Netherlands. Its registered office is at: Kanaaldijk N.W. 75, 5707 LC in Helmond.

The Group is controlled by Nedfast Investment B.V. in Helmond which owns 100% of the company's shares. The Group's ultimate parent is Shanghai Electric Holdings Group Co., Ltd. The financial information of the company has been recorded in the consolidated financial statements of Shanghai Prime Mingyu Machinery Technology Company Limited. The consolidated financial statements of the parent can be obtained at the Chamber of Commerce.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless stated otherwise.

2.1 Basis of preparation

Statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These consolidated financial statements are presented in Euros, which is the company's functional currency.

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Going concern

Review of 2025

2025 was another challenging year for Nedschroef. While the net loss improved from € -28.8 million in 2024 to € -20.9 million in 2025, market conditions in the automotive sector remained difficult. Despite these conditions, Nedschroef made solid progress in executing its strategic programmes aimed at optimising its operational footprint and performance. The continued implementation of initiatives focused on site optimisation, footprint rationalisation, and the insourcing and centralisation of critical production processes, including the further development of the production locations in Tarragona (ES) and Stara Zagora (BG), contributed to an improvement in the operational result.

The liquidity position of Nedschroef strengthened during 2025. This was supported by an improvement in free cash flow over the year and by the successful refinancing of the financing facilities originally maturing in 2026. A total loan of € 151.7 million was refinanced through a covenant-free facility comprising € 111.7 million from Bank of Communications and € 40.0 million from Everbright, with a maturity in December 2028. The facility is partially guaranteed by the Chinese parent company for an amount of € 114.7 million. The proceeds were used to repay external financing of € 134.7 million and shareholder loans of € 13.0 million, with the remaining funds supporting operational cash flows. As a result, a key uncertainty related to the Group's medium term financing structure was mitigated.

Outlook 2026

In 2026, management expects a continuation of the gradual improvement initiated in 2025. The ongoing execution and further maturing of the strategic programmes are expected to contribute to a further improvement in operational results, supported by additional cost reduction measures, particularly within overhead functions. Together, these actions are anticipated to result in a net result close to break even, while recognising that execution risk remains.

Cash flow generation is expected to further improve in 2026, driven by enhanced operational performance and continued optimisation of operating working capital, with a particular focus on inventory management.

In January 2026, the CP Tech business unit was sold within the Group to a related party for total proceeds of € 25.0 million. The proceeds will be used to further support the execution of Nedschroef's strategic programmes. While the transaction positively affects the result for 2026, its primary impact is the strengthening of liquidity and financial flexibility to support the ongoing transformation.

Conclusion

The positive developments achieved in 2025, the expected further improvement in operational results and cash flow in 2026, the successful refinancing of the Group's financing facilities, and the additional financial resources obtained from the sale of CP Tech provide sufficient assurance to prepare the financial statements on a going concern basis in accordance with IFRS.

These assumptions are made in the context of continued uncertainty in the European automotive market, where further declines in demand remain a key risk. The Group's going concern position is therefore dependent on the continued and successful implementation of the strategic programmes, which are expected to further reduce operating losses and strengthen cash flow generation. While execution risks remain, management considers that the combination of operational improvements, secured medium term financing, and enhanced liquidity is sufficient to support the Group's going concern.

Section 402, Book 2 of the Netherlands Civil Code

In preparing the company financial statements, the facility under section 402, Book 2 of the Netherlands Civil Code of drafting a condensed income statement is used.

Changes in accounting policy and disclosures principles

IFRS's or IFRIC interpretations that are not yet effective.

IFRS 18 about presentation and disclosure in Financial Statements. The standard replaces IAS 1 and aims to improve consistency, comparability and clarity of financial reporting across entities. It becomes effective for annual periods beginning 1 January 2027. The standard will affect the structure of the primary financial statements, including new required subtotals, revised categorization of income and expenses, and more detailed and cohesive disclosure objectives. As implementation is expected to result in significant changes to presentation formats and accounting policies, management is assessing the potential impact on future reporting.

2.2 Consolidation

Financial information relating to group companies and other legal entities controlled by Nedfast Holding B.V. or where central management is conducted, has been consolidated in the financial statements of Nedfast Holding B.V. The consolidated financial statements have been prepared in accordance with EU IFRS (see ***note 2.1***).

Subsidiaries

Subsidiaries are all entities over which the group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Intra-group balances, transactions and unrealized gains or losses resulting from intra-group transactions are eliminated on consolidation. They are deconsolidated from the date that control ceases.
Third-party shares in equity and results of group companies are disclosed separately in the consolidated financial statements.
Non-controlling interests consist of the amount of those interests recognized initially at the date on which the Company acquires control and the changes in non- controlling interests since the said date.

Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

As per 31.01.2026 Nedschroef disposed of her equity interest in CP Holding GmbH to Shanghai Prime (HK) Investment Management Company Limited, which is a group company. As per 31.12.2025 this subsidiary is valued at book value and classified as assets and liabilities held for sale under current assets and current liabilities.

Intercompany

Intercompany balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the group's interest. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.3 Foreign currency

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and

liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within net financial result.
Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

Foreign group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

2.4 Property, plant and equipment

Recognition and measurement

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalized borrowing costs.

An item of property, plant and equipment is derecognized on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when it is derecognized.

For the policy on impairment of property, plant and equipment, see ***note 2.7*** Impairment non-financial assets.

For the development costs a statutory reserve is formed in the amount of the capitalized amount.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

Depreciation
Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate, at the end of each reporting period.

2.5 Leases

Recognition and measurement

Leases primarily comprise right-of-use assets regarding premises and equipment. The leases are recognized as right-of-use assets with a corresponding lease liability on the day the leased asset becomes available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are excepted.
Each lease payment is distributed between repayment of lease liability and financial expense.

The right-of-use assets are recognized at cost of acquisition and initially include the present value of the lease liability, adjusted for lease fees paid on or before the start date, as well as initial direct costs. As part of the acquisition of Leist Nedschroef has applied fair value accounting.
Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of-use asset is depreciated over the underlying asset's useful life.

While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See ***note 12*** for the other accounting policies relevant to leases.

2.6 Intangible assets

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquire. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at the fair value. For the non-controlling interests, the group elected to recognize the non-controlling interests at fair value of the acquired net identifiable assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as a bargain purchase again.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

Other intangible assets

Other intangible assets are valued at cost less accumulated amortization and impairment losses. Amortization on intangible assets with finite useful lives is calculated using the straight-line method to allocate their cost over their estimated useful lives.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 'Business combinations' above) less accumulated impairment losses, if any. Goodwill is not amortized.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units of the fasteners and machines and tools activities (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.
If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.
On the disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net asset of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.
When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's investment in the associate or joint venture) the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.
The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss whit respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the

investment (including goodwill) is tested for impairment in accordance with IAS 36 ‘Impairment of Assets’ as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Research and development

Research costs are charged directly to the operating result. Development costs relate to the costs of a new product, design or technological development. These costs are recognized as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and if the costs can be determined reliably. For the development costs a statutory reserve is formed in the amount of the capitalized amount.

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.8 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.9 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. Fair value equals carrying values. For Trade receivables, please refer to ***note 2.14***.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model which objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model which objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/ designation at initial recognition of a financial asset

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see
- (ii) below); and
- the Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the “finance income – interest income” line item (*note 9*).

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the ‘finance income’ in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9 (see *note 2*).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses'.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, IFRS 9 requires the Group to recognize a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortized cost or at FVTOCI;
(2) Lease receivables;
(3) Trade receivables and contract assets; and
(4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances. Trade receivables do not contain a significant financing component.

2.12 Inventories
Inventories are stated at the lower of the historical cost and net realizable value. Cost is determined using the FIFO (first-in, first-out) method. The cost of finished products and work in progress comprizes the direct and indirect manufacturing costs. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.13 Machines under construction for third parties
Construction contracts for which revenue is recognized at a point in time are valued at cost, less a provision for foreseeable losses, and less progress billing in proportion to the progress of the project.

Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable overheads incurred in the companies' contract activities based on normal operating capacity. Contracts for which the balance of costs incurred and profit recognized exceeds the progress billing are presented as due from customers. Contracts which the balance of costs incurred and profit recognized is less than the progress billing are presented as due to customers. Construction contracts for which revenue is recognized over time, are valued at cost plus a pro rata profit margin, less a provision for foreseeable losses, and less progress billing in proportion to the progress of the project. The pro rata profit margin is determined based on the total expected revenues and costs and the progress of the contract. The progress of the contract is determined based on the actual incurred cost compared to the total expected cost.

Warranty claims are provided for machines that are sold by Nedschroef Machinery & Tooling (see ***note 26***).

2.14 Trade receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at their transaction price and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Impairment is based on an expected credit loss model taking into account forward looking information.

2.15 Cash and cash equivalents
In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.16 Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.17 Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18 Borrowings and borrowing costs
Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

2.19 Current and deferred income tax
The tax expense for the period comprizes current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

The Group operates various post-employment schemes. The company also has a number of commitments to pay long-service benefits and severance payments on termination of employment in countries where such payments are usual.

Short-term employee plans

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a plan providing for the payment of post-retirement benefits under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans

Defined benefit schemes are all plans providing for the payment of post-retirement benefits other than defined contribution plans. The Nedschroef companies in the Netherlands are covered by the industry pension funds for the mechanical and electrical engineering industries (Metalektro – PME) and the metal and engineering industries (Metaal en Techniek). The pension plans operated by these industry pension funds are classified as defined benefit plans according to the contracts/law, although in the event of a deficit in the industry pension funds Nedschroef is not obliged to make any additional contributions other than higher premiums in the future. In that case, (former) employees also lose the right to indexation of their pension entitlements. The industry pension funds feel that they cannot and are not obliged to provide any information concerning the net pension commitments of their participants according to the method prescribed by IAS 19. Consequently, the plans are recognized in the financial statements as defined contribution plans. With effect from 1 January 2008, Nedschroef is only a member of PME for the basic pension scheme. For the supplementary scheme (in excess of the salary ceiling of approx. € 138k) the company has joined a defined contribution scheme. The other defined benefit pension plans involve mainly the pension obligations to employees in the Netherlands, Germany and Belgium.

The liability recognized in the balance sheet in respect of the defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in income.

Long-service benefits

The long-service benefits involve commitments to employees in the Netherlands, Germany and Belgium. The provision is determined using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and past-service costs are charged or credited to the income statement in the period in which they arise.

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Termination benefits

Severance payments are paid if an employee's employment is terminated by the group before the normal retirement date or if an employee accepts such a benefit in compensation for their resignation. The Group recognizes severance payments if it has a demonstrable obligation to terminate the employment of employees as part of a formal and irrevocable plan, or if the payment of a severance payment is the result of an offer made to an employee to encourage their voluntary resignation. Payments that will be made more than twelve months after the balance sheet date are stated at face value. The Group recognizes a liability in the balance sheet for bonus and profit-sharing plans which are based on a formula that takes into account the profit imputable to the company's shareholders, bearing in mind certain adjustments. The Group includes a provision if there is a legally enforceable or constructive obligation to make such payments.

2.21 Provisions

Provisions are recognized when: the group has a present legal or constructive obligation as a result of a past event; that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.22 Revenue recognition

Revenues are defined as the revenue from the sale of goods and services, net of rebates, discounts and similar allowances, and net of sales tax. Revenue is recognized when the significant risks and rewards have been transferred to a third party, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and when there is no continuing management involvement with the goods. For revenues from sales of goods, these conditions are generally met at the time the product is shipped and delivered to the customer, depending on the delivery conditions.

Revenue from contracts with customers is recognized according to IFRS 15:

- Contracts are identified based on the criteria outlined in IFRS 15:9,
- Performance obligations in contracts are identified based on the criteria outlined in IFRS 15:22 / 23 / 27 / 29,
- Transaction prices are determined based on the criteria outlined in IFRS 15:47 / 50 / 51 / 56 / 63,
- Transaction prices are allocated to the performance obligations in the contracts based on the criteria outlined in IFRS 15:20 / 63 / 79 / 81,
- Revenue is recognized when (or as) the group satisfies a performance obligation based on the criteria outlined in IFRS 15:31 / 32 / 33 / 35 / 38,
- Contract costs are accounted for based on the criteria outlined in IFRS 15:91 / 95 / 97 / 99.

The vast majority of the Group's revenues are consumable driven. These revenues are recognized at a point of time when the significant risks and rewards have been transferred to a third party based on the delivery conditions of each specific order.

Only revenues on specific equipment for which the Group has no alternative use and an enforceable right to payment are recognized over time using the percentage of completion method.

Payments are generally to be done 30 days after the date of invoice, net.

Warranty claims are provided for machines that are sold by Nedschroef Machinery & Tooling (see *note 26*). The warranty provision is recorded by recognizing the amount of expected expense payments required for future repairs. It is expected in many cases that a repair or a payment is made within a year, while repairs or payments for some items are made over a longer period of time because customers take longer to physically return defective products.

2.23 Interest income and dividend income
Interest income and expense is recognized using the effective interest method. Dividend income is recognized when the right to receive payment has been established.

2.24 Government grants
Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in noncurrent liabilities as deferred government grants and are credited to the income statement on a straight- line basis over the expected lives of the related assets.

2.25 Principles for preparation of the consolidated cash flow statement

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement. Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

The cost of Group companies acquired is presented under the cash flow from investment activities, as far as payment has been made with cash and cash equivalents. The cash and cash equivalents of the Group companies acquired are deducted from the purchase cost.

Transactions that do not result in exchange of cash and cash equivalents, such as financial lease, are not presented in the cash flow statement. The payments of the lease installments on account of the financial lease contract are presented as redemptions of debts for the redemption component and as paid interest for the interest component.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Executive Committee. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Executive Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.
All financial assets & liabilities are measured at amortized cost.

Market risk

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the UK pound and the Chinese Yuan Renminbi. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The Group's major exposure to foreign currency risk at the end of the reporting period, expressed in millions, was as follows:

	31-12 2025 USD	31-12 2024 USD
Cash and cash equivalents	0.0	0.2
Trade receivables	0.9	1.9
Trade payables	(0.8)	(0.7)
Total	**0.1**	**1.4**

The company has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group Treasury. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The sales and purchases of the Group are mainly invoiced in euro. A 5% change of the main underlying currency US dollar would not materially impact profit for the year. All other things being equal, a 5% change in the euro/dollar exchange rate as of 31 December 2025 would have had an impact on profit for the year of 0.0 as a result of currency translation of financial instruments.

(b) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The exposure of the Group's borrowings to interest rate risk and the maturity analysis can be found in ***note 25.***

The long-term borrowing interest rate is linked to the 3M EURIBOR. A 2% change in the 3M EURIBOR rate for the whole year 2025 would have had an impact on profit for the year of € 3 million on the financial expenses for the long-term borrowings with the Bank of Communications and the Everbright bank.

(c) Credit risk

Credit risk arises mainly from cash equivalents and trade receivables.
Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new customers before standard payment and delivery terms and conditions are offered. For banks and financial institutions, only those with a high credit rating are accepted.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

No credit limits were exceeded during the reporting period, and the company does not expect any losses from non-performance by these counterparties.

For the biggest customers factoring and guaranteed payments are in place. Factoring results in derecognition of the financial asset trade receivables.

The expected credit loss calculation was done by the Group with inputs from an external valuator. The expected credit loss on accounts receivables was calculated making use of factor risk profiles per customer. Based on the calculation for expected credit loss, and taking the factoring that is in place in consideration, the provision for bad debt recorded is sufficient.

(d) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

Cash generation and debt reduction will remain on the management priority list.
The maturity analysis of the Group's borrowings can be found in ***note 25.***

(e) Concentration risk

The Group operates in a manufacturing business serving a wide range of customers across multiple countries. Sales are not dependent on any single customer, or country, and raw materials are sourced from a broad supplier base. On this basis, management has assessed that the Group is not exposed to any significant concentration of credit, liquidity, or market risk as at 31 December 2025.

Financial assets (including trade receivables) are spread across numerous independent customers with no individual customer representing a material portion of outstanding balances. Similarly, financial liabilities (including supplier payables and financing arrangements) are diversified across various suppliers and financial institutions. The Group continuously monitors its risk exposures and has concluded that no material concentrations of risk existed during the reporting period.

3.2 Capital management

The Group manages capital to ensure financial stability, maintain production continuity, and support ongoing investment in manufacturing capacity. Capital is monitored using total equity and net debt, with a focus on maintaining sufficient liquidity to fund working-capital cycles and equipment investments and replacements.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Through the use of such current assets as cash and cash equivalents and short-term investments, as well as cash flows from operating activities and loans from financial institutions, Nedfast believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and develop new projects.

The Company defines equity capital as the amount of share of equity attributable to owners of the parent excluding the subscription rights to shares.
The Executive Committee closely monitors the trends in the operating results and the cash flow. The new loan facility that Nedschroef closed in 2025 at the CEXIM bank of € 135 million was due in February 2026. In December 2025 Nedschroef closed a new loan facility at the Bank of Communications of € 111.7 million and at the Everbright Bank of € 40 million. These facilities are guaranteed by Nedschroef's Chinese parent and covenant-free and mature in three years. The CEXIM loan was repaid in December 2025.

Dividend payments to shareholders are subject to severe restrictions. If these restrictions are met, shareholders may choose to waive a dividend, taking into account (future) financial requirements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of goodwill and property, plant and equipment

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies. The recoverable amount of the cash-generating units is defined as the higher of the cash generating unit's fair value (less costs of disposal) and the value in use. These calculations require the use of estimates.
In addition, the company tests property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Useful life of machinery and related equipment

The company estimates annually the remaining useful life of the most important assets. Estimated useful lives and the method of depreciation are reviewed at the fiscal year- end. Changes in estimated useful lives or depreciation methods are accounted for on a prospective basis as a change in accounting estimate. Property, plant and equipment, excluding land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Right-of-use assets are depreciated on a systematic basis from the commencement date to the earlier of the end of the economic life of the underlying asset or the end of the lease term.

Provision for obsolete inventories

Assumptions and estimates are made in determining the provision for obsolete inventories. The estimates are based on the likelihood that inventories may be sold on the basis of call-off arrangements or the order book.

Inventory of tools

The economic life, price and complexity of tools that are required for the cold-formed production process vary significantly. The commercial value depends on the wear and tear and marketability (order book) of the ultimate cold-formed end product. Estimates based on consumption figures are used to value inventory of tools.

Provision for redundancy

If measures are taken to reduce costs a provision is made for liabilities arising from redundancies. Liabilities for redundancies also include an estimate of expected severance payments.

Provision for claims

Provision for claims includes estimates and assumed suppositions with regard to the likelihood and scale of claims. Claims from customers or suppliers are only recognized if the probability of a negative outcome is more likely than not. Based upon assessment and estimate of our legal advisors a provision is recognized. Environmental provisions include estimates and assumed suppositions with regard to the likelihood and scale of pollution and the cost of environmental remediation.

Deferred taxes

Estimates are required in determining total deferred tax assets and liabilities. For some transactions and risks it is uncertain, in the ordinary course of business, what the tax liability will be. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Defined benefit pension plans

Defined benefit pension obligations relate to future liabilities for which the Group is required to make assumptions about future salary increases, returns on pension assets, life expectancy and mortality rates and discount rates.

Notes to the consolidated profit and loss account

(x € million unless stated otherwise)

5 TOTAL REVENUES FROM SALES

Total revenues from sales decreased with -1.4% (2024: - 8.3%)

The geographic distribution of total revenues from sales is as follows:	2025	In %	2024	In %
Netherlands	30.5	5	33.7	5
Rest of European Union	498.6	79	492.5	77
Rest of Europe	45.3	7	52.0	8
North America	27.6	4	27.6	4
China	12.0	2	13.2	2
Other countries	20.3	3	24.3	4
Total	**634.3**	**100**	**643.3**	**100**

The segment distribution of total revenues from sales is as follows:	2025	In %	2024	In %
Automotive	568.5	90	567.7	88
Machinery & Tooling	24.3	4	29.7	5
Engineering of Systems	41.5	6	45.9	7
Total	**634.3**	**100**	**643.3**	**100**

The transaction price allocated to (partially) unsatisfied performance obligations at 31 December 2025 are as set out below.

	2025	2024
Construction of machines (accrued revenue)	0.9	(0.5)
Total	0.9	(0.5)

6 OTHER OPERATING INCOME

The composition was as follows:	2025	2024
Income from sales of scrap	2.0	2.5
Book profits on sale of property, plant and equipment	0.1	0.5
Insurance benefits, grants & subsidies	0.1	0.1
Negative goodwill acquisition Leist (*)	0.0	3.5
Other (commissions, rent, miscellaneous)	2.4	3.4
Total	**4.6**	**10.0**

* On 5 September 2024, Nedschroef Fasteners GmbH entered into a purchase agreement to acquire the entire limited partnership interests in the coating company, Leist Holding GmbH & Co. KG and its subsidiaries. Clearance from the Federal Cartel Office was obtained on 11 October 2024. The closing of the acquisition subsequently took place on 31 October 2024 and the control was obtained as of 1 November 2024.
The purchase included a property in Germany with a 20 year rent-free period, resulting in a € 3.5 million negative goodwill under fair value accounting, recorded in profit and loss. On the acquisition date, the identifiable assets acquired and the liabilities assumed in a business combination, were recognized at their fair values, separately from goodwill. For the identification and valuation of such assets and liabilities the services of an external valuer were used. Adjustments have been made to capture the impact of a Czech property lease under the Leasing. As per the contracted amounts, it is subject to a fair value and deferred tax adjustment determined in consultation with the external valuer.

DETAILS OF THE PURCHASE CONSIDERATION 2024:

	€ million
Cash paid	16.1
Contingent consideration	10.0
Total purchase consideration	**26.1**

THE ASSETS AND LIABILITIES RECOGNISED AS A RESULT OF THE ACQUISITION ARE AS FOLLOWS:

	€ million
Cash	2.4
Trade receivables	5.5
Inventories	2.5
Property, Plant and equipment	6.0
Right-of-Use asset	16.0
Intangible assets	4.0
Other assets	5.6
Trade payables	(3.0)
Other liabilities	(3.5)
Deferred tax liability	(5.5)
Net identifiable assets acquired	**30.0**
Less: non-controlling interests	(0.4)
Less: negative goodwill	(3.5)
Net assets acquired	**26.1**

Revenue and profit contribution

The acquired business contributed revenues of € 3.6 million and net profit of - € 0.5 million to the group for the period from 1 November to 31 December 2024.

Accounting policy choice for non-controlling interests

The group recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Leist Holding GmbH & Co. KG, the group elected to recognize the non-controlling interests at their proportionate share of the acquired net identifiable assets. See ***note 2.6*** for the group's accounting policies for business combinations.

Significant estimates related to the fair value accounting

The following assets and associated liabilities are determined by their fair values as part of the acquisition:

- Rent-free period of the German properties
- Customer relationships
- Trademarks
- Their corresponding deferred tax liabilities

In determining the fair value, a churn rate of 9.5% was applied and a WACC of 10.92%. The fair value of the rent-free period was estimated by calculating the present value of the cash flows based on expected market prices for that specific region and a discount rate of 4.5%.

PURCHASE CONSIDERATION – CASH OUTFLOW

	2025
Cash outflow, net of cash acquired	21.0
Cash consideration	**21.0**
Less: balances acquired	
Cash	(2.4)
Net outflow of cash - investing activities	**18.6**

Acquisition-related costs

Acquisition-related costs are included in administrative expenses in the statement of profit or loss, and in operating cash flows in the statement of cash flows

7 WORK SUBCONTRACTED AND OTHER EXTERNAL COSTS

The composition was as follows:	2025	2024
Rent buildings	0.8	3.6
Water, gas and electricity	23.6	20.5
Rent and lease of equipment	2.7	0.4
Repair and maintenance	15.9	16.3
Outsourced work	77.5	92.1
Temporary employees	8.2	9.7
Transport costs	9.6	6.9
Total	**138.3**	**149.5**

8 EMPLOYEE COSTS

The composition was as follows:	2025	2024
Wages and salaries	146.3	139.2
Defined contribution plans	4.3	5.6
Defined benefit plans (see ***note 27***)	0.0	0.0
Other social insurance contributions	29.4	27.7
Total	**180.1**	**172.5**

The wages, salaries and social insurance contributions include a sum of € 0.9 million (2024: 0.9 million) for the costs of research and development. No other costs are classified as costs of research and development..

The geographic distribution of average number of employees, expressed in full-time equivalents, is as follows:

	2025 number	2024 number
Netherlands	374	374
Rest of European Union	2,028	1,770
North America	6	7
Other countries	0	0
Total	**2,408**	**2,151**

Key management consists of the Board of Directors and the Executive Committee. Key management compensation is as follows:

x € 1.000	2025	2024
Short term employee benefits	1,108	2,000
Long term benefits	159	100
Pension Costs	91	77
Total	**1,358**	**2,177**

9 FINANCIAL EXPENSES

	2025	2024
Net interest charges of credit institutions	9.6	11.8
Interest on shareholder loans	0.4	(0.1)
Other interest charges	0.1	0.0
Interest expense leases	1.6	1.5
Interest effect of discounted value calculations (see ***note 27***)	0.4	0.2
Exchange rate differences	0.2	0.4
Total	**12.3**	**13.8**

10 INCOME TAX EXPENSE

Income tax expense amounted to (1.2) (2024: 4.0). The deferred tax asset that is recognized was based on the fiscal result that will be realized within the foreseeable future. The total amount of the deferred tax asset amounts to 6.4 (2024: 10.1). The total amount of the deferred tax liability amounts to 5.9 (2024: 9.7). The effective tax rate amounted to 5.9% (2024: -12%). The nominal tax rate in the Netherlands was 25.8% (2024: 25.8%).

Calculation of effective tax amount	2025	2024
(Loss)/income before income tax	(19.5)	(32.5)
At nominal tax rate in The Netherlands of 25.8% (2024: 25.8%)	5.1	8.3
Effect of different nominal tax rates in other countries	1.7	1.8
Effect of (non-)recognition of taxable losses	(3.1)	(0.9)
Effect of unrecognized deductible temporary difference	(4.2)	(5.2)
Tax adjustment for previous year matters	0.0	0.0
Effect of other	(0.7)	0.0
Total	**(1.2)**	**4.0**

Income tax expense	2025	2024
Current tax expense	(1.5)	1.9
Change in deferred tax (see *note 14*)	0.3	(5.9)
Total	**(1.2)**	**4.0**

Taxable losses that are not capitalized:	2025	2024
Spain	18.6	12.7
The Netherlands*	82.9	67.9
Belgium	5.8	7.2
Total	**107.3**	**87.8**

Deductible interest carry-forward** for which no deferred tax asset has been recognized:	2025	2024
The Netherlands*	15.2	13.7
Germany**	57.7	45.5
Total	**72.9**	**59.2**

* The company and its wholly owned subsidiaries in the Netherlands are members of a fiscal unity headed by Shanghai Prime Netherlands B.V.

** It relates to interest charges that could not be deducted because of insufficient EBITDA.

The Group is part of a multinational group within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the Netherlands, the jurisdiction in which the company is incorporated, and came into effect from 1 January 2024. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications. The entity is currently engaged with tax specialists to assist them with applying the legislation.

Notes to the consolidated balance sheet
(x € million unless stated otherwise)

11 INTANGIBLE ASSETS
The composition and changes were as follows:

	Goodwill	Development costs	Other intangible assets	Total
At 1 January 2024				
Cost	100.2	4.1	14.7	119.0
Accumulated amortization and impairment	0.0	(1.9)	(8.7)	(10.6)
Carrying amount	**100.2**	**2.2**	**6.0**	**108.4**
Changes in 2024				
Additions	0.0	1.1	0.7	1.8
Amortization and impairment	0.0	(0.4)	(1.8)	(2.2)
Reclassification to prepaid LT	0.0	0.0	3.8	3.8
	0.0	**0.7**	**2.7**	**3.4**
At 31 December 2024				
Cost	100.2	5.2	19.2	124.6
Accumulated amortization and impairment	0.0	(2.3)	(10.5)	(12.8)
Carrying amount	**100.2**	**2.9**	**8.7**	**111.8**
Changes in 2025				
Additions	0.0	1.9	0.1	2.0
Amortization and impairment	0.0	(0.5)	(1.8)	(2.3)
Disposal subsidiary CP Cost or valuation*	0.0	(6.2)	0.0	(6.2)
Disposal subsidiary CP accum. Depreciation	0.0	2.2	0.0	2.2
Reclassification to prepaid LT	0.0	0.0	0.2	0.2
	0.0	**(2.6)**	**(1.5)**	**(4.1)**
At 31 December 2025				
Cost	100.2	0.9	19.5	120.6
Accumulated amortization and impairment	0.0	(0.6)	(12.3)	(12.9)
Carrying amount	**100.2**	**0.3**	**7.2**	**107.7**

*As per 31.01.2026 Nedschroef disposed her equity interest in CP. As per 31.12.2025 this subsidiary is valued at book value and classified as asset held for sale under current assets and current liabilities.
There are no contractual commitments for the acquisition of intangible assets.

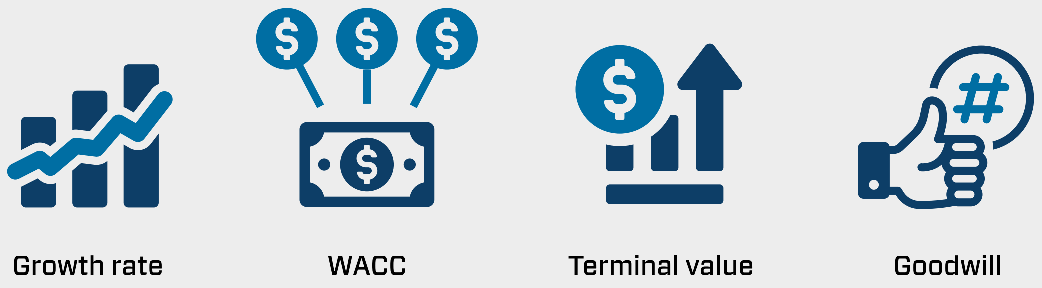
The estimated finite useful life of intangible assets is as follows:

- Development costs (internally generated): 5 to 20 years
- Other intangibles (internally generated): 5 to 10 years

Impairment testing on goodwill

Goodwill is allocated entirely to the cash-generating units of the fasteners business. The recoverable amount of the cash-generating units is determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on the financial budget 2026 and the business plans for a period of five years that have been approved by the Executive Committee. The basis use to determine the budgeted gross margins is the average gross margin achieved in the year immediately before the budget year, adjusted for any expected market developments. Cash flows beyond this period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. The discount rates applied are after income tax and reflect specific risks relating to the relevant segments. There are no changes in the applied key assumptions on which management has based its determination of the cash generating units recoverable amount. Those values reflect past experience and/or are consistent with external sources of information if appropriate.
The company reviews goodwill for impairment every year by discounting the cash flows of the cash-generating units, as determined by the Executive Committee in the budget for the next year, on the basis of the following assumptions:
:

	2025	2024
Growth rate (CAGR) business plan years	2.0%	2.4%
WACC	9.5%	8.9%
Terminal value growth rate	2.0%	2.0%
Goodwill	100.2	100.2



12 PROPERTY, PLANT AND EQUIPMENT

	Property	Plant	Equipment	Under construction	PPE not conducive to operations	Total
At 1 January 2024						
Cost or valuation	76.0	192.9	52.5	12.1	0.0	333.5
Accumulated depreciation	(34.2)	(126.9)	(43.0)	0.0	0.0	(204.1)
Carrying amount	**41.8**	**66.0**	**9.5**	**12.1**	**0.0**	**129.4**
Changes in 2024						
Additions	0.7	9.5	1.4	3.9	0.0	15.5
Additions Acquisition	0.0	5.5	0.5	0.1	0.0	6.1
Disposals Cost or valuation	0.0	(3.3)	(0.9)	0.0	0.0	(4.2)
Disposals accumulated depreciation	0.0	2.4	0.9	0.0	0.0	3.3
Transfers	0.4	2.8	0.5	(3.7)	0.0	0.0
Depreciation charge	(2.6)	(9.1)	(1.9)	(0.2)	0.0	(13.8)
Exchange rate differences	0.0	0.0	0.0	0.0	0.0	0.0
Closing carrying amount	**(1.5)**	**7.8**	**0.5**	**0.1**	**0.0**	**6.9**
At 31 December 2024						
Cost or valuation	77.1	207.3	54.0	12.5	0.0	350.9
Accumulated depreciation	(36.8)	(133.5)	(44.0)	(0.3)	0.0	(214.6)
Carrying amount	**40.3**	**73.8**	**10.0**	**12.2**	**0.0**	**136.3**

	Property	Plant	Equipment	Under construction	PPE not conducive to operations	Total
Changes in 2025						
Additions	0.3	5.2	0.8	8.4	0.0	14.7
Additions Acquisition	0.0	0.0	0.0	0.0	0.0	0.0
Disposals Cost or valuation	(0.3)	(5.2)	(3.0)	0.0	0.0	(8.5)
Disposals accumulated depreciation	0.3	5.1	3.0	0.0	0.0	8.4
Disposal subsidiary CP Cost or valuation	(7.0)	(4.0)	(4.4)	0.0	0.0	(15.4)
Disposal subsidiary CP accum. Depreciation	2.1	2.8	3.5	0.0	0.0	8.4
Transfers	0.7	6.5	3.1	(10.3)	0.0	0.0
Depreciation charge	(2.6)	(10.2)	(2.6)	0.0	0.0	(15.4)
Exchange rate differences	0.0	0.0	0.0	0.0	0.0	0.0
Closing carrying amount	**(6.5)**	**0.3**	**0.4**	**(1.9)**	**0.0**	**(7.7)**
At 31 December 2025						
Cost or valuation	70.8	209.8	50.5	10.6	0.0	341.7
Accumulated depreciation	(37.0)	(135.8)	(40.1)	(0.3)	0.0	(213.2)
Carrying amount	**33.8**	**74.0**	**10.4**	**10.3**	**0.0**	**128.5**

Land is not depreciated. The estimated useful life of other property, plant and equipment is as follows:

- Buildings: 20 to 33 1/3 years
- Plant: approximately 10 years
- Equipment: 3 to 5 years

The carrying amount of the assets acquired under financial lease amounted to € 47.1 million (2024: 48.2) at the end of the financial year. As at 31 December 2025 the company was committed to an investment of € 6.0 million (2024: 7.5).

On assets under construction no borrowing costs are capitalized.

There is a pledge from the Sparkasse bank, on property from CP Tech in Büren, Germany. The carrying amount of assets pledged as security for current and non- current borrowings is € 0.0 million and is included in the assets held for sale under the current assets as the subsidiary will be sold in 2026. (also refer to lease liability *note 24*):

Right-of-Use assets	2025	2024
The changes were as follows		
Balance at 1 January	48.2	30.2
Disposals	(0.5)	(0.1)
Disposal subsidiary CP Cost or valuation	(4.2)	0.0
Disposal subsidiary CP accum. Depreciation	2.7	0.0
Addition – Initial recognition*	9.6	25.0
Exchange difference on opening balance	(0.1)	0.0
Depreciation	(8.6)	(6.9)
Balance at 31 December	**47.1**	**48.2**

* The addition in 2024 contains 16.0 of a 20 year free lease period of the properties of the Leist acquisition. There is no lease obligation for this addition.

	Property	Plant	Equipment	Vehicles	PPE not conducive to operations	Total
At 1 January 2025						
Carrying amount	**34.9**	**8.2**	**0.3**	**4.8**	**0.0**	**48.2**
Changes in 2025						
Additions – Initial recognition	7.8	0.7	0.2	0.9	0.0	9.6
Depreciation	(5.1)	(1.1)	(0.1)	(2.3)	0.0	(8.6)
Disposals	0.1	(0.9)	0.0	0.3	0.0	(0.5)
Disposal subsidiary CP Cost or valuation	0.0	(2.6)	(0.2)	(1.4)	0.0	(4.2)
Disposal subsidiary CP accum. Depreciation	0.0	1.4	0.2	1.1	0.0	2.7
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rate differences on opening balance	(0.1)	0.0	0.0	0.0	0.0	(0.1)
	2.7	**(2.5)**	**0.1**	**(1.4)**	**0.0**	**(1.1)**
At 31 December 2025						
Carrying amount	**37.6**	**5.7**	**0.4**	**3.4**	**0.0**	**47.1**

For both years, the Group leases buildings, machinery and equipment, motor vehicles, office and other equipment for its operations. Lease contracts are entered into for a fixed term of 12 months to 8 years and for Leist acquisition 20 years. Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Right-of-Use assets	2025	2024
Interest expense on lease liabilities	1.6	1.5
The expense relating to leases of low-value assets accounted for applying paragraph 6 IFRS16	0.0	0.0
The expense relating to variable lease payments not included in the measurement of lease liabilities	0.0	0.0
The expense related to short term leases accounted for applying paragraph 6 IFRS 16	0.0	0.0
Total cash outflow for leases	10.2	6.7
Additions to right of use assets	9.6	25.0
Gains or losses arising from sale and lease back transaction	0.0	0.0

Extension and termination options

The Group has extension and termination options in a number of leases for office buildings and plants. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options or not to exercise the termination options. The potential exposures to these future lease payments for (i) extension options in which the Group is not reasonably certain to exercise and (ii) termination options in which the Group is not reasonably certain not to exercise is summarized hereafter:

	Lease liabilities recognized as at 31-12-2025	Potential future lease payments not included in lease liabilities (undiscounted)
Item of Lease		
Warehouse	0.0	2.0

The 2 items of Lease not included in lease liabilities reflect on 2 buildings from the Leist acquisition.

The following table summarizes the additional lease liabilities recognized during the year ended 31 December 2025 as a result of (i) exercising extension option that the Group was not reasonably certain to exercise and (ii) not exercising termination option that the Group was not reasonably certain not to exercise:

	Extension options exercisable during year ended 31 December 2025	Extension option exercised
	No. of Leases	No. of Leases
Item of Lease		
Plant	0	0

	2025	2024
Additional lease liabilities recognized during the year	9.5	9.0

13 OTHER LONG-TERM FINANCIAL ASSETS

The changes were as follows:	2025	2024
Balance at 1 January	26.2	26.0
Receivables/(payables) on related parties	12.8	0.0
Prepaid expenses	(0.2)	0.2
Balance at 31 December	**38.8**	**26.2**

As per 31-12-2025 the long-term financial assets consists of a loan to Nedfast Investment of 14.8, a loan to Shanghai Prime Netherlands B.V. of 8.4 with an interest rate of 2.8%, a loan to CP of 12.8 with an interest rate of 2.8% and prepaid expenses 2.8 (2024: 3.0) relating to configuration and customisation costs in a Cloud Computing Arrangement.

14 DEFERRED TAX ASSETS AND LIABILITIES

The composition was as follows:	31-12-2025	31-12-2024
Deferred tax assets	6.4	10.1
Deferred tax liabilities	(5.9)	(9.7)
Net deferred tax (liabilities)/assets	**0.5**	**0.4**

Net deferred tax liabilities/(assets)	2025	2024
The changes were as follows:		
Balance at 1 January	(0.4)	1.5
Transfer to equity	(0.4)	0.2
Transfer to income tax charge (gain if negative)	0.3	(2.1)
Balance at 31 December	**(0.5)**	**(0.4)**

Deferred tax assets	01-01-2024	Changes in 2024	31-12-2024	Changes in 2025	Disposal Subsidiary CP	31-12-2025
The composition and changes were as follows:						
Unrealized gain/(loss) for intra-group transactions	0.1	0.0	0.1	0.0	0.0	0.1
Loss carry-forward	6.3	5.9	12.2	(0.8)	0.0	11.4
Business combination FV adjustments	(0.2)	0.0	(0.2)	(3.9)	0.0	(4.1)
Financial fixed assets	(3.9)	0.8	(3.1)	(1.3)	1.2	(3.2)
Property, plant and equipment	(0.7)	0.1	(0.6)	0.1	(0.3)	(0.8)
Inventories	(0.6)	0.0	(0.6)	(0.1)	(0.2)	(0.9)
Receivables	0.7	0.8	1.5	(0.8)	0.0	0.7
Employee benefits	0.9	0.3	1.2	(0.1)	0.0	1.1
Intangibles	(0.7)	(0.1)	(0.8)	(0.4)	1.2	0.0
Other	2.1	(1.7)	0.4	2.9	(1.2)	2.1
Total	**4.0**	**6.1**	**10.1**	**(4.4)**	**0.7**	**6.4**

Every year an estimate is made of the deferred tax receivables that should be set off against future taxable profits. The estimates are based on the management-approved budgets for a projection period of one year. After the one-year period an estimate is made of the taxable profits to the extent that it is likely that they shall be available. It is expected that the off-settable losses will be realized in three to five years. From this amount 0.0 is expected to be realized within one year. Exchange rate differences are not material.

Carry-forward losses and deductible interest amounting to 180.2 at the end of 2025 (2024: 147.0) have not been recognized. There is no time limitation (no expiry of the losses). These losses and deductible interest refer to the activities in Spain, the Netherlands, Belgium and Germany. See ***note 10.***

Deferred tax liabilities	01-01-2024	Changes in 2024	31-12-2024	Changes in 2025	31-12-2025
The composition and changes were as follows:					
Loss carry-forward	5.3	0.1	5.4	0.0	5.4
Interest carry-forward	0.0	0.0	0.0	0.0	0.0
Business combinations FV adjustment	0.0	4.1	4.1	(4.1)	0.0
Intangibles	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.5	(0.1)	0.4	0.0	0.4
Inventories	0.1	0.0	0.1	0.0	0.1
Receivables	0.0	0.0	0.0	0.0	0.0
Employee benefits	(0.4)	0.0	(0.4)	0.3	(0.1)
Intangibles	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.1	0.1	0.0	0.1
Total	**5.5**	**4.2**	**9.7**	**(3.8)**	**5.9**

The maturity of the deferred tax liabilities with respect to inventories and receivables is generally shorter than one year. The temporary differences with respect to intangible and tangible fixed assets and employee benefits generally have a maturity of longer than one year. There are no deferred tax liabilities related to undistributed profits of subsidiaries. Exchange rate differences are negligible. Deferred taxes are offset per fiscal entity. The main changes come from depreciation of revaluated amounts of property, plant and equipment.

15 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Other investment movement	2025	2024
The changes were as follows:		
Balance at 1 January	0.1	0.1
Sale subsidiary CP	(0.1)	0.0
Share in result	0.0	0.0
Balance at 31 December	**0.0**	**0.1**

As per 31-12-2024 the other investment is Bilsterberg Race Track 1%, with the disposal of CP as per 31.01.2026, this other investment was classified as assets held for sale under current assets and current liabilities.

Associate movement	2025	2024
The changes were as follows:		
Balance at 1 January	0.6	0.7
Acquisition-Sale	0.0	0.0
Share in result	0.0	(0.1)
Balance at 31 December	**0.6**	**0.6**

As per 31-12-2025 the associate is Shanghai PMC Nedschroef Machinery Co., Ltd. 11%.

In 2022 the 11% shares in Shanghai PMC Nedschroef Machinery Co. Ltd were subscribed by Nedschroef Herentals N.V. In 2022 the first machine was assembled and tested in the associate Shanghai PMC Nedschroef Machinery Co. Ltd. This will grow in the coming years for the Chinese market.

The associate Shanghai PMC Nedschroef Machinery Co., Ltd. is accounted for using the equity method.

Joint Venture movement	2025	2024
The changes were as follows:		
Balance at 1 January	8.0	7.1
Acquisition-Sale	0.0	0.0
Share in result	1.1	0.9
Balance at 31 December	**9.1**	**8.0**

As per 31-12-2025 the Joint Venture is Nedschroef Fasteners (Kunshan) Co., Ltd. 50%.

As China's economy continues to grow and becomes more open to foreign companies, the company is looking for ways to gain more presence in the Chinese market.

As part of this strategy, as per 31.12.2021, the company has sold 50% of the shares of (the 100% investment) Nedschroef Fasteners (Kunshan) Co., Ltd. to its shareholder, Shanghai Prime Machinery Co., Ltd. is a related party. The company continues the operations of Nedschroef Fasteners (Kunshan) Co. Ltd. as a joint venture between Nedschroef Hong Kong Ltd. and Shanghai Prime Machinery Co., Ltd.

To further substantiate the company's strategy, Nedschroef Fasteners (Kunshan) Co. Ltd. will continue with its operation as a Fasteners manufacturer but will also act as holding company for future activities in the Chinese market.

The joint venture Nedschroef Fasteners (Kunshan) Co., Ltd. is accounted for using the equity method.

16 INVENTORIES

	31-12-2025	31-12-2024
The composition was as follows:		
Raw materials and consumables	68.5	75.9
Work in progress	25.8	34.7
Finished products	51.4	55.0
Total	**145.7**	**165.6**
Provision for obsolescence	(19.6)	(20.3)
Provision for net realizable value	0.0	(0.1)
	126.1	**145.2**
Inventories valued at historical cost	126.1	145.1
Inventories valued at lower net realizable value	0.0	0.1
Total	**126.1**	**145.2**

The amount of write-down of inventories recognized as expense in 2025 was 0 million (2024: 0). The amount of reversal of the write-downs in 2025 was 0 million (2024: 0).

17 MACHINES UNDER CONSTRUCTION FOR THIRD PARTIES

The composition was as follows:	31-12-2025	31-12-2024
Cost	14.2	10.6
Recognized profits	2.8	1.1
Progress billings	(7.1)	(3.8)
Total	**9.9**	**7.9**

18 ASSETS AND LIABILITIES GROUP HELD FOR SALE

The composition was as follows:	31-12-2025	31-12-2024
Assets held for sale Subsidiary CP Holding GmbH	37.1	0.0
Liabilities held for sale Subsidiary CP Holding GmbH	(31.8)	0.0
Total	**5.3**	**0.0**

As per 31.01.2026 Nedschroef disposed her equity interest in CP Holding GmbH to Shanghai Prime (HK) Investment Management Company Limited. The associated assets and liabilities were consequently presented classified as held for sale in the 2025 financial statements and was measured at the lower of its carrying amount and fair value less costs to sell.

CP represents a disposal group that was fully consolidated up to the moment of classification. Up to and including November 2025, CP was not available for immediate sale, as a critical shareholder approval was still outstanding.
Although discussions started in September 2025, the sale was not considered “highly probable” as long as PMC had not received formal approval from its shareholder (SEC), in accordance with the applicable Delegation of Authority (DoA).
Without SEC approval, an internal sale to PMC could not be executed within 12 months, and an external sale would have been required, introducing additional uncertainty and timing risk. In December 2025, formal approval was obtained from SEC, enabling PMC to legally proceed with the transaction. From that point onward, the sale became unconditional, executable, and realistically achievable within 12 months. As of December 2025, all criteria of IFRS 5.6–5.7 are met, supporting classification as held for sale.

CP does not qualify as a major line of business.

Details of sale consideration:
The following assets and liabilities at carrying amount were reclassified as held for sale as at 31 December 2025:

ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE:

	€ million
Intangible assets	4
Tangible assets	7
Right of use Assets	1,5
Investments in associates	0,1
Inventories	14,8
Trade receivables	3,6
Other receivables and prepayments	0,9
Cash and cash equivalents	5,2
Total assets of disposal group held for sale	**37,1**
Non controlling interest	0,1
Non current Interest bearing borrowings	-16,2
Right of Use liabilities	-1
Deferred tax	-0,7
Long term employee benefits	-0,2
Interest bearing borrowings	-0,5
Trade payables	-11,1
Short term employee benefits	-0,7
Amounts due to customers	-0,6
Corporation income tax	-0,2
Other liabilities	-0,4
Accruals and provisions	-0,3
Total liabilities of disposal group held for sale	**-31,8**
Total classified asset held for sale	**5,3**

19 TRADE RECEIVABLES

The composition was as follows:	31-12-2025	31-12-2024
Trade receivables	33.0	33.5
Disposal Subsidiary CP	(3.9)	0.0
Provision for impairment	(1.5)	(1.5)
Total	**27.6**	**32.0**

Aging	31-12-2025	31-12-2024
The composition was as follows:		
Impaired items		
Not past due	16.8	18.3
Overdue less than 3 months	9.7	12.9
Overdue 3 to 6 months	0.5	0.3
Overdue more than 6 months	0.6	0.5
Total	**27.6**	**32.0**

Provision for impairment	2025	2024
The composition was as follows:		
Balance at 1 January	1.5	1.2
Charge to the income statement	0.3	3.9
Release from the income statement	0.0	(3.6)
Disposal Subsidiary CP	(0.3)	0.0
Trade receivables written off during the year as uncollectible	0.0	0.0
Balance at 31 December	**1.5**	**1.5**

Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk can be found in ***note 3.1***.

20 OTHER RECEIVABLES

The composition was as follows:	31-12-2025	31-12-2024
Value added tax	6.0	7.2
Receivables on related parties*	17.7	6.6
Prepaid expenses and accrued income	8.5	10.2
Total	**32.2**	**24.0**

* The receivables on related parties consist of:	**2025**
Nedfast Investment B.V.	2.8
Shanghai Prime Netherlands Holdings Coop UA	1.1
Shanghai Prime Netherlands B.V.	2.4
Nedschroef Fasteners (Kunshan) Co. Ltd	2.0
CP	8.2
Shanghai Prime (HK) Inv. Man. Comp. Ltd (PMC Hong Kong)	0.8
Shanghai Prime Mingyu Machinery Technology Company Limited	0.4
Total	**17.7**

21 CASH AND CASH EQUIVALENTS

The composition was as follows:	31-12-2025	31-12-2024
Cash at bank and in hand	23.3	11.8
Total	**23.3**	**11.8**

22 CASH AND CASH EQUIVALENTS S&P RATING

Cash and cash equivalents are all held by financial institutions with a Standard & Poor's rating of single A- or higher. Cash and cash equivalents for an amount of 1.7 are encumbered by a pledge (2024: 3.6).

23 EQUITY

The movement schedule of equity is presented in the consolidated statement of changes in equity on ***page 122***.

Share capital
The authorized capital consists of 2 ordinary shares of € 10k each. As at year-end 2025 and 2024 two shares have been issued and paid up.

Legal and statutory reserves
Legal and statutory reserves comprize for 0.5 a legal reserve for participating interests mainly to the Belgian and French group companies, which are legally required to add 5% of the net profit to the reserve up to a maximum of 10% of the issued capital. For 3.5 legal and statutory reserves comprise a legal reserve for research & development costs under intangible assets.

Currency translation differences reserve
The currency translation differences reserve comprizes all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the company's net investment in a foreign operation.

Actuarial results
Actuarial results comprize actuarial gains and losses on defined benefit plans.

IFRS16 lease reserve
This reserve was formed while implementing IFRS16 Lease accounting.

Hedge reserve
The hedge reserve comprizes the effective portion of the cumulative net change in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges.

Unappropriated result
To the General Meeting will be proposed to transfer the loss for the year 2025 of (20.7) to retained earnings.

24 NON-CONTROLLING INTERESTS

The changes were as follows:	2025	2024
At 1 January	0.1	(0.5)
Share in profit/(loss) for the year	0.1	0.3
Added from acquisition	0.0	0.4
Disposal Subsidiary CP	0.1	0.0
Other	0.0	(0.1)
At 31 December	0.3	0.1

25 BORROWINGS

Borrowings classified as non-current liabilities consist of:

Total liability	31-12-2025	31-12-2024
CEXIM loan	0.0	134.8
Bank of Communications	111.7	0.0
Everbright Bank	40.0	0.0
Term loan A SPN	8.4	8.4
SP (HK) Inv. Man. Comp.	10.8	16.2
SP Mingyu Machinery Co.Ltd.	10.4	0.0
Mortgage loan	0.0	4.3
Loan SPNI	1.2	0.0
Loan SPN	0.5	0.0
Lease liability	31.7	30.8
Shanghai Pudong Development Bank	5.9	0.0
Current account overdraft in cashpool	0.0	2.0
Total borrowings	**220.6**	**196.5**
Current liability		
Due within 1 year	13.0	9.4
Non-current liabilities		
Due later than 1 year and before 5 years	176.5	161.5
Due after 5 years	31.1	25.6
	207.6	187.1
Total borrowings	**220.6**	**196.5**

The facility Nedschroef closed in 2025 at the CEXIM bank of € 135 million was due in February 2026. In December 2025 Nedschroef closed a new facility at the Bank of Communications of € 111.7 million and at the Everbright Bank of € 40 million. These facilities are guaranteed by Nedschroef's Chinese parent and covenant-free. The CEXIM loan was repaid.

Movement schedules per loan:

CEXIM loan, Interest rate 1.8% margin + 3M EURIBOR.	
1-1-2025	134.8
Addition	0.0
Repayment for the year	(134.8)
31-12-2025	**0.0**

Bank of Communications, Interest rate 0.55% margin + 3M EURIBOR	
1-1-2025	0.0
Addition	111.7
31-12-2025	**111.7**
Of which repayable in 1 year	0.3
Of which repayable between 1 and 5 years	111.4
Of which repayable after 5 years	0.0

Everbright Bank, Interest rate 0.55% margin + 3M EURIBOR:	
1-1-2025	0.0
Addition	40.0
31-12-2025	**40.0**
Of which repayable in 1 year	0.2
Of which repayable between 1 and 5 years	39.8
Of which repayable after 5 years	0.0

Term loan A (Shanghai Prime Netherlands BV), Interest rate 3.3%:	
1-1-2025	8.4
Repayment for the current year	0.0
31-12-2025	**8.4**
Of which repayable in 1 year	0.0
Of which repayable between 1 and 5 years	8.4
Of which repayable after 5 years	0.0

Loan Shanghai Prime (HK) Inv. Man. Comp., Interest 2,8% and 3M EURIBOR. This loan is subordinated to the SFA:	
1-1-2025	16.2
Addition	17.0
Repayment for the current year	(23.0)
Debt to equity conversion	0.0
Accrued interest	0.6
31-12-2025	**10.8**
Of which repayable in 1 year	0.0
Of which repayable between 1 and 5 years	10.8
Of which repayable after 5 years	0.0

Loan Shanghai Prime Mingyu Machinery Comp. Ltd, Interest 2,3%	
1-1-2025	0.0
Addition	10.3
Accrued intrest	0.1
31-12-2025	**10.4**
Of which repayable in 1 year	0.0
Of which repayable between 1 and 5 years	10.4
Of which repayable after 5 years	0.0

Mortgage loan, interest 2,7%:	
1-1-2025	4.3
Repayment for the current year	(0.4)
Disposal of Subsidiary CP	(3.9)
31-12-2025	**0.0**

Loans SPNI and SPN, interest 2.8%:	
1-1-2025	0.0
Additions	1.7
31-12-2025	**1.7**

Of which repayable in 1 year	0.0
Of which repayable between 1 and 5 years	1.7
Of which repayable after 5 years	0.0

Lease liability (refer to note [12] PPE and RoU):	
1-1-2025	30.8
Repayment for the current year	(8.0)
Additions during the year	9.5
Disposal Subsidiary CP	(1.1)
Accrued interest	0.5
31-12-2025	**31.7**

Of which repayable in 1 year	6.6
Of which repayable between 1 and 5 years	15.2
Of which repayable after 5 years	9.9

Shanghai Pudong Development Bank:	
1-1-2025	0.0
Addition	5.9
	0.0
31-12-2025	**5.9**

Of which repayable in 1 year	5.9
Of which repayable between 1 and 5 years	0.0
Of which repayable after 5 years	0.0

Credit facilities

At the end of 2025 the outstanding credit facilities available to Nedschroef amounted to 0.0 (2024: 2.0).

26 PROVISIONS

The composition was as follows:	Environ-mental	Warranty	Other	Total
At 1 January 2025	0.4	2.3	0.4	3.1
Additions			0.2	(0.8)
Releases	(0.2)	(0.3)	(0.5)	(0.8)
At 31 December 2025	**0.2**	**2.0**	**0.1**	**2.3**

Environmental
The provision relates to possible environmental restoration work. The provision has a predominantly long-term character.

Warranty
The provision relates to possible warranty claims for the machines that are sold by Nedschroef Machinery & Tooling. The provision has a predominantly long-term character.

Other
The provision relates to restructuring provision because of strategic projects in Bulgaria and Spain, this provision has predominantly a short-term character.

27 POST-EMPLOYMENT BENEFITS
Nedfast Holding has a number of defined benefit pension plans covering a limited number of employees, former employees and retirees in the Netherlands, Germany, Belgium and France. Generally, the plans are career average or final pay defined benefit plans.

The composition was as follows:	31-12-2025	31-12-2024	31-12-2023	31-12-2022	31-12-2021
Defined pension benefits	9.7	11.0	10.2	9.7	14.7
Long-service benefits	2.3	2.3	2.2	2.3	3.1
Early retirement benefits	1.4	1.8	1.4	1.3	1.3
Total employee benefits	**13.4**	**15.1**	**13.8**	**13.3**	**19.1**

Non-current liability	12.8	14.4	13.5	12.6	18.3
Current liability (see *note 28*)	0.6	0.7	0.3	0.7	0.8
Total employee benefits	**13.4**	**15.1**	**13.8**	**13.3**	**19.1**

Defined pension benefits	2025	2024
The changes were as follows:		
At 1 January	11.0	10.2
Charged to the profit and loss account	0.6	0.2
Actuarial results	(1.3)	0.6
Withdrawals	(0.6)	0.0
At 31 December	**9.7**	**11.0**

	31-12-2025	31-12-2024
Liabilities for pension plans managed by insurance companies	0.9	0.9
Pension plan assets to cover pension liabilities	(0.9)	(0.9)
Net liabilities for pension plans managed by insurance companies	(0.1)	(0.1)
Pension liabilities managed by the company	10.7	11.1
Total	**9.7**	**11.0**

Pension plan assets to cover pension liabilities encompass funds invested by insurance companies. Excess of net pension assets more than pension liabilities, follow strict pension assets ceiling rules.

Net pension liabilities	31-12-2025	31-12-2024
The composition was as follows:		
Present value of defined benefit obligation	12.0	13.3
Fair value of plan assets	(0.9)	(0.9)
Withdrawals	(1.4)	(1.4)
Net pension liabilities	**9.7**	**11.0**

Present value of defined benefit obligations	2025	2024
The changes were as follows:		
At 1 January	13.3	11.1
Charged to the profit and loss account	0.6	0.2
Actuarial results	(1.3)	0.6
Withdrawals	(0.6)	1.4
At 31 December	**12.0**	**13.3**

Fair value of plan assets	2025	2024
The changes were as follows:		
At 1 January	(0.9)	(0.9)
Deposits	0.0	0.0
At 31 December	**(0.9)**	**(0.9)**

Long-service benefits	2025	2024
The changes were as follows:		
At 1 January	2.3	2.2
Credited to the profit and loss account	(0.1)	(0.6)
Withdrawals	0.1	0.7
At 31 December	**2.3**	**2.3**

The following costs of pension and long-service commitments are recognized in the income statement under wages and salaries (long service costs), under social security and pension costs (pension service cost) and net financial result (net financial expenses):

	2025	2024
Pension costs	0.0	0.0
Long-service costs	0.0	0.0
	0.0	**0.0**

Pension service costs (*see note 8*)	0.0	0.0
Long-service costs	0.0	0.0
Interest charges (*see note 9*)	0.4	0.2
	0.4	**0.2**

The actual interest income from assets to cover pension liabilities in 2025 totalled 0.0 (2024: 0.0).

Early retirement benefits	2025	2024
The changes were as follows:		
At 1 January	1.8	1.4
Charged to the profit and loss account	(0.4)	0.4
At 31 December	**1.4**	**1.8**

The plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estates. Due to the long-term nature of the plan liabilities, pension funds consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Interest risk:

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan’s debt investments.

Longevity risk:
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:
The present value of the defined benefit plan is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the discount rate and expected salary increase assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by € 0.6 (increase by € 0.7).
- If the expected salary growth increases (decreases) by 0.5%, the defined benefit obligation would increase (decrease) by € 0 increase (decrease) by € 0.

The sensitivity analysis presented above may not be representative for the actual change in the benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applies in calculating the defined benefit obligation liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Actuarial assumptions
The following actuarial assumptions were used in the valuation of long-term employee-related liabilities:

	31-12-2025	31-12-2024
Discount rates	4.02%	3.61%
Expected income from assets	4.02%	3.61%
Future salary increases	2.35%	2.35%
Future pension increases	2.10%	2.10%

At the end of 2025 the Dutch Metalektro and Metaal en Techniek industrial pension funds had coverage ratios (based on market interest rates) of 120.1% (2024: 113.1%) and 115.3% (2024: 108.7%) respectively. These concern the defined contribution arrangements.

28 EMPLOYEE BENEFITS

The composition was as follows:	2025	2024
Wages and salaries	0.8	1.2
Holiday allowance	5.3	6.0
Profit sharing and bonuses	2.7	1.0
Social security contributions	6.6	8.6
Restructuring provision	0.6	0.0
Pension and long-service liabilities (see *note 27*)	0.6	0.7
Other	1.6	1.6
Total	**18.2**	**19.1**

29 OTHER CURRENT LIABILITIES

The composition was as follows:	31-12-2025	31-12-2024
Value added tax	2.0	2.7
Payable on related parties*	6.8	1.0
Other liabilities	5.5	9.3
Interest	0.2	0.3
Other accrued expenses	18.1	14.7
Total	**32.6**	**28.0**

* The payable on Related Parties consist of:	2025
CP	5.4
Nedschroef Fasteners (Kunshan) Co. Ltd	0.3
Shanghai Prime Netherlands BV	0.7
Shanghai Prime Netherlands Investment BV	0.4
Total	**6.8**

30 RELATED PARTIES

Parent entities

The group is controlled by Nedfast Investment B.V. in Helmond which owns 100% of the company's shares. The group's ultimate parent is Shanghai Electric Holding Group Co., Ltd. (formerly known as Shanghai Electric (Group) Corporation), Shanghai. The financial information of the company has been recorded in the consolidated financial statements of Shanghai Prime Machinery Company Limited in Shanghai, a joint stock limited company in the People's Republic of China with limited liability.

Subsidiaries

Interests in subsidiaries are set out in *note 45*.

Key management personnel compensation

Detailed remuneration disclosures are provided in *note 8* "Employee Costs" and *note 43* "Remuneration of the Executive Committee and the Supervisory Board".

Transactions occurred with related parties relate to sales and purchases of goods and services and interest.

Related party transactions were made on terms equivalent to those that prevail at arm's-length transactions.

- The company has a payable of -10.0 (2024: -15.4) to Shanghai Prime (HK) Inv. Man. Comp. Ltd (PMC Hong Kong).
- The company has a payable of -10.0 (2024: 0.0) to Shanghai Prime Mingyu Machinery Technology Company Ltd.
- The company has a receivable of 1.1 (2024: 0.2) from Shanghai Prime NL Holding Coop UA.
- The company has a payable of – 1.6 (2024: - 0.3) to/from Shanghai Prime NL Investment B.V.
- The company has a receivable of 1.2 (2024: 1.7) from/to Shanghai Prime NL B.V.
- The company has a receivable of 17.6 (2024: 17.2) from Nedfast Investment B.V.
- The company has a receivable of 1.7 (2024: 0.9) from Nedschroef Fasteners Kunshan Co. Ltd.
- The company has a receivable of 15.6 from CP (received in 2026).

Transactions with related parties relate mainly to interest charges and concern charges within the company.

31 COMMITMENTS

Bank guarantees

Bank guarantees have been provided on behalf of customers for a total amount of 1.7 (2024: 1.7). On behalf of suppliers letters of credit have been issued for an amount of nil (2024: nil).

Operational lease

The future minimum lease payments for operational leases are as follows:

	1-12-2025	31-12-2024
Not later than one year	1.4	1.0
Later than one year and not later than five years	1.3	1.4
Later than five years	0.0	0.0
Total	**2.7**	**2.4**

Legal proceedings

The Group does not expect on-going legal actions to have a material effect on the financial statements. A provision is recognized in the financial statements if it is probable that a legal action will have a negative outcome for the Group and the liability can be reliably estimated.

Contractual commitments

As per 31.12.2025 the contractual commitments for the acquisition of Property, Plant, Equipment are 6.0 (2024: 7.5).

Company-only balance sheet

(x € million before profit appropriation)

		As at 31 December	
ASSETS	**Note**	**2025**	**2024**
NON-CURRENT ASSETS			
Intangible assets	[34]	99.6	99.6
Financial assets	[35]	160.6	137.1
Deferred tax assets	[36]	17.4	16.7
Total non-current assets		**277.6**	**253.4**
CURRENT ASSETS			
Receivables from subsidiaries	[37]	94.0	82.2
Income tax receivable		5.2	5.2
Other receivables	[38]	0.6	0.6
Cash and cash equivalents		2.6	0.4
Total current assets		**102.4**	**88.4**
TOTAL ASSETS		**380.0**	**341.8**

		As at 31 December	
EQUITY AND LIABILITIES	**Note**	**2025**	**2024**
EQUITY			
Issued capital		0.0	0.0
Share premium reserve		138.5	135.5
Legal and statutory reserves		4.0	8.2
Currency translation differences reserve		(3.4)	(3.2)
Actuarial results		(0.1)	(1.1)
Hedging reserve		0.3	0.1
Retained earnings		53.3	78.2
Net (loss)/income attributable to shareholders		(20.9)	(28.8)
	[40]	**171.7**	**188.9**
NON-CURRENT LIABILITIES			
Loans from subsidiaries	[41]	10.8	16.2
Loans from Third parties	[41]	151.2	134.6
Other		0.0	0.2
Total non-current liabilities		**162.0**	**151.0**
CURRENT LIABILITIES			
Interest bearing borrowings from third parties	[41]	6.4	0.2
Payables to subsidiaries		38.4	0.3
Employee benefits		0.5	0.7
Other liabilities		1.0	0.7
Total current liabilities		**46.3**	**1.9**
TOTAL EQUITY AND LIABILITIES		**380.0**	**341.8**

The accompanying notes are an integral part of these company financial statements.

Company-only profit and loss account

(x € million)

	Year ended 31 December	
	2025	2024
Net income from participating interests after taxation	(17.7)	(23.9)
Other net expense after taxation	(3.2)	(4.9)
Net (loss)/income attributable to shareholders	(20.9)	(28.8)

The accompanying notes are an integral part of these company financial statements.

Notes to company-only financial statements

(x € million unless stated otherwise)

32 GENERAL INFORMATION

The company-only financial statements are prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code. In preparing the company financial statements, use is made of the facility under section 362 subsection 8, Book 2 of the Netherlands Civil Code for applying the same accounting policies for valuation and the calculation of result (including the policies for the presentation of financial instruments as equity or debt) as in the consolidated financial statements. The company is registered with the Chamber of Commerce under number 30224669 and with its seat in Helmond, in the Netherlands.

33 ACCOUNTING POLICIES

The accounting policies for the company financial statements are the same as those for the consolidated financial statements. Unless stated otherwise, reference is made to the accounting policies specified in the consolidated financial statements.

34 INTANGIBLE ASSETS

Intangible assets relate to goodwill	2025	2024
At 1 January	99.6	99.6
Addition/release	0.0	0.0
At 31 December	99.6	99.6

See also ***note 11.***

35 FINANCIAL ASSETS

Financial assets relate to the net asset value of subsidiaries and intercompany loans. Subsidiaries are recognized at net asset value on an individual basis. The net asset value is established by valuing assets, provisions and liabilities and calculating the result in accordance with the accounting policies applied in the consolidated financial statements. In establishing the net asset value, account is taken of the transitional provisions for valuation and the first-time adoption of the accounting policies followed in the consolidated financial statements. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long- term interests that should effectively be considered part of the net investment in the participating interest. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Subsidiaries/Provision Subsidiaries: The changes were as follows:	2025	2024
At 1 January	23.9	31.3
Domination Agreement	38.1	(3.0)
Currency translation differences	(0.2)	0.3
Capital contribution (debt to equity)	0.0	10.0
Capital contribution (acquisition)	3.0	9.6
Net income of the year of participating interests	(17.7)	(23.9)
Actuarial results	0.4	(0.4)
Hedging results	0.0	0.0
Other results	(0.1)	0.0
At 31 December	**47.4**	**23.9**

For associated companies having a negative equity that has not been provided for, the losses in 2025 amounted to € (22.8) (2024: € (40.0)) and as at balance sheet date the cumulative losses amounted to EUR (67.8) (2024: € (53.5)).

Intercompany loans:	2025	2024
Nedfast GmbH	65.1	65.1
Nedschroef Fraulautern	0.8	0.8
Nedschroef Plettenberg	1.5	1.5
Nedfast Investment B.V.	4.9	4.9
Koninklijke Nedschroef Holding B.V.	32.5	32.5
Shanghai Prime Netherlands B.V.	8.4	8.4
At 31 December	**113.2**	**113.2**

Funding date of the intercompany loans is in 2019, with an interest of 2.8%.

36 DEFERRED TAX ASSETS

Deferred tax assets relate to:	01-01-2024	Changes in 2024	31-12-2024	Changes in 2025	31-12-2025
Loss carry-forward	16.7	0.0	16.7	0.7	17.4
Total	**16.7**	**0.0**	**16.7**	**0.7**	**17.4**

Every year an estimate is made of the deferred tax receivables that should be set off against future taxable profits. The estimates are based on approved budgets for a projection period of one year and business plans with a horizon of 5 years. After the one-year period an estimate is made of the taxable profits to the extent that it is likely that they shall be available.

It is expected that the loss carry-forward will be realized within five years. From this amount € 0.0 is expected to be realized within one year. Deferred assets amounting to € 0.0 (2024: € 0.0) were written down during the financial year. The losses of 2025 are not recognized in deferred tax assets.

The deferred tax assets are an intercompany receivable. It will be settled with the total results of the Dutch fiscal unity headed by Shanghai Prime Netherlands B.V.

37 RECEIVABLES FROM SUBSIDIARIES

The increase of the receivables on Koninklijke Nedschroef Holding B.V. is caused by the internal funding cashflows. New loan contracts with the bank of Communications and the Everbright bank and the Chinese shareholder are closed on the level of Nedfast Holding B.V. but the cashflow is needed on the level of Koninklijke Nedschroef Holding B.V. (and below), therefore internal cashflows are executed resulting in the increase of receivables from subsidiaries. All receivables fall due within one year.

38 OTHER RECEIVABLES

Other receivables relate for € 0.5 (2024: 0.5) to receivables from the parent company PMC Hong Kong. All receivables fall due within one year.

39 CASH AND CASH EQUIVALENTS

Cash at bank and in hand are freely disposable.

40 TOTAL EQUITY

The movement schedule of equity:

		share premium reserve	legal reserve	currency translation differences reserve	actuarial results	Hedge reserves	Retained earnings	Total
balance	**31/12/2024**	**135.5**	**8.2**	**-3.2**	**-1.1**	**0.1**	**49.4**	**188.9**
currency				-0.2				-0.2
capital contr		3						3
actuarial					1			1
Other			-4.2			0.2	3.9	-0.1
		3	**-4.2**	**-0.2**	**1**	**0.2**	**53.3**	**3.7**
Loss for the year							-20.9	-20.9
balance	**31-12-2025**	**138.5**	**4**	**-3.4**	**-0.1**	**0.3**	**32.4**	**171.7**

The issued share capital of the Company amounts to eur 20.000. The total number of issued shares is 2. During the financial year zero additional shares were issued.

41 LOANS FROM THIRD PARTIES

Borrowings consist of:

Total liability	2025	2024
Bank of Communications	111.7	0.0
Everbright bank	40.0	0.0
CEXIM bank	0.0	134.8
SP (HK) Inv. Man. Comp.*	10.8	16.2
Total borrowings	**162.5**	**151.0**
Minus: deduction of closing fee	0.0	0.0
Total borrowings	**162.5**	**151.0**
Current liability		
Due within 1 year	0.5	0.2
Non-current liabilities		
Due later than 1 year	162.0	150.8

The facility Nedschroef closed in 2025 at the CEXIM bank of € 135 million was due in February 2026. In December 2025 Nedschroef closed a new facility at the Bank of Communications of € 111.7 million and at the Everbright Bank of € 40 million. These facilities are guaranteed by Nedschroef's Chinese parent and covenant-free. The CEXIM loan was repaid.

Movement schedules per loan:

Bank of Communications, Interest rate 0.55% margin + 3M EURIBOR	
1-1-2025	0.0
Addition	111.7
31-12-2025	**111.7**
Of which repayable in 1 year	0.3
Of which repayable between 1 and 5 years	111.4
Of which repayable after 5 years	0.0

Everbright Bank, Interest rate 0.55% margin + 3M EURIBOR:	
1-1-2025	0.0
Addition	40.0
31-12-2025	**40.0**
Of which repayable in 1 year	0.2
Of which repayable between 1 and 5 years	39.8
Of which repayable after 5 years	0.0

CEXIM loan, Interest rate 1.8% margin + 3M EURIBOR.	
1-1-2025	134.8
Addition	0.0
Repayment for the year	(134.8)
31-12-2025	**0.0**

Loan Shanghai Prime (HK) Inv. Man. Comp., Interest 2,8% and 3M EURIBOR. This loan is subordinated to the SFA:	
1-1-2025	16.2
Addition	17.0
Repayment for the current year	(23.0)
Debt to equity conversion	0.0
Accrued interest	0.6
31-12-2025	**10.8**

Of which repayable in 1 year	0.0
Of which repayable between 1 and 5 years	10.8
Of which repayable after 5 years	0.0

42 EMPLOYEES

The average number of employees in the financial year was 2 (2024: 2) of which zero (2024: 0) employees were employed outside the Netherlands.

43 REMUNERATION OF THE KEY MANAGEMENT AND THE SUPERVISORY BOARD

Per 1 November 2024, the Executive Committee supports the CEO in governing Nedschroef by providing direct supervision of the company's operational activities, with a focus on transformation, customer engagement and regional operations. This structure enables the CEO to maintain a more sustainable span of control over the organization's diverse operations.pecific expertise to their roles.

The annual remuneration of the Executive Committee, and Board of Directors in 2025, amounted to:

X € 1.000	2025	2024
Short term employee benefits	1,108	2,000
Long term benefits	159	100
Pension Costs	91	77
Total	**1,358**	**2,177**

The remuneration of the members of the Executive Committee is determined by the Supervisory Board and consists of a fixed and a variable bonus component. The fixed component is reviewed annually by the Supervisory Board in accordance with the remuneration policy. The variable component is reviewed annually and is based on the financial results generated in relation to the forecast of the financial results which is set out in the Strategic Plan annually and approved by the Supervisory Board. A bonus scheme up to 50% of the fixed component of the gross salary is paid if the targets are outperformed. The company does not have a stock option scheme, nor does it offer loans or advances or issues guarantees on behalf of its directors.

The annual remuneration of the members of the Supervisory Board amounted to € 120k (2024: € 180k).

44 AUDIT AND ADVISORY COSTS

Audit and advisory costs of PricewaterhouseCoopers were as follows:

	2025	2024
Audit of the financial statements	0.8	0.8
Other audit procedures	0.1	0.1
Tax services	0.0	0.0
Other non-audit services	0.1	0.3
Other assurance services	0.0	0.0
Total	**1.0**	**1.2**

The fees for the audit of the financial statements included in this for PricewaterhouseCoopers Accountants N.V. in the Netherlands amount to 0.6 (2024: 1.0).

45 PARTICIPATING INTERESTS

The list of participating interests as of 31 December 2025 in accordance with section 379, Book 2 of the Netherlands Civil Code is as follows
(100% unless stated otherwise):

- Koninklijke Nedschroef Holding B.V., Helmond, the Netherlands
- Nedschroef Nederland B.V., Helmond , the Netherlands
- Nedschroef Helmond B.V., Helmond, the Netherlands
- Nedschroef Weert B.V., Helmond, the Netherlands
- Nedschroef Fasteners B.V., Helmond, the Netherlands
- SMF Tools B.V., Helmond, the Netherlands
- Nedschroef Altena GmbH, Altena, Germany
- Nedschroef Fraulautern GmbH, Saarlouis-Fraulautern, Germany
- Nedschroef Beckingen GmbH, Beckingen, Germany
- Nedschroef Schrozberg GmbH, Schrozberg, Germany
- Nedschroef Plettenberg GmbH, Plettenberg , Germany
- Nedschroef Fasteners GmbH, Altena, Germany
- Nedschroef Aviation Fasteners GmbH, Altena, Germany
- Leist Oberflächentechnik GmbH & Co. KG, Bad Hersfeld-Kathus, Germany
- Leist Gewindesicherungs GmbH, Bad Hersfeld-Kathus, Germany, 75%
- Dipl. Ing. Heinrich Leist Oberflächentechnik GmbH, Fambach, Germany
- Leist Holding GmbH & Co. Bad Hersfeld-Kathus, Germany
- Leist Verwaltungs Bad Hersfeld-Kathus, Germany
- Leist Beteiligungs Bad Hersfeld-Kathus, Germany
- Leist Oberflächentechnik s.r.o. Jičín, Czech Republic
- Koninklijke Nedschroef Holding SRL, Madrid, Spain
- Nedschroef Barcelona SAU, Sant Joan Despi, Spain
- Nedschroef Fasteners Spain S.A., Rivas Vaciamadrid, Spain
- Senagatto S.L, Madrid, Spain
- Nedschroef Herentals N.V., Herentals, Belgium
- Nedschroef Bulgaria EOOD, Stara Zagora, Bulgaria
- Nedschroef Langeskov ApS, Langeskov, Denmark
- Nedschroef Fasteners S.A.S., Meudon-la-Forêt, France
- Nedschroef Fasteners AB, Billdal, Sweden
- Nedschroef Fasteners Ltd., Oxford, United Kingdom
- Nedschroef Hong Kong Ltd., Hong Kong, China
- Nedschroef Fasteners (Kunshan) Co., Ltd., Kunshan, China, 50%
- Nedschroef Holdings, U.S., Inc., Detroit, United States of America
- Nedschroef Fasteners North America, Inc., Detroit, United States of America
- Nedschroef Detroit Corporation, Sterling Heights, United States of America
- CP Holding GmbH, Büren, Germany, 90%
- CP Immobilien GmbH, Büren, Germany, 90%
- CP Tech GmbH, Büren, Germany, 90%
- Nedschroef-MacLean International (Nederland) B.V., Amsterdam, the Netherlands (dormant)
- enexus Holding GmbH, Büren, Germany
- Shanghai PMC Nedschroef Machinery Co., Ltd., 11%*

* *Nedschroef Herentals and PMC jointly invested in the establishment and operation and have an in-depth cooperation on, among others, Nedschroef Herentals authorization and license of granting the company to manufacture and sell relevant models of machines.*

46 COMMITMENTS

For the Dutch subsidiaries, the company has issued declarations of assumption of liability as referred to in section 403, Book 2 of the Netherlands Civil Code. The legal entity is therefore jointly and severally liable for the liabilities arising from the legal acts of these group companies. The company is also a member of a fiscal unity headed by Shanghai Prime Netherlands B.V. for corporation tax and VAT, in which all Dutch subsidiaries are included, and for that reason it is jointly and severally liable for the tax liabilities of the fiscal unity as a whole. The company is obliged to repay any losses of the German subsidiaries until 1 January 2026. Under the terms of credit agreements, the company is severally liable for subsidiaries' debts to financial institutions.

47 EVENTS OCCURRING AFTER THE REPORTING PERIOD

As per 31.01.2026 Nedschroef disposed her equity interest in CP Holding GmbH to Shanghai Prime (HK) Investment Management Company Limited. The associated assets and liabilities were consequently presented as held for sale in the 2025 financial statements and measured at the lower of its carrying amount (5.3) and fair value less costs to sell (25.0).

48 APPROPRIATION OF RESULT FOR THE FINANCIAL YEAR 2024

The annual report 2024 was adopted in the General Meeting. The General Meeting has determined the appropriation of result in accordance with the proposal being made to that end.

49 PROPOSAL FOR PROFIT APPROPRIATION

The General Meeting will be asked to approve the appropriation of the 2025 net loss attributable to shareholders amounting to € (20.9) million to retained earnings.

Helmond, 29 May 2026

The Supervisory Board 2025

H. Zhuang (Chairman)

P. Pleus

Y. Ding

H. van Everdingen

Y. Bao

Y. Chu

The Executive Committee 2025

R. Janssen (CEO)

Other information

APPROPRIATION OF PROFIT ACCORDING TO THE ARTICLES OF ASSOCIATION

Under article 18 of the company's Articles of Association, the profit is at the disposal of the General Meeting, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.
The company can only make payments to the shareholders and other parties entitled to the distributable profit insofar as the shareholders' equity exceeds the paid-up and called-up part of the capital plus the statutory reserves and exceeds the amounts resulting from the distribution test, performed by management at the date of each dividend payment.

Independent auditor's report

To: the general meeting and the supervisory board of Nedfast Holding B.V.

Report on the audit of the financial statements 2025

Our opinion

In our opinion:

- the consolidated financial statements of Nedfast Holding B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2025 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Nedfast Holding B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2025 of Nedfast Holding B.V., Helmond. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2025;
- the following statements for 2025: the consolidated profit and loss account, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2025;
- the company profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Nedfast Holding B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. Therefore, we do not provide separate opinions or conclusions on information in support of our opinion, such as our findings and observations related to the audit approach to address fraud risk and going concern.

Audit approach fraud risks

We identified and assessed the risks of material misstatements in the financial statements due to fraud. During our audit we obtained an understanding of Nedfast Holding B.V. and its environment and the components of the internal control system. This included the executive committee's risk assessment process, the executive committee's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We note that the executive committee has not formalised its fraud risk assessment.

We evaluated the design and implementation of relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment as well as the code of conduct and whistleblower procedures, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We performed inquiries with a selection of members of the executive committee and the finance department, to evaluate their fraud awareness, the Group internal control environment in relation to fraud, the 'tone at the top' and entity-level controls. As part of these procedures, we have requested the Chief Financial Officer and the Finance Director to fill in our fraud questionnaire and discussed the outcomes of this questionnaire.

We asked members of the executive committeeand the supervisory board whether they were aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
The risk of management override of controls The executive committee is in a unique position to perpetrate fraud because of the executive committee's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Estimates. • Significant transactions, if any, outside the normal course of business for the entity. We pay particular attention to tendencies due to possible bias of the executive committee.	We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system. We performed our audit procedures primarily substantive based. We selected journal entries based on risk criteria that affect revenues and results of the fiscal year and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. We also paid particular attention to consolidation and elimination entries. We did not identify any significant transactions outside the normal course of business. We also performed specific audit procedures related to important estimates of the executive committee including the goodwill impairment assessment, the recoverability of the fixed assets, inventory valuation, valuation of construction contracts and pension provisions. We specifically paid attention to the inherent risk of bias of the executive committee in estimates. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

Identified fraud risks	Our audit work and observations
The risk of fraudulent financial reporting due to overstating the revenue As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue give rise to risk of material misstatement due to fraud. The executive committee has specific targets for growth and results. This could lead to pressure on the executive committee to overstate revenue by recognizing fictitious turnover.	We evaluated the design and implementation of the internal control system in the processes related to revenue reporting. We performed our audit procedures primarily substantive based. We performed data analyses to identify potential notable revenue entries in the fiscal year and performed specific substantive audit procedures on these entries. These procedures include, amongst others, inspection of the entries to source documentation. We tested, on a sample basis, the delivered performance of the revenue transactions based on customer order and/or contract, delivery documents, sales invoices and cash receipts. In addition, we performed, on a sample basis, subsequent receipt testing for outstanding accounts receivables as of year-end. Finally, we performed audit procedures to determine whether credit invoices were registered in the next financial year that indicate incorrectly registered revenue in the current financial year. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the occurrence of the revenue reporting.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud.

Audit approach going concern

As disclosed in section 'Going concern' of the financial statements, the executive committee identified the following events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks): continued uncertainty in the European automotive market where further declines in demand remain a key risk. Nedfast Holding B.V. is dependent on the continued and successful implementation of the strategic programmes to reduce operating losses and strengthen cash flows.

Our procedures regarding the evaluation of the appropriateness of the executive committee's use of the going-concern basis of accounting, including the executive committee's plans to address the identified going-concern risks, included, amongst others:

- considering whether the executive committee's going-concern risk assessment included all relevant information of which we were aware as a result of our audit;
- inquiring with the executive committee regarding the executive committee's most important assumptions underlying their going-concern assessment and liquidity forecast and evaluate the adequacy thereof based on underlying contracts and business plans;
- evaluating the executive committee's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taking into account current developments in the industry, the impact of the strategic programmes for cost reductions, and all relevant information of which we were aware as a result of our audit;
- assessing whether in section 'Going Concern' of the financial statements and the reflection in the report of the executive committee, the executive committee has adequately disclosed the going-concern risks and the executive committee's plans to deal with these..

Our procedures did not result in outcomes contrary to the executive committee's assumptions and judgments used in the application of the going-concern assumption. We found the disclosure in section 'Going Concern' of the financial statements to be adequate.

Compliance with the requirements of the Regulatory Technical Standard of SBR, including the XBRL mark up, not audited

The audit includes the verification that the prepared financial statements comply with the legal provisions in Part 9 of Book 2 of the Dutch Civil Code. Our audit opinion is issued on the prepared financial statements and will be included in the digitally filed annual report. The compliance with all requirements of the Regulatory Technical Standard of the SBR domain Trade Register, including the applied eXtensible Business Reporting Language (XBRL) mark ups, was not subject to our audit.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The executive committee is responsible for the preparation of the other information, including the report of the executive committee and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the executive committee and the supervisory board for the financial statements

The executive committee is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the executive committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive committee is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the executive committee should prepare the financial statements using the going-concern basis of accounting unless the executive committee either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The executive committee should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about 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 but not absolute level of assurance and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Concluding on the appropriateness of the executive committee's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company'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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing 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 financial statements. We are also 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 the supervisory board 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.

Maastricht, 29 May 2026
PricewaterhouseCoopers Accountants N.V.

Original has been signed by:
M.G.A. Hodiamont RA

Limited assurance report of the independent auditor

To: the executive committee and the supervisory board of Nedfast Holding B.V.

Our limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected non-financial indicators marked with the symbol '√' in the Sustainability Report in the Annual Report of Nedfast Holding B.V. for 2025 are not prepared, in all material respects, in accordance with the reporting criteria established by Nedschroef Holding B.V., as included in the section 'applicable criteria' of our report..

The subject matter of our limited assurance procedures

We have conducted a limited assurance engagement on selected non-financial indicators marked with the symbol '√' included in the Sustainability Report 2025 in the Annual Report 2025 (hereafter: selected non-financial indicators) for 2025 of Nedfast Holding B.V., Helmond. The selected non-financial indicators subject to our limited assurance are the following:

- Gross Scope 1 GHG emissions [tCO2-eq]
- Gross market-based Scope 2 GHG emissions [tCo2-eq]
- Total Gross indirect Scope 3 GHG emissions [tCO2-eq]
- Total Amount of Waste Diverted from Disposal[tons]
- Total Amount of Waste Directed to Disposal [tons]
- Total Employees (HC) [#]
- Gender diversity of females in Headcount [#]
- Training and education [h/FTE]
- Recordable work-related accidents [#]
- Number of convictions of violation of anti-corruption and anti-bribery laws [#]

The basis for our conclusion

We conducted our assurance engagement in accordance with Dutch law, including the Dutch Standard 3000A Assurance engagements, other than audits or reviews of historical financial information (attestation-engagements). This engagement is aimed to provide limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the assurance engagement' of our report.

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality management

We are independent of Nedfast Holding B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

PwC applies the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Applicable criteria

The reporting criteria used for the preparation of the selected non-financial indicators are the reproting criteria established by Nedschroef Holding B.V., as disclosed in sections 'Glossary' and 'Content Index' of the Sustainability Report of the Annual Report 2025.

The absence of an established practice on which to draw, to evaluate and measure the non-financial indicators allows for different, but acceptable, measurement techniques and can affect comparability between entities, and over time. Consequently, the Sustainability Report needs to be read and understood together with the reporting criteria applied.

Inherent limitations in preparing the selected non-financial indicators

The quantification of greenhouse gas emissions is subject to inherent limitations because of evolving methods and knowledge, underlying emissions factors and other assumptions, including those sourced from third parties.

Responsibilities for the selected non-financial indicators and for the assurance engagement

Responsibilities of the executive committee and the supervisory board

The executive committee of Nedfast Holding B.V. is responsible for the preparation of the selected non-financial indicators in accordance with reporting criteria established by Nedschroef Holding B.V. as disclosed in sections 'Glossary' and 'Context index', including the identification of the intended users and the criteria being applicable for the purpose of these users.

Furthermore, the executive committee is responsible for such internal control as it determines it is necessary to enable the preparation] of the selected non-financial indicators that are free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company's reporting process on the selected non-financial indicators.

Our responsibilities for the assurance engagement

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, that the selected non-financial indicators are prepared, in all material respects, in accordance with reporting criteria established by Nedschroef Holding B.V., as included in the section 'applicable criteria' in our report, and to issue an assurance conclusion in our report. The procedures performed in this context consisted primarily of making inquiries with officers of the entity and determining the plausibility of the information included in the selected non-financial indicators. 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.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the examination in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our examination consisted, among other things of the following:

- Evaluating the appropriateness of the reporting criteria applied, their consistent application and related disclosures in the selected non-financial indicators.
- Evaluating the methods, assumptions and data for developing estimates. Assessing whether the Company's methods for developing estimates are appropriate and have been consistently applied for the selected non-financial indicators. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates.
- Through inquiries, obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the company's internal control.
- Identifying areas of the selected non-financial indicators with a higher risk of a material misstatement, whether due to fraud or error, designing and performing assurance procedures responsive to those risks, and obtaining evidence that is sufficient and appropriate to provide a basis for our conclusion. These procedures consisted among others of:

- Inquiring of management (and/or relevant staff) at group level responsible for the sustainability strategy, policy and results.
- Inquiring of relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data for the selected non-financial indicators.
- Obtaining assurance evidence that the selected non-financial indicators reconcile to underlying records of the company.
- Performing analytical review, taking into account the data and trends of the indicators.
- Reviewing, on a sample basis, relevant internal and external documentation at the level of the Company for selected non-financial indicators.

• Reconciling the relevant financial information to the financial statements.

• Reading the information in the Annual Report, which is not included in the scope of our review and have considered whether there is a material inconsistency.

• Considering the overall presentation, structure and balanced content of the selected non-financial indicators.

Calculations to determine the selected non-financial indicators could be based on assumptions and sources from third parties that include information about, among others, value chain and information collected from actors in the value chain, when appropriate. We have not performed procedures on the content of these assumptions and these external sources, other than evaluating the suitability and plausibility of these assumptions and sources from third parties used.

Maastricht, 29 May 2026
PricewaterhouseCoopers Accountants N.V.

Original has been signed by:
M.G.A. Hodiamont RA

Addresses and particulars

As per the date of this report

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Fax : +45 65 381376
Gen. Manager : B. Rausner

COC SCREWS

Nedschroef Altena GmbH
Westiger Straße 62, Postfach 1651
58746 Altena - Germany
Telephone : +49 2352 20190
Fax : +49 2352 2019145
Gen. Manager : J. Staritz

COC SCREWS & NUTS

Nedschroef Bulgaria EOOD
Sveti Patriarh Evtimiy 50
6000 Stara Zagora –
Republic of Bulgaria
Gen. Manager : O. Evstatiev

COC BOLTS M8-M12 & STUDS

Nedschroef Fraulautern GmbH
Klosterstraße 13, Postfach 1420
66714 Saarlouis-Fraulautern - Germany
Telephone : +49 6831 8980
Fax : +49 6831 891249
Gen. Manager : W. Schulz

Nedschroef Beckingen GmbH
Talstrasse 3
66701 Beckingen - Germany
Telephone : +49 6831 8980
Fax : +49 6831 891249
Gen. Manager : J. Bosch

COC BOLTS ≥ M12

Nedschroef Helmond B.V.
Nedschroef Weert B.V.
Kanaaldijk N.W. 71, Postbus 29
5700 AA Helmond - the Netherlands
Telephone : +31 492 589111
Fax : +31 492 589485
Gen. Manager : M. Geisen

Nedschroef Tarragona, S.A.U.
Calle Europa, 1
43120 Constantí
Tarragona - Spain
Gen. Manager : R. van Bilsen

COC (CHINA) BOLTS M5-M20 AND SCREWS ≤ 8 MM

Nedschroef Fasteners Kunshan Co. Ltd.
386 Jindong Road, Jinxi Town, Kunshan City
Jiangsu Province - P.R. China
Telephone : +86 512 36836 088
Fax : +86 512 36836 099
Gen. Manager : Z. Xu

COC NICHE PRODUCTS

Nedschroef Barcelona SAU
C/de Narcis Monturiol 47
08970 Sant Joan Despi,
Barcelona - Spain
Telephone : +34 93 477 0606
Fax : +34 93 373 41 51
Gen. Manager : R. van Bilsen

COC MACHINERY & TOOLING MACHINES

Nedschroef Herentals N.V.
Brigandsstraat 10
2200 Herentals - Belgium
Telephone : +32 14 257100
Fax : +32 14 212936
Gen. Manager : D. Paulussen

Shanghai PMC Nedschroef Machinery Co., Ltd.
No. 2221 Huancheng West Road,
Fengxian District
Shanghai - P.R. China
Telephone : +86 21 3361 6868
Gen. Manager : Y. Chu

Nedschroef Detroit Corporation
6635 Nineteen Mile Road
Sterling Heights, 48314 MI -
United States
Telephone : +1 586 795 1220
Fax : +1 586 795 1216
Gen. Manager : C. Sistermans

TOOLS

SMF Tools B.V.
Kanaaldijk N.W. 73, Postbus 520
5700 AM Helmond - the Netherlands
Telephone : +31 492 599882
Fax : +31 492 599232
Gen. manager : C. Sistermans

FUNCTIONALITY & ADVANCED ENGINEERING

CP Tech GmbH
Dornierstraße 7
33142 Büren - Germany
Telephone : +49 2955 4849-595
Fax : +49 2955 4849-8595
Gen. Manager : T. Casey

enexus Holding GmbH
Dornierstraße 7
33142 Büren - Germany
Telephone : +49 2955 4849-595
Fax : +49 2955 4849-8595
Gen. Manager : T. Casey

TRADE FASTENERS

Nedschroef Fasteners B.V.
Kanaaldijk NW 71, Postbus 29
5700 AA Helmond - the Netherlands
Telephone : +31 492 589720
Fax : +31 492 589739

Nedschroef Fasteners Ltd.
Unit 1, Network Oxford
Sandy Lane West, Littlemore
Oxford, OX4 6JU – United Kingdom
Telephone : +44 1865 713 030
Fax : +44 1865 401 274
Gen. Manager : A. Harris

Nedschroef Fasteners GmbH
Mühlhoff 5D, Postfach 5144
58828 Plettenberg - Germany
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Fax : +49 2391 906-180
Gen. Manager : J. Staritz

Nedschroef Fasteners S.A.S.
Immeuble “Le Dynasteur”
6-8 rue Andras Beck
92366 Meudon-la-Forêt cedex - France
Telephone : +33 1 40838700
Fax : +33 1 40838686
Gen. Manager : T. Lecouturier

Nedschroef Fasteners Spain S.A.
Avenida Galileo Galilei, 9
Parque Empresarial La Carpetanía
28906 Getafe, Madrid - Spain
Gen. Manager : E. Hallenberg

Nedschroef Fasteners North America
5690 Eighteen Mile Road
Sterling Heights, 48314 MI -
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Fax : +1 586 795 1216
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58746 Altena - Germany
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Gen. Manager : M. Geisen

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151 38 Södertälje - Sweden
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Fax : +46 8 53171276
Gen. Manager : S. Jorpes

Leist Oberflächentechnik GmbH & Co. KG
Breitzbachstraße 5
D-36251 Bad Hersfeld - Germany

Telephone : +49 66 21 / 92 31-0
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Plant Manager : Dr. M. Schmier

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Telephone : +49 36848 / 291-0
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Průmyslová 1252
CZ-50601 Jičín - Czech Republic
Telephone : +420 493586-900
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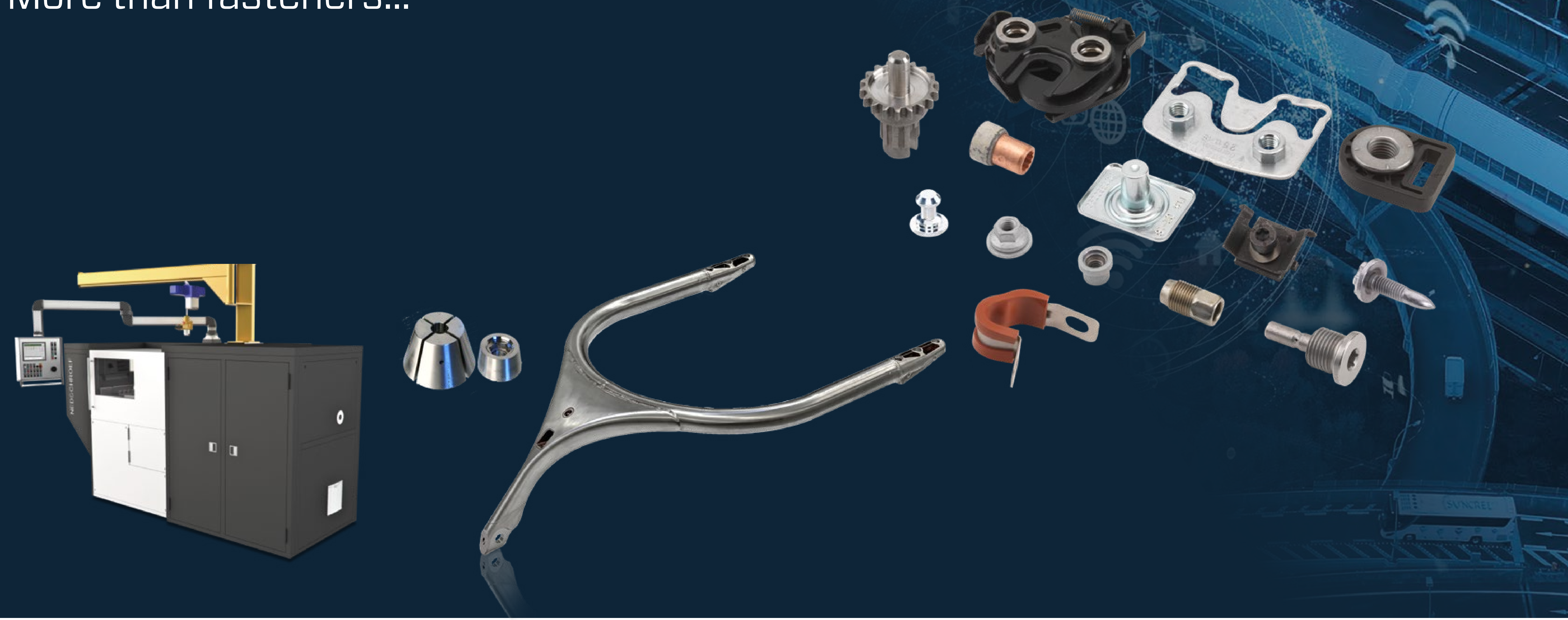

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