

Flügger

Annual Report 2025/26



This is an English summary of the consolidated annual report, and parts of the consolidated report have been intentionally omitted. In case of any matter of dispute or other divergences between the Danish and English text, the Danish text will prevail.

Guidance statements

The stated expectations regarding the Group's future financial performance are subject to uncertainty and risks.

Annual General Meeting

The company's annual general meeting will be held on Wednesday, August 20, 2026, in Copenhagen.

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* The Management Report consists of the Management Report and Sustainability

Dear Shareholders

2025/26 was another successful year for the Flügger Group, with growth across all key figures. Above all, we are proud of the growth among our core customers—professional painters and quality-conscious private consumers—across all geographic regions.

In addition to a 2% increase in revenue, this has resulted, among other things, in a 15% increase in earnings, and we can once again boast a historically high level of cash flow and a corresponding record-high dividend.

The painting profession in focus

The Flügger Organic strategy involved a number of choices and deselections. As previously described, this has included phasing out substantial volumes in the private-label low-price category. We want to use our capacity to create products of master painter quality and services with a focus on craftsmanship. For 2025/26, this partially reduced top-line growth in the Nordic business in favor of an increase in the number of professional painters. To support this, we have also launched a digital B2B platform designed to make everyday life easier for professional painters; more information is available later in this annual report.

The Nordic market has long been characterised by low activity among professional painters, but is now showing the first signs of recovery. Flügger is therefore well positioned for a Nordic

market recovery, with increased customer focus and unique accessibility and service for our customers.

In the international segment, we are continuing our expansion in Poland—which accounts for the majority of the segment—with 11% growth from both existing and new stores targeting professional craftsmen. Poland remains the Flügger market with the strongest overall volume growth within building materials.

Safeguarding the value chain in turbulent times

During the financial year, international uncertainty increased, with a global trade war at the beginning of the year, wars on several fronts and, not least, greater pressure on supply chains in connection with the conflict in the Middle East during the final quarter of the year.

We are therefore pleased with our strategic choice to source most of our raw materials from Europe and to produce most Flügger products in Denmark and Sweden. We have also secured inventory for the entire high season, which is already well under way. We therefore believe we are well-positioned to respond promptly to market fluctuations while helping our customers ensure a secure supply.

Thank you for your trust

We are grateful to all our colleagues, who deliver high customer satisfaction every day, and where we experience strong employee retention compared with the rest of the industry.

We would also like to extend our sincere thanks to our customers for choosing Flügger and for showing your loyalty. We are pleased that our efforts to strengthen the painting profession together with you are bearing fruit.

Finally, we would like to thank Flügger's shareholders for your trust. We hope that you feel well informed and, not least, that you continue to find the ambition of an attractive distribution and a stable direction for the Flügger share worth supporting. At Flügger, we believe that being good at what you do should also be profitable. We are therefore pleased to share that we expect the current direction to remain valid going forward. We look forward to delivering to you.

Sincerely yours,



Sune Dedenroth Schnack
Chief Executive Officer



Karen Frøsig
Chair of the Board



"We aim to use our capacity to craft products with quality for the professional painter, and with respect for both the craftsmanship and the world around us."

Key Figures 2025/26

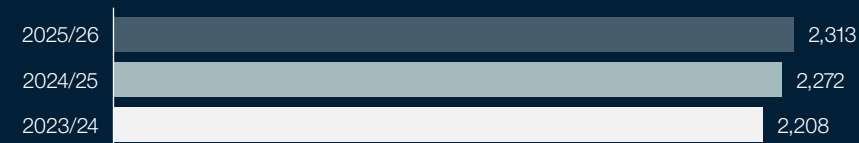
Fiscal Year 2025/26 = 1 May 2025 – 30 April 2026

Revenue

DKK million

2,313

▲ 2%

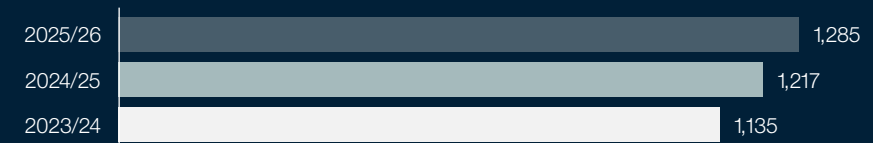


Gross profit

DKK million

1,285

▲ 6%

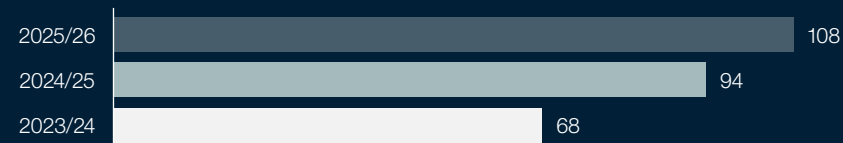


EBIT

DKK million

108

▲ 15 %

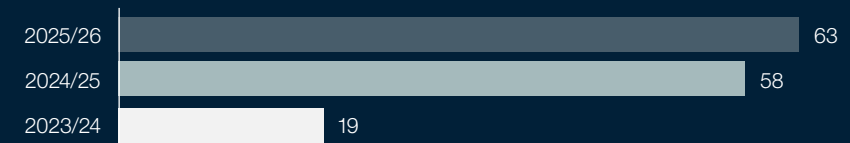


Net profit after tax and minority interests

DKK million

63

▲ 8%

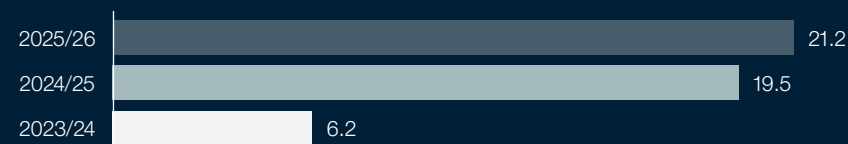


Earnings per share after tax and minority interests

DKK

21.2

▲ 9%

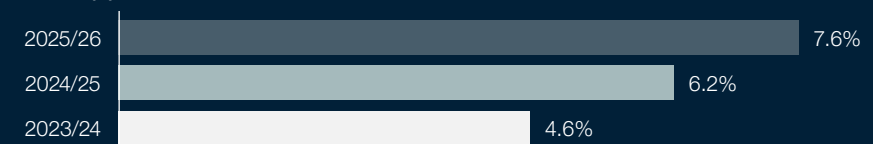


ROCE

%

7.6

▲ 1.4 pp



Five-year overview

DKK million	2021/22	2022/23	2023/24	2024/25	2025/26
Income Statement					
Revenue	2,251	2,130	2,208	2,272	2,313
Gross Profit	1,181	1,028	1,135	1,217	1,285
EBITDA	285	146	237	257	267
EBIT	108	-8	68	94	108
Financial items, net	-16	-9	-22	-12	-19
Profit before tax	93	-17	46	82	89
Net profit	56	-9	25	63	68
Net profit after tax and minority interests	68	-20	19	58	63
Balance sheet					
Total assets	2,226	2,132	1,939	1,920	1,849
Equity	919	774	821	870	880
Net interest-bearing debt (-) / cash and cash equivalents (+)	-781	-810	-713	-621	-504
Net interest-bearing debt, excluding leases (-) / cash and cash equivalents (+)	-389	-471	-379	-250	-124
Working Capital	413	419	409	407	332
Investments in Property, plant, and equipment	219	108	87	54	78
Cash flows					
Cash flows from operations before financing and tax	150	124	211	277	342
Cash flows from operating activities	80	88	194	256	314
Cash flows from investing activities	-265	-84	-66	-13	-42
Cash flows from financing activities	60	23	-130	-237	-274
Key Figures¹					
Gross Margin, %	52.5	48.2	51.4	53.6	55.5
EBITDA margin, %	12.7	6.8	10.8	11.3	11.5
EBIT margin, %	4.8	-0.4	3.1	4.1	4.7
Return on Equity, %	6.0	-1.0	3.2	7.5	7.8
Equity Ratio, %	41.3	36.3	42.3	45.3	47.6
ROCE, %	7.4	-0.5	4.6	6.2	7.6
Full-time employees, average	1,782	1,673	1,653	1,701	1,766

For equity-related key figures, see p. 16

¹ Key figures are calculated in accordance with the recommendations of the Danish Society of Financial Analysts.

Definitions

Gross margin, %

Gross profit as a percentage of revenue

EBITDA margin, %

Operating profit before depreciation, amortization, and impairment as a percentage of revenue

Net interest-bearing debt

Interest-bearing debt less securities and cash and cash equivalents.

EBIT margin, %

Operating profit as a percentage of revenue

Return on equity, %

Profit after tax as a percentage of average equity

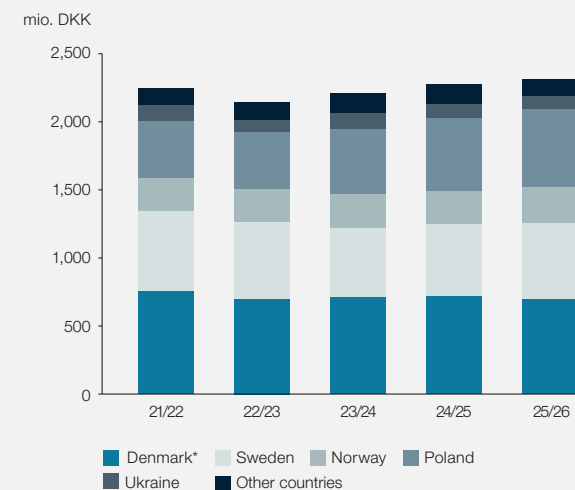
Equity ratio, %

Equity at year-end as a percentage of total liabilities at year-end

ROCE, %

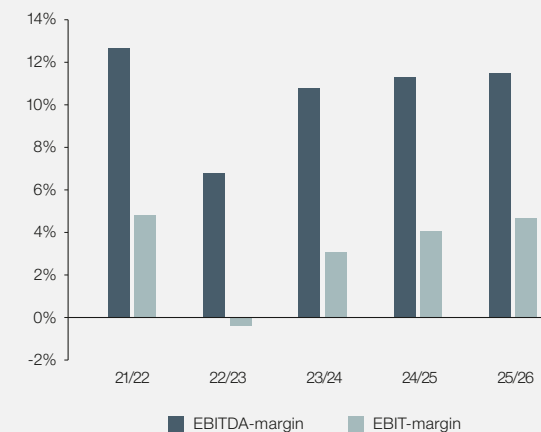
EBIT as a percentage of net working capital plus intangible and tangible assets

Revenue by markets



* Incl. Iceland, Greenland and the Faroe Islands

Earnings



The financial year 2025/26 in brief

- Revenue was DKK 2,313 million compared with DKK 2,272 million last year, corresponding to growth of 2%. Revenue was positively affected by progress among our core customers - professional painters and quality-conscious private consumers shopping in Flügger's own stores. Revenue growth was reduced by a planned phase-out of volumes in the private-label low-price category.
- Overall earnings (EBIT) increased to DKK 108 million, corresponding to growth of 15% compared with last year. The increase was driven by customer growth among core customers and a stronger gross margin as a result of an improved product mix and continued improvements in production costs. This was partly offset by primarily higher sales and distribution costs as well as various non-recurring costs.
- Working capital also improved during the year, while investments were at the same level as last year. Combined with increased earnings, cash flow after investing activities amounted to DKK 272 million and thereby reached another record high, which is considered highly satisfactory. Debt has therefore been reduced further during the year and, as a result, the Board proposes a dividend of DKK 20 per share at the Annual General Meeting. In addition, a smaller share buyback programme was initiated on 24 March 2026.
- Segment Nordic has seen growth among both private consumers and professional painters. As part of the Flügger Organic strategy, the private-label low-price category was downscaled, reducing revenue growth, particularly in Denmark. Overall, Segment Nordic increased by 2%.
- Segment International, comprising own stores and exports outside the Nordics, continued to grow. This was primarily driven by Poland, with growth of almost 11%, where 4 new stores were opened in 2025/26 in addition to the full-year effect of 8 new stores last year. Growth in the segment was reduced by flat development in other markets with own stores and the termination of export markets, cf. company announcement of 26 June 2025 (no. 29). There has been no further development in the regulatory case, where Flügger continues to cooperate with the investigating authorities.
- Segment Partnerships ended the year at the same level as last year. Unicell International experienced lower demand for outdoor products during the high season on the Polish market at the beginning of the financial year. This has particularly affected the DIY chains, which are the segment's target market. Sales in the Ukrainian company decreased slightly but remained close to last year's level.
- The financial year 2025/26 marks the second year of the strategy period with Flügger Organic. The plan has been followed, which is reflected in the results. This includes growth in the Nordic business driven by a targeted focus on professional painters as well as several store openings in Poland. More information about Flügger Organic is available in the section Strategy 2024-27.

Guidance for 2026/27

Expected revenue: DKK 2,400–2,500 million

Moderate growth is expected in the coming financial year, primarily as a result of store openings and customer growth combined with market activity that remains unchanged or rises slightly.

Expected operating profit EBIT: DKK 105–125 million

EBIT is expected to remain stable despite geopolitical uncertainty, with potential earnings growth because of a strengthened customer base and the full-year effect of previous store openings and optimisation measures as described in the Flügger Organic strategy.



Financial review 2025/26

SALES DEVELOPMENT

Net revenue for the Flügger Group was DKK 2,313 million, representing growth of 2%.

Sales Denmark¹: DKK 703 million (-1%)

In Denmark, sales increased to both professional painters and private consumers in Flügger's own stores. As part of the strategy, Flügger downscaled the private-label low-price category, which affected revenue negatively. As a result, Denmark ended with a 1% decline in revenue compared with last year. Flügger is the market leader in Denmark with a store network consisting of 57 own stores and 51 franchise stores.

Sales in Sweden: DKK 554 million (4%) – local currency SEK 812 million (+0%)

In Sweden, sales increased primarily to professional painters and private consumers. The increase offset the planned phase-out of private-label low-price products, revenue therefore ended at the same level as last year, while the strengthening of the Swedish currency resulted in an overall increase in revenue of 4%. Market volume in Sweden was at a historical low at the beginning of the financial year, but towards the end of the financial year the first signs of market recovery were registered.

Flügger is one of the leading brands in Sweden with 61 own stores and 29 franchise stores.

Sales in Norway: DKK 263 million (+6%) – local currency NOK 408 million (+5%)

In Norway, sales also increased, driven by both professional painters and private consumers.

Flügger has no franchise stores in Norway, but has standard dealer agreements in selected local areas in addition to 28 own stores.

Sales in Poland: DKK 577 million (+7%) – local currency PLN 328 million (+6%)

Revenue in Poland increased by 7% across all segments, with sales growth of 11% in Flügger Poland (Segment International) and 1% in Unicell International (Segment Partnerships). Unicell International primarily sells to DIY chains, while Flügger Poland has 68 own stores, four of which opened during the financial year.

The market size and development in Poland are difficult to determine as a whole, but it remains the market with the strongest general volume outlook within building materials.

Sales in Ukraine and Other Countries: DKK 216 million (-12%) - local currencies -8%

Sales to other countries consist partly of subsidiaries in Ukraine, China and Lithuania and partly of a number of export countries. The decline in sales was primarily due to the termination of Partnerships in some export markets and weak development in other markets with own stores. In addition, sales in Ukraine remained affected by the war and the negative currency development.

Sales development

DKK million	2024–25	2025/26	Organic growth*	Currency	Reported growth
Sales in Denmark+	712	703	-1%	0%	-1%
Sales in Sweden	531	554	0%	4%	4%
Sales in Norway	248	263	5%	1%	6%
Sales in Poland	537	577	6%	1%	7%
Sales in Ukraine	96	94	7%	-9%	-2%
Sales in Other Countries	148	122	-17%	-1%	-18%
Total Revenue	2,272	2,313	1%	1%	2%

* Organic growth is calculated as the change in revenue adjusted for the impact of currency fluctuations and acquisitions/divestitures of companies

¹ Denmark+ includes Iceland, Greenland, and the Faroe Islands

COST AND PROFIT DEVELOPMENT

In 2025/26, production costs amounted to DKK 1,028 million, corresponding to a decline of 2%, compared with revenue growth of 2%. The Group's gross profit therefore increased by DKK 68 million to DKK 1,285 million. The positive development reflects slightly falling prices for raw materials and energy as well as production optimisations combined with implemented price increases. The gross margin consequently increased by 1.9 percentage points to 55.5%.

Sales and distribution costs increased from DKK 915 million to DKK 944 million in 2025/26, corresponding to an increase of 3%. In addition to general salary increases, the increase in expenses was primarily due to higher marketing costs. Administrative expenses increased by DKK 26 million to DKK 235 million, primarily driven by higher consultancy costs, including those relating to the initiation of the ERP project.

The Group's EBIT was 108 million DKK compared to 94 million DKK last year.

Cost development

DKK million	24/25	25/26	Change
Revenue	2,272	2,313	2%
Production costs	-1,055	-1,028	-2%
Gross profit	1,217	1,285	6%
Sales and distribution cost	-915	-944	3%
Administrative expenses	-209	-235	12%
Other income/expenses	1	2	100%
Operating profit (EBIT)	94	108	15%

Follow-up on announced expectations for the financial year 2025/26

Flügger ended the financial year 2025/26 with revenue of DKK 2,313 million and EBIT of DKK 108 million, which is in line with the guidance provided for the financial year.

DKK million	Guidance	Actual 2025/26
	All segments	All segments
Revenue	2,200–2,400	2,313
EBIT	100–120	108



BALANCE SHEET, EQUITY DEVELOPMENT, AND CASH FLOWS

Balance sheet

The Group's balance sheet at the end of the financial year 2025/26 amounted to DKK 1,849 million compared with DKK 1,920 million last year. The decrease was mainly due to ordinary depreciation and amortisation of property, plant and equipment as well as a reduction in working capital.

Working capital was reduced by DKK 75 million and consequently amounted to DKK 332 million at the end of the financial year, as a result of a reduction in receivables and inventories.

The shareholders' share of equity increased by DKK 12 million to DKK 837 million. Minority interests amounted to DKK 43 million.

Net interest-bearing debt excluding leases amounted to DKK 124 million compared with DKK 250 million last year. The reduction was driven by increased earnings and reduced working capital combined with an unchanged investment level, which reduced bank debt. Net interest-bearing debt including leases (primarily store network leases) amounted to DKK 504 million compared with DKK 621 million last year.

Cash Flow

Cash flow from operating activities amounted to DKK 314 million compared with DKK 256 million last year. The cash flow was positively affected by the increased operating profit and a reduction in the company's receivables and inventories.

Cash flow from investing activities amounted to DKK 42 million compared with DKK 13 million last year. Last year, investments were affected by a partial repayment of the receivable from the Eskaro Group. Excluding the receivable, investments for the year declined by DKK 9 million.

Cash flow from financing activities increased by DKK 37 million as a result of a reduction in the Group's bank debt and an increase in dividend payments. Cash and cash equivalents amounted to DKK 22 million compared with DKK 24 million the year before.

Events after the balance sheet date

No events have occurred since the balance sheet date that would materially affect the content of this annual report.

Balance sheet

DKK million	24/25	25/26	Change
Intangible assets	217	224	3%
Property, plant and equipment	861	832	-3%
Deferred tax asset	11	15	31%
Inventory	375	363	-3%
Receivables	432	393	-9%
Cash and cash equivalents	24	22	-9%
Total Assets	1,920	1,849	-4%
Equity	870	880	1%
Deferred tax	21	28	33%
Lease Liability	371	380	2%
Bank debt, etc.	262	141	-46%
Trade payables	206	231	13%
Tax payables	11	14	24%
Other payables	170	166	-2%
Liability, put option	9	9	3%
Total Liabilities and equity	1,920	1,849	-4%

Cash Flow Statement

DKK million	24/25	25/26	Change
Cash flows from operating activities	256	314	23%
Cash flows from investing activities	-13	-42	223%
Cash flows from financing activities	-237	-274	16%
Cash and cash equivalents at the end of the year	24	22	-8%

Quarterly Analysis

Sales development Q4 2025/26

The Group's net revenue amounted to DKK 598 million in Q4 compared with DKK 582 million in Q4 last year, corresponding to an increase of 3%.

Revenue for Segment Nordic increased by 3% in the quarter. Denmark and Norway in particular contributed, with growth of 5% and 11%, respectively, of which 5% was attributable to the Norwegian currency. In all countries, sales increased to both private consumers and professional painters.

For Segment International, the Polish business reported growth of 8% in the quarter. Ukraine and Other countries recorded a minor decline in sales. Overall, Segment International grew by 6%.

Partnerships ended the quarter with negative growth of 4%. Revenue was at the same level as last year measured in local currency, while currency had a negative impact of 4%.

Revenue, Group, DKK million	2024/25					2025/26				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Nordic	423	394	294	380	1,491	435	400	293	392	1,520
International	124	140	105	125	494	133	136	110	131	510
Partnerships	88	74	48	77	287	85	75	48	75	283
Total revenue	635	608	447	582	2,272	653	611	451	598	2,313
Closing price: 100 SEK	64	64	65	68		67	68	70	69	
Closing price: 100 NOK	63	62	64	63		63	64	64	68	
Closing price: 100 ISK	5	5	5	5		5	5	5	5	
Closing price: 100 PLN	174	171	177	175		175	176	177	175	
Closing price: 100 CNY	95	96	99	90		89	90	91	94	
Closing price: 100 EUR	746	746	746	746		745	747	747	747	
Closing price: 100 UAH	17	17	17	16		16	15	15	14	

A seasonal business

Flügger operates a seasonal business with large fluctuations in demand and in which products are of primary interest during the year. Flügger has a staggered financial year running from 1 May to 30 April.

First quarter (May–July)

The most profitable time of the year, with peak season for both indoor and outdoor products.

Second quarter (August–October)

Demand starts to slow down, and earnings decline moderately compared with Q1.

Third quarter (November–January)

The off-season and normally a loss-making period.

4th quarter (February–April)

This marks the start of the peak season, though the timing may vary depending on Easter and weather conditions. This period is usually profitable, with sales of both indoor and outdoor products.

Inventories are typically highest at the beginning of spring and lowest at the beginning of autumn. Similarly, liquidity is strongest in autumn and weakest in spring.



The Flügger share

Flügger on the Stock Exchange

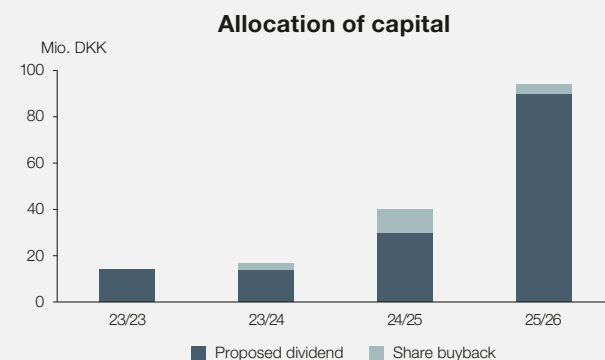
Flügger has been publicly traded since its B shares were listed on NASDAQ Copenhagen A/S in the fall of 1983. The company's A shares are not publicly traded but are owned by the founding family. The stock exchange listing provides all shareholders with access to a liquid and transparent market for the company's shares, while also strengthening Flügger's visibility and credibility as a company. The listing supports the use of employee shares as an attractive incentive and retention program that aligns employees' interests with those of the shareholders.

Dividend Policy

It is Flügger's intention to distribute surplus capital annually, so that capital not required for business operations is distributed to shareholders. The objective is to be able to pay a stable and relatively high dividend in relation to the share price and market interest rates, while duly considering the company's capital structure.

Capital is allocated based on the following prioritisation principle:

- 1) Reduce debt if the projected leverage is considered too high
- 2) Distribute capital to shareholders primarily in the form of dividends
- 3) Make business-expanding investments



For the fiscal year 2025/26, the Board of Directors proposes to the Annual General Meeting a dividend of 20 DKK per share.

Purchase of own shares

It is Flügger's intention to conduct share buybacks, taking into account the company's dividend policy, current liquidity, and share volume, for the purpose of honouring share-based incentive programmes for employees, etc.

Share capital and ownership structure

Composition of share capital 30 April 2026

Number	Stocks	%	Votes	%
Class A shares	590,625	19.6	5,906,250	70.9
Class B shares	2,399,318	79.7	2,399,318	28.8
Class B shares in the company ¹	22,355	0.7	22,355	0.3
Total	3,012,298	100.0	8,327,923	100.0

Ownership structure 30 April 2026

Major shareholders (≥5%)	Stocks	%	Votes	%
M+ II A/S ²	851,487	28.3	851,487	10.2
Ulf & Sune Schnack ³	1,364,456	45.3	6,680,081	80.2
Total	2,215,943	73.6	7,531,568	90.4

¹ Voting rights cannot be exercised with respect to the company's holdings of its own shares.

² M+ II A/S owns 851,487 Class B shares in Flügger Group A/S. Bettina Antitsch Mortensen exercises controlling influence over M+ II A/S.

³ Ulf and Sune Schnack (father and son) together own 1,364,456 Flügger shares, of which 590,625 Class A shares and 720,610 Class B shares are held by SUS 2013 ApS (Flügger Holding).

At the end of the fiscal year 2025/26, there were 1,791 shareholders listed in the company's shareholder register, who collectively held 97.2% of the share capital and 99.0% of the voting rights.

Communication with investors

The company's ongoing announcements and financial statements are available on the company's website www.flugger.com/investor. The company's goal is to ensure a high and reliable standard of information. We welcome open and active dialogue with investors, analysts and the press, which may be conducted via IR@flugger.com. However, the company refrains from conducting in-depth discussions during the four weeks prior to the publication of financial reports.

DKK million	2021/22	2022/23	2023/24	2024/25	2025/26
Share Data as of the End of the Period*					
Market Price, DKK	485	364	333	316	348
Number of outstanding shares, in thousands	2,943	2,996	2,997	2,984	2,990
Market Capitalisation, DKK million	1,427	1,092	999	943	1,041
Equity value, DKK million	906	695	749	825	837
Net profit after tax and minority interests, DKK million	68	-20	19	58	63
Proposed dividend per share of DKK 20	10	5	5	10	20
Proposed extraordinary dividend per share of DKK 20	-	-	-	-	10
Earnings per share (EPS) after tax and minority interests, DKK	23	-7	6	20	21
Price/book value (P/BV), DKK	1.6	1.6	1.3	1.1	1.2
Price/earnings ratio (P/E), DKK	21	neg.	54	16	16
Dividend yield, %	2.1	1.4	1.5	3.2	8.6

Definitions

Outstanding shares

The total number of shares minus the company's treasury shares is used to calculate share data

The company's market capitalization

Number of outstanding shares (including Class A shares) × share price

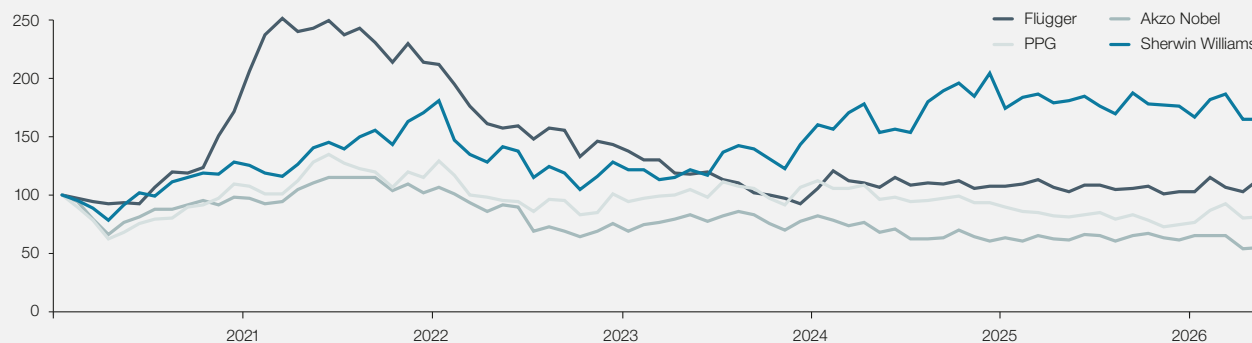
Net profit after tax and minority interests per share, DKK
Profit for the year after tax and minority interests, allocated to outstanding shares

Equity value, DKK
Equity excluding minority interests

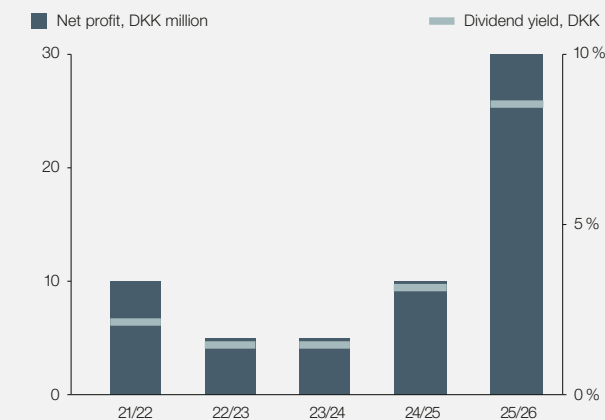
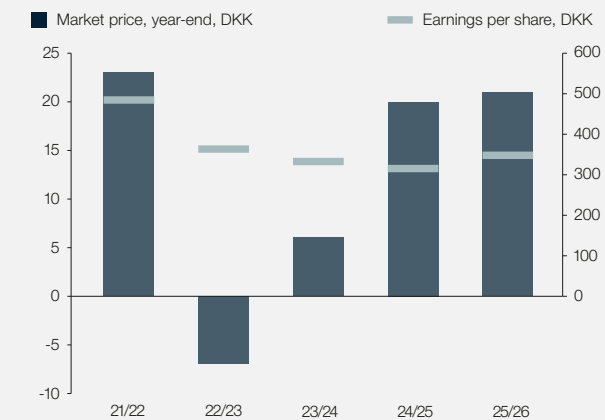
Dividend yield
Proposed dividend per share / market price

* Key figures are calculated in accordance with the Danish Finance Association's recommendations

Flügger share price compared to selected competitors



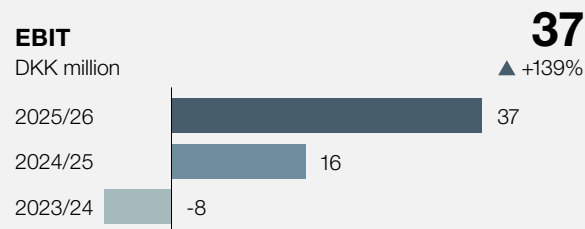
Source: FactSet



Segments at Flügger

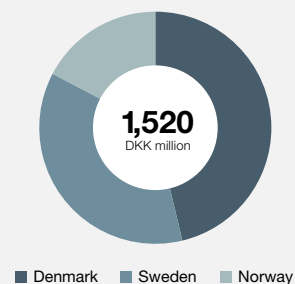
SEGMENT NORDIC

This segment comprises the Group's operations in Denmark+, Sweden, and Norway, which primarily sell Flügger products and secondarily PP and Stiwex through their own stores or dealers. In addition, private-label and the brands PP, Stiwex and Yunik are sold to selected DIY chains.



Segment Nordic recorded progress among both private consumers and professional painters through its own stores in the Nordics, which contributed to increased earnings. As part of the Flügger Organic strategy, the private-label low-price category is being downscaled, which affects revenue negatively, particularly in Denmark, which declined by 1%, while Sweden and Norway grew by 1% and 5%, respectively, in local currency.

REVENUE BREAKDOWN



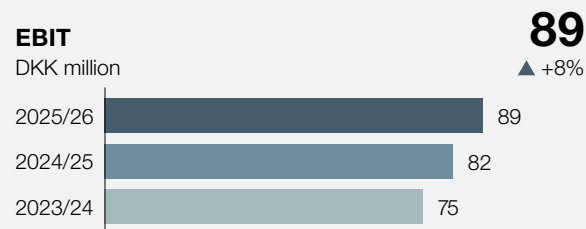
DISTRIBUTION CHANNELS

Company-owned stores, franchise stores, and retailers, as well as home improvement stores.



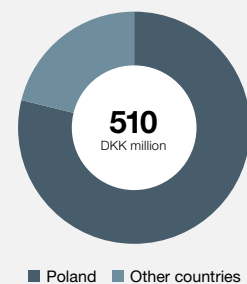
SEGMENT INTERNATIONAL

This segment includes exports and all countries outside the Nordics where Flügger has wholly owned subsidiaries. Sales are made through own stores and dealers and consist primarily of Flügger-branded products.



Segment International grew by 3% in 2025/26. Poland, which accounts for the majority of the segment, increased by 11%, while Other countries declined by 17%. Poland had general growth across both customers and stores, while the opening of 4 new stores during the financial year and 8 new stores last year contributed positively to growth. The decline in Other markets was due to the termination of some export markets and weak development in other markets with own stores.

REVENUE BREAKDOWN



DISTRIBUTION CHANNELS

Our own stores and retailers.



SEGMENT PARTNERSHIPS

This segment consists of Unicell International (Poland) and Eskaro Ukraine, both of which are companies in which Flügger does not hold full ownership. Partnerships sells both its own brands and private-label products. Sales are made through DIY chains, dealers and a few own stores.

REVENUE

DKK million

283

▼ -2 %



EBIT

DKK million

17

▼ -6%



Revenue and earnings in Partnerships were at the same level as last year, although a 10% decline in the Ukrainian currency resulted in a minor decrease for the segment overall. Unicell International experienced lower demand for outdoor products during the high season in the Polish market at the beginning of the financial year. This particularly affected the DIY chains served by the segment.

REVENUE BREAKDOWN



DISTRIBUTION CHANNELS

DIY chains, dealers, and own stores.



Risk Management

Flügger is exposed to a number of different risks that vary by customer segment, market and product area. The Board of Directors and Executive Management continuously assess the Group's overall risk profile and significant individual risks.

The purpose of the Group's risk management is to identify and assess relevant risks and to reduce, minimise or control the impact of these risks.

The Board of Directors is responsible for the Group's risk policy and continuously assesses the Group's overall risk profile in co-operation with Executive Management. Executive Management is responsible for identifying, assessing and quantifying risk developments and managing day-to-day risks.

Risk Management and Reporting

Flügger's risk management model is organized by production, sales, and cross-functional group functions. This ensures that all functions within the organization are aware that relevant risks are identified and managed on an ongoing basis.

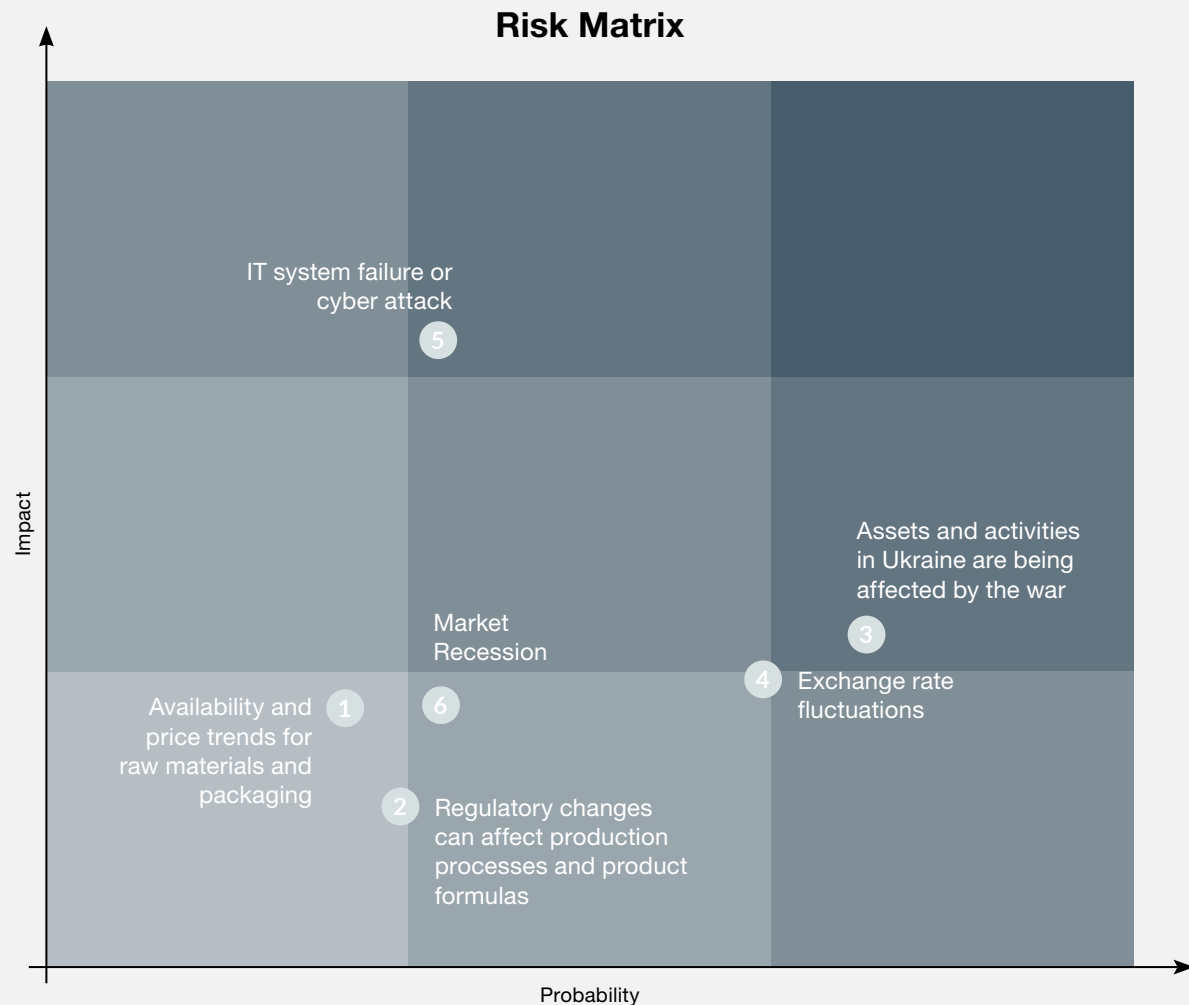
Flügger's Risk Matrix

Flügger's risks have been included in the risk matrix, which only describes the most significant risks based on the probability of their occurrence and their impact on financial results should they occur.

The overall risk picture is unchanged compared with last year.

Risk No. 1, "Availability and price trends for raw materials and packaging," is more current as a result of the conflict in the Middle East. However, access to Flügger's raw materials is substantially within Europe. At the same time, a large portion of sales under long-term contracts with major DIY chains has been phased out as part of the strategy, which also enables faster and more effective adjustments to sales prices in response to any increases in raw material prices.

Risk No. 3, "Assets and activities in Ukraine are affected by the war," remains significant despite the divestiture of most activities



in Eastern Europe. There is still a substantial investment in Ukraine, where there is significant risk.

Risk No. 4, "Exchange rate fluctuations," can affect Flügger both positively and negatively. We continue to assess that there is a significant risk of exchange rate fluctuations in individual fiscal years. However, we also expect these fluctuations to even out over time, and in several markets, there is natural operational currency hedging in the form of local production costs.

Risk No. 6 is considered unchanged compared with last year. Flügger's main markets have strong macroeconomic indicators. However, uncertainties related to the international trade war and the conflict in the Middle East may have an indirect negative impact on total demand. Flügger is not directly exposed to increased tariffs and may therefore have a relative competitive advantage.

Other risks remain unchanged, and no risks have been added or removed compared to last year.

RISK	DESCRIPTION	IMPACT	PLOT
1 Availability and price trends for raw materials and packaging	Flügger is dependent on the availability and price trends of raw materials. This applies in particular to titanium dioxide and binders, which are key ingredients in the production of paint and filler.	Rising raw material prices cannot necessarily be passed on directly to sales prices in the short term, and when raw material prices decline. A lack of availability of key raw materials can lead to production disruptions, backorders, and lost revenue.	For key raw materials, alternative suppliers have been identified, and agreements have been entered into with at least two suppliers, or alternative formulations have been developed. In addition, raw material prices are closely monitored so that the company can react quickly in the event of significant changes. Flügger intends to raise its selling prices if this can be done without losing competitiveness. At the same time, a portion of sales has been shifted away from long-term contracts with DIY chains, which also enables faster and more effective sales price adjustments in response to any increases in raw material prices.
2 Regulatory changes can affect production processes and product formulas	The requirements regarding product content, carbon footprint, environmental impact and labelling are constantly changing and require us to stay ahead of new requirements, whether they arise directly from legislation or as customer requirements.	Changes to product recipes, labelling, etc. may affect production costs. If alternative products are not developed in time, there may also be a risk of lost revenue.	We are continuously working to update product recipes and improve production facilities so that they can meet upcoming regulatory requirements. In addition, new technologies and requirements are monitored at an early stage so that product development can take place in time.
3 Assets and activities in Ukraine are being affected by the war	War and sanctions have had a major impact on our activities in Eastern Europe. Further escalation or de-escalation of the war in Ukraine will have a significant impact on the possibilities of operating the business in Ukraine.	In November 2023, the Group divested activities in Russia, Belarus and Estonia, among other countries, as a result of the war. In the event of escalation, there is a risk that the remaining assets in Ukraine will be lost. Conversely, there is significant potential for the Ukrainian factory and sales activities if lasting peace is achieved.	Activities in Ukraine are operating and, as long as it is considered safe, the factory and sales operation are staffed with a core group of employees who will also be able to continue the operation after the war. As a general rule, no material investments are made while the war is ongoing.
4 Exchange rate fluctuations	Flügger's revenue, earnings and net investments in foreign subsidiaries are continuously affected by exchange rate fluctuations.	Flügger is naturally hedged against currency fluctuations in countries where both sales and production take place. This applies to the vast majority of markets.	Exchange rate fluctuations may be mitigated through price increases, although this may be difficult due to local competition. In some cases, currency risk is hedged using financial contracts if the risk is considered too high. Overall, the impact is expected to even out over time.
5 IT system failure or cyber attack	Flügger's operations depend on stable IT systems to ensure that production is continuously adjusted to demand. A failure may affect the ability to produce, invoice and deliver. The war in Ukraine generally increases the risk of cyber attacks.	Prolonged IT system outages, whether caused by internal circumstances or external attacks, may have significant financial consequences.	We continuously ensure system resilience, including a solid foundation for systems hosted by external partners. We have taken out insurance coverage for cybercrime and prepared a disaster recovery plan. The new POS system also enables sales in offline mode.
6 Market Recession	Activity in the construction sector in the Nordics has for a longer period been affected by interest-rate levels, consumer confidence and other market conditions. Flügger primarily targets renovation but is indirectly affected by the general construction sector and end customers' willingness to build or renovate.	A recession in the market will naturally affect revenue and earnings, but the extent is difficult to determine. By comparison, during the financial crisis Flügger's revenue fell by 6% and earnings were halved. Revenue and earnings had normalised again three years after the crisis began.	The organisation and investments are continuously adjusted to stay ahead of positive or negative developments in demand. Painters are typically among the last craftsmen on a project, which means we are usually able to respond in time if the market begins to decline.

Our Business and Strategy



Our Business

Flügger is an international group headquartered in Denmark that develops, produces, markets and sells a broad range of paint, wood protection, filler, wall coverings and accessories. Our target group is the professional painter and the private consumer.

We consider it our most important task to develop and deliver products and solutions that enable our customers to achieve high-quality results as efficiently as possible.

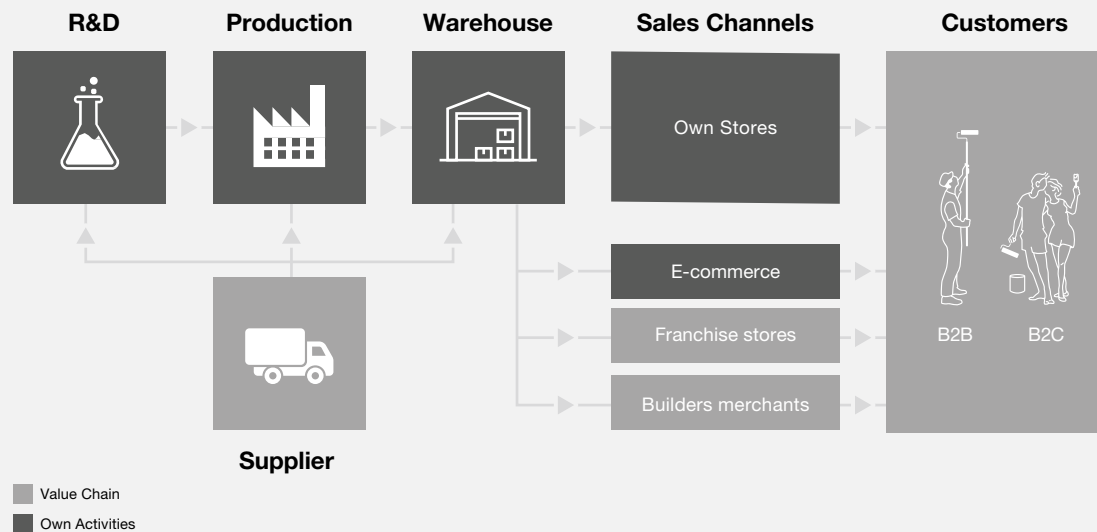
We develop products through a central development department, manufacture them at our own factories and follow the products all the way to the stores, where our employees advise and assist customers in achieving the best possible result. Our integrated value chain is unusual in a European context, where most competitors focus either on sales or production. We believe our business model contributes to maintaining high quality, meeting customers' needs and safeguarding the Flügger brand, which has roots dating back to 1783.

Over many years, Flügger has built a good reputation based on the high quality of our products and a strong store network, both of which contribute positively to the company's value creation.

Furthermore, Flügger's purpose is to be a "co-creator of a greener building materials industry", which has been the case since Flügger switched to water-based paint with the establishment of the Kolding factory in 1970. Paint with care for the environment is a focus area for Flügger - and equally for our customers - which is why the ability to develop and manufacture more environmentally responsible paint is another important element in Flügger's overall strategy and value creation. As a result, Flügger also has a strong brand.

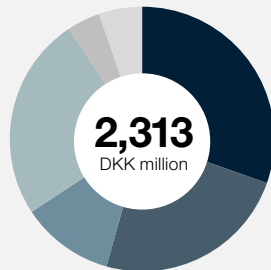
The Flügger Group has a very well-established store network across the countries where we operate. The store network provides crucial visibility and accessibility for both professional painters and private consumers. In recent years, in line with growth in online commerce, Flügger has built a strong digital presence, so that Flügger ranks at the top of the list in online searches for paint. This digital presence is also essential to Flügger's continued broad recognition among professional painters and private consumers.

Value Chain

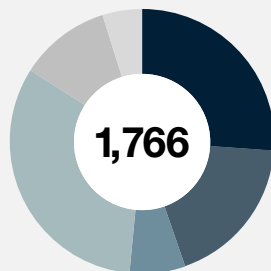


Geographical Overview

Revenue

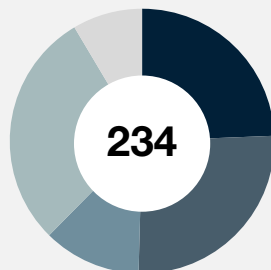


Employees



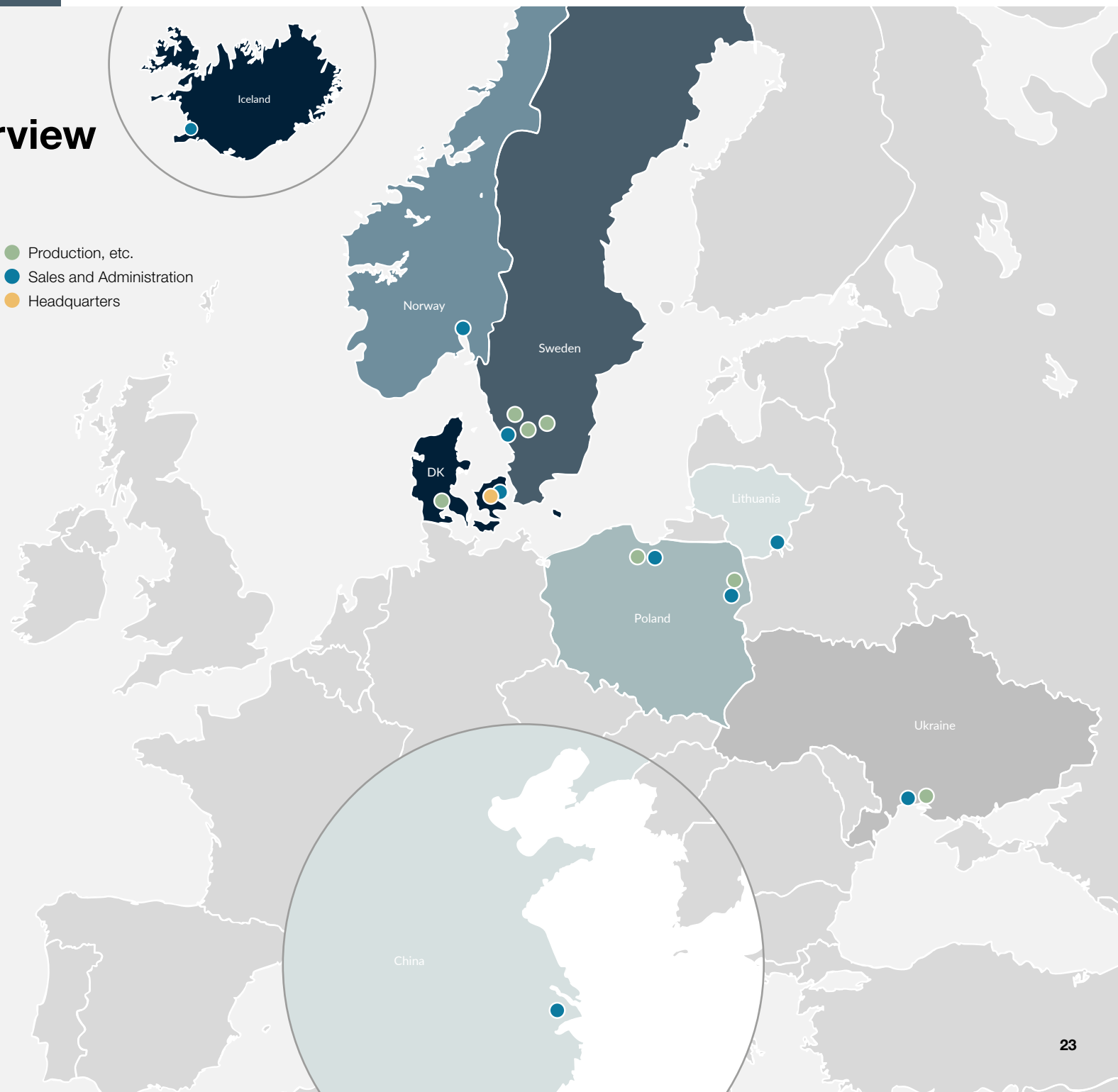
Average number of full-time employees
30 April 2026

Stores



Number of company-owned stores
30 April 2026

- Production, etc.
- Sales and Administration
- Headquarters



Strategy 2024–27

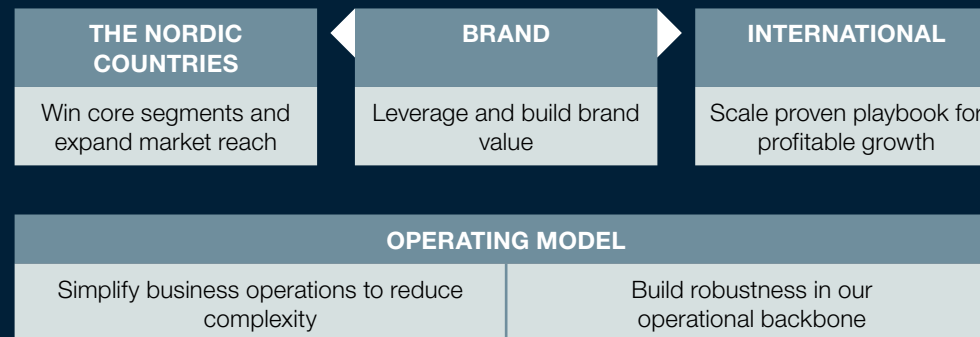
Flügger Organic

– Delivering sustainable value

STRATEGIC ASPIRATION

Being the preferred choice of painters and quality-oriented consumers by offering sustainable and color-inspiring solutions

STRATEGIC PRIORITIES



Our purpose is to co-create a greener building materials industry and champion the painter's craft through quality solutions, trusted partnerships, and inspiring design choices.

Leveraging our Scandinavian foundation, we position ourselves for organic growth by winning core segments in the Nordics and expanding internationally. More than four out of every five liters of our own produced wet goods are eco-labeled, and our ambition is 100 %.

We are a family-founded and-led company, big enough to make a difference, yet small enough to maintain our entrepreneurial spirit. Our Team is made up of dedicated and skilled people who genuinely lean in and build second to none expertise from within.

Strategy 2024–27

Flügger Organic

	Nordic	International	Brand	Operating Model
2025/26 Highlights	- Double-digit growth in the number of professional painters - Opening of additional centers specifically aimed at professional painters - Launch of a digital B2B commerce platform that makes it easy for painters to have everything in one place and available as an app (see case on next page) - Further phase-out of substantial volumes in the private-label low-price category.	- 4 new company-owned stores were opened in Poland and 1 new store was opened in Lithuania, in addition to the full-year effect of 8 new Polish stores last year - Conversion of dealers in Lithuania into additional own stores initiated - Minor adjustment to the overall geographic footprint, which involves closing several smaller export markets in order to increase investment in attractive long-term markets.	- Flügger Poland wins prestigious Polish award for “Best B2B Loyalty Program” - Partnership entered into with Fermacell® for a system warranty covering Flügger filler and Fermacell® fibre gypsum - New tools concept finalised, designed to make work easier and simpler for professional painters and quality-conscious private consumers (not yet launched).	- New POS system fully operational in the Nordics and being tested in Poland - Digital B2B platform launched and in operation, with ongoing development - Logistics optimisation project initiated - An ERP project has been launched (planning phase) ahead of the start of implementation over the coming year.
Flügger Organic Strategy	Flügger's Nordic markets, where the company holds a leading market position, are stable but subject to cyclical fluctuations that follow market trends. To ensure resilience and profitability, the number of small and medium-sized professional painters must be increased through own sales channels. Flügger's position will also be expanded through partnerships with professional DIY chains targeting professional craftsmen.	Flügger aims to expand beyond the Nordic region, which will generate economies of scale for the entire group. The plan for Poland and Lithuania involves opening additional Flügger stores. For exports, potential new countries are identified and launched on the basis of a well-defined playbook. For existing export markets, initiatives are implemented with local distributors depending on their level of maturity.	To support organic growth in the Nordic markets and internationally, the Flügger brand is used as a strategic tool. Flügger stands for high professional quality and well-considered surface solutions with care for the surroundings. The brand must be extended to professional DIY chains, the store format must meet the needs of core customers and, finally, a shared marketing platform must be created so that both own units and local distributors can easily reuse marketing activities across markets.	To better serve core customers, leverage Flügger's competencies and increase profitability, the business must be simplified. This includes closing down activities that do not fit the strategy, gradually harmonising labels and formulations, and streamlining contract principles for chain customers across the value chain. The operational infrastructure must be robust and support commercial choices. This includes IT systems focused on the customer journey, as well as efficient production and logistics to ensure product availability in new markets and partnerships.

New digital platform to make everyday life easier for professional painters

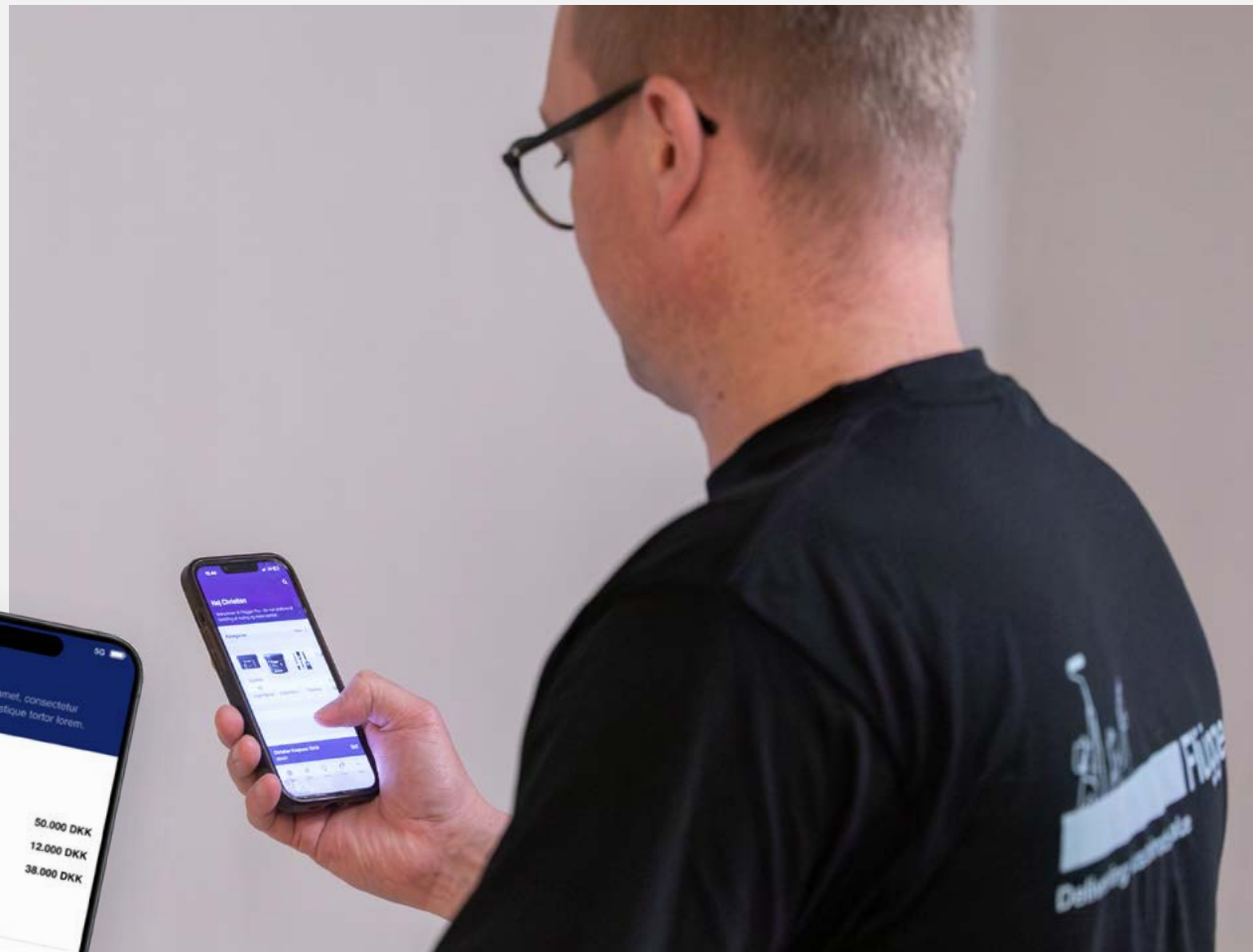
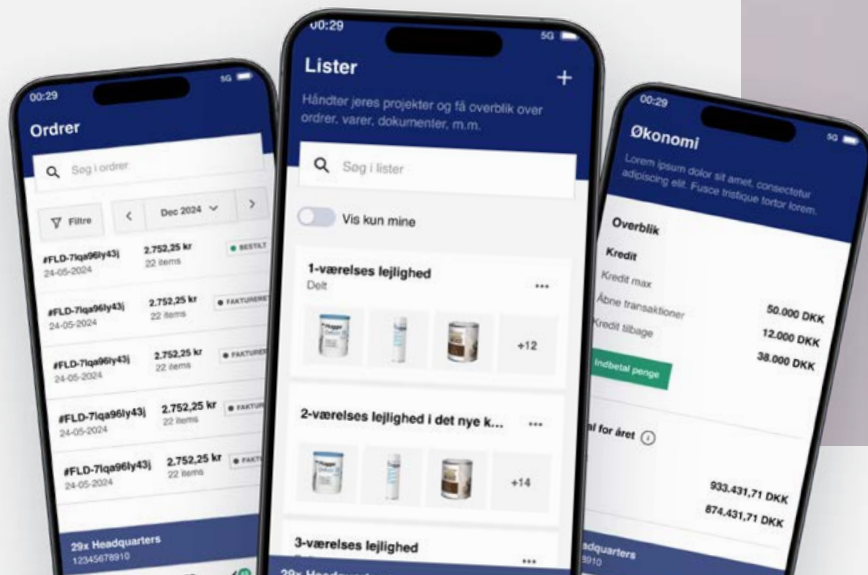
With the launch of a new digital B2B e-commerce platform, Flügger is making everyday life easier for professional painters. The platform brings together a range of functions in one place and gives both management and employees a complete overview of orders, invoices, material consumption and projects. At the same time, the solution makes it possible to order goods directly from the construction site by mobile phone or computer, so that the materials are ready on arrival at the store. The aim is to reduce time spent on administration and free up more time for work at the customer's premises.

“Our ambition is to create a solution that makes a real difference in painters' everyday lives. It must be fast, simple and flexible to manage purchases and projects - regardless of where you are working from,” says Kresten Kjær Larsen, Director of E-commerce at Flügger.

The platform was not developed on the basis of technology or what other platforms do. It was developed on the basis of the specific workflows and situations encountered by professional painters during the working day. Among other things, users can work with favourite lists and fixed templates for supplementary orders, while the company can assign different access levels to employees across the organisation.

An important focus area during development has been to create a solution that works both at the office, in the store and at the construction site. This is intended to give professional painters a more flexible working day and a better overview of both purchases and projects.

The platform has already been launched, and its functionality will be developed continuously with a view to optimising planning and project management for professional painting companies.



Governance



Corporate Governance

The shareholders are the ultimate authority in Flügger and exercise their rights at the General Meeting. In accordance with legislation and the company's Articles of Association, all shareholders have the right to submit proposals, attend and vote at the General Meeting.

Management in Flügger is divided into two parts and consists of the Board of Directors and Executive Management. The Board appoints and supervises Executive Management, determines the overall strategy, follows up on performance and thereby contributes to the Group's ongoing development. Executive Management is responsible for the company's day-to-day management, including organising the company, implementing the strategy and reporting to the Board.

The Board of Directors of Flügger group A/S

Flügger's Board of Directors consists of four members elected by the General Meeting and two employee representatives. The Chair and Deputy Chair are elected directly at the General Meeting.

Members elected by the General Meeting are elected for one year at a time and may be re-elected. Employee representatives are elected for a four-year term.

Two of the four members elected by the General Meeting are women (50%). This means that the Board has an equal gender distribution.

Of the four members elected by the General Meeting, 50% are considered independent. Nicolai Benjamin Loft-Schnack is non-independent due to his family relationship with Sune Schnack and Ulf Schnack, while Bettina Antitsch Mortensen is a major shareholder.

When nominating the four members elected by the General Meeting, focus is placed on diversity and on the members' competencies and experience. The objective is to achieve an equal gender distribution that also reflects significant competencies

within Flügger's core areas, including insight and experience in international management, financial management, production and marketing. More information about the diversity policy is available in the section Diversity.

The Board of Directors has rules of procedure that, in combination with the company's approach to good corporate governance, describe the essential tasks and responsibilities of the Board.

Board of Directors' self-assessment

The Board of Directors' self-evaluation procedure takes the form of an anonymous quantitative survey conducted annually. The results of this year's self-assessment generally show a high level of satisfaction with the effectiveness, content and frequency of Board meetings, as well as with the information provided in connection with the meetings. The evaluation also shows that all Board members are satisfied with the cooperation within the Board and with the Chair and Executive Management.

Remuneration policy and remuneration report

In accordance with the rules of the Danish Companies Act, Flügger has prepared a remuneration report for the remuneration of the Board of Directors and Executive Management, which was approved at the General Meeting in 2025 by indicative vote.

Please refer to the Group's remuneration policy, which can be found at www.flugger.com/investor/corporate-governance/vederlagspolitik/ as well as the Group's remuneration report, which can be found at www.flugger.com/investor/corporate-governance/vederlagsrapport/.

Board Committees of Flügger group A/S

The company has established an Audit Committee and a Nomination and Remuneration Committee.

The primary purpose of the Audit Committee is to monitor the financial reporting process, including compliance with applicable legislation, standards and other requirements for listed companies regarding financial reporting and publication of financial reports, and to assess the need for internal audit. The committee consists of Alexander Vilhelm Martensen-Larsen, who is elected by the Board.

The purpose of the Nomination and Remuneration Committee is to nominate and recommend candidates for the Board, contribute to ensuring a composition in accordance with specified criteria, ensure compliance with the company's remuneration policy and propose remuneration for the Board and Executive Management. The committee members are elected by the Board and the main shareholder and consist of Ulf Schnack (Chair), Karen Frøsig and Alexander Vilhelm Martensen-Larsen.

Good Corporate Governance

The Board of Directors regularly considers the Recommendations for Corporate Governance and notes that the vast majority of the recommendations are followed.

Recommendations not fully followed:

- Recommendation 1.1.3, as the company has decided to no longer prepare quarterly reports.
- Recommendation 3.4.2, as the majority of the members of the management committees are not independent.
- Recommendation 3.5.1, as the company does not engage external assistance for the board evaluation, since it considers the internal board evaluation to be sufficient.

The full report is available on the company's website: www.flugger.com/investor/corporate-governance/anbefaling-god-selskabsledelse/

Internal Controls and Risk Management

Executive Management continuously monitors internal controls and compliance with relevant legislation and other regulations and provisions in connection with financial reporting. Executive Management reports regularly to the Board, cf. section 107b of the Danish Financial Statements Act. The statement on risk management is available at www.flugger.com/investor/corporate-governance/risikostyring/.

Data Ethics

Flügger has adopted a guideline on data ethics, cf. section 99d of the Danish Financial Statements Act, which applies to all companies in the Group and establishes the framework for responsible data processing in Flügger. The guideline supplements other ethical, security-related and data-protection initiatives in the Group. In our data processing, we focus on maintaining a high level of information security and ensuring compliance with data-protection rules and users' rights. Data must be processed in accordance with the data-ethics principles defined by Flügger, such as accountability, transparency and security, according to which all data processing must serve clearly defined purposes. Efforts are also made to design transparency into data-processing solutions so that data subjects, as far as possible, have direct insight into the data concerning them and the processing carried out. This applies to all data processing, including personal data. Flügger has also taken the necessary measures to ensure that data is not made accessible to unauthorised persons by maintaining a sound IT-security level at all times.



Board of Directors



Karen Frøsig, Chair, Independent

Born in 1958; joined the board of directors in 2025.

Qualifications: Experience from the financial sector and several board positions, including in Danish and international retail sectors. In addition, experience with financial reporting, risk management, and capital markets from her previous position as CEO of Sydbank A/S.

Sustainability-related expertise: Through her experience in the financial sector and several board positions in Danish and international retail, Karen has gained insight into corporate management, risk management, financial reporting, and capital markets, including matters related to corporate sustainability reporting and governance.

Education: Master of Laws from Aarhus University

Holding of Flügger shares: 469 shares

Other management positions: Vice Chair of the Board of Directors of ECCO Holding A/S and its subsidiary ECCO Sko A/S, and a member of the Board of Directors of MFT Energy A/S and the Brask Thomsen Stiftung Fund.



Alexander Vilhelm Martensen-Larsen, Vice Chair, independent

Born in 1975; joined the board of directors in 2025.

Qualifications: Experience from Morgan Stanley Investment Banking with a financial and strategic background and from leading roles including in ITC Group as both CFO and CEO, Gubra A/S (publ) as Deputy Chair and Swedish RVRC Holding AB (publ) (Revolution Race) as Chair. Also experience from roles in Audit Committees and Nomination and Remuneration Committees as both Chair and member.

Sustainability-related expertise: Through leading roles as CFO and CEO in international companies and Board work in listed companies, Alexander has gained experience in corporate governance, governance and Audit Committee work, including the handling of sustainability-related matters in strategic and financial decision-making processes.

Education: MBA from IMD in Switzerland, B.Sc. in International Business from Copenhagen Business School.

Holding of Flügger shares: 300 shares

Other management positions: Chair of RVRC Holding AB (publ), Give Elementfabrik Holding A/S and two subsidiaries, Raaco Holding ApS and its subsidiary Raaco A/S, Sustera Group OY, The Jewellery Room ApS, Laplandar ApS and Gubra Green ApS. Deputy Chair of Gubra A/S (publ). Board member of PayPerWash International ApS and its subsidiary PayPerWash A/S. Director of I AML ApS.



Nicolai Benjamin Loft-Schnack, non-independent

Born in 1992; joined the board of directors in 2025.

Qualifications: Experience with business-critical systems and digital transformation on an international scale.

Sustainability-related expertise: Through his experience with business-critical systems, digitalisation, cybersecurity, and technology management in international companies, Nicolai has gained insight into digital transformation and the use of data to support companies' operational and sustainability-related processes.

Education: Cand.merc. (mat) from CBS, B.Sc. Ha (mat) from Copenhagen Business School.

Holding of Flügger shares: 103 shares, plus 311 shares held through the company BB 2014 ApS.

Other management positions: Chief Technology Officer at Joe & the Juice A/S. Director of Spiren Holding ApS and its subsidiary Spire ApS, and of BB 2014 ApS.

Board of Directors



Bettina Antitsch Mortensen, non-independent

Born in 1978; joined the board of directors in 2022.

Qualifications: Through her ownership and management positions in the M+ Group, including Hybel and M+ Ejendomme, she has extensive market insight into the construction and property industry. She also has broad legal experience from a background as a commercial lawyer and a subsequent long career as a defence lawyer with the right to appear before the Supreme Court.

Sustainability-related expertise: Through Bettina Antitsch Mortensen's many years in the construction and property industry, she has gained experience with the documentation requirements particularly associated with construction.

Education: Master of Laws, attorney admitted to practice before the Supreme Court, CBS Executive Board Training Program.

Holding of Flügger shares: M+ II A/S holds 851,487 shares (major shareholder)

Other management positions: Chair of the Board of Directors of M+ Invest A/S and five subsidiaries, M+ Ejendomme A/S and six subsidiaries, M+ II A/S, M+ III A/S and two subsidiaries, Hybel Danmark A/S and four subsidiaries, Stenhøj Husene Holding A/S and four subsidiaries, MPP Holding I A/S and four subsidiaries, and Won Holding ApS and one subsidiary. Board member of five subsidiaries of M+ Invest A/S, nine associates of M+ Invest A/S, and Ejendomsselskabet Houmannsgade ApS. Managing Director of F.M. 16 Holding ApS, FM 09 Holding ApS, Hybel M.K.P. Holding ApS, Hybel M.S. Holding ApS, RM 07 Holding ApS, and FRB 20 Holding ApS.



Dorthe Susanne Laursen, employee representative

Born in 1963; joined the board of directors in 2023.

Payroll and ER Lead in People, Communication & Culture.

Qualifications: Extensive experience at Flügger, having worked in Payroll and HR since 1986. Dorthe Susanne Laursen has insight into and an understanding of how new initiatives and work processes affect the organization.

Holding of Flügger shares: 30 shares



Mikkel Kjærsgaard, Estate Administration, Employee Representative

Born in 1983; joined the board of directors in 2023.

Director – Commercial, Denmark

Qualifications: Extensive knowledge of the business as a whole gained through many years of experience in various positions, including Regional Manager at Flügger, Sales Manager Professional at PP Professional Paint, and most recently Country Manager for Flügger Denmark and PP Professional Paint.

Holding of Flügger shares: 300 shares

Executive Board



Sune Dedenroth Schnack, Chief Executive Officer

Born in 1990. Employed at Flügger since 2018.

Qualifications: In-depth knowledge of Flügger through management positions in both the Group and subsidiaries. A solid financial and strategic toolkit from his education and previous role as a senior consultant at Ramboll Management Consulting.

Education: M.Sc. in Economics and Business Administration (Accounting and Finance).

Holding of Flügger shares: 1,322,010 shares (of which 590,625 are A shares and 720,610 are B shares, held jointly with Ulf Schnack through the company SUS 2013 ApS (Flügger Holding)).

Options (stock options & RSUs): 38,211

Other management positions: Director of SUS 2013 ApS and SS 2018 ApS.



Lucas Eichild, Chief Financial Officer

Born in 1990. Employed at Flügger since 2021.

Qualifications: Experience at Carnegie Investment Bank and a previous management role at Flügger with responsibility for business development.

Education: M.Sc. in Economics and Business Administration (Accounting and Finance).

Holding of Flügger shares: 1,260 shares

Options (stock options & RSUs): 14,728



Ulf Schnack, Chief DNA Officer

Born in 1936. Employed at Flügger since 1958.

Qualifications: More than 65 years of experience at Flügger.

Education: Bachelor of Science in Chemical Engineering from Krefeld, HD-A from CBS.

Holding of Flügger shares: 1,353,681 shares (of which 590,625 are A shares and 720,610 are B shares, held jointly with Sune Schnack through the company SUS 2013 ApS (Flügger Holding)).

Other management positions: Managing Director of ApS SPKR NR. 2722, BB 2014 ApS, and SUS 2013 ApS.

Sustainability

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About this report

Reporting basis and changes from last year

In the financial year 2024/25, Flügger published a CSRD-compliant annual report. From the financial year 2025/26 onwards, Flügger is no longer subject to the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD) due to amendments to the revised directive. The sustainability section of this annual report therefore constitutes a statement on corporate social responsibility pursuant to section 99b of the Danish Financial Statements Act and has not been prepared as a fully CSRD- or ESRS-compliant sustainability report.

In recent years, Flügger has worked systematically to establish processes, analyses and a data foundation based on the CSRD and the European Sustainability Reporting Standards (ESRS), including conducting a double materiality assessment. The reporting therefore continues to draw inspiration from selected principles and structural elements of the ESRS where deemed relevant to ensure a consistent and transparent presentation of the group's most material sustainability matters.

The reporting includes both qualitative and quantitative information and covers Flügger's own operations as well as relevant upstream and downstream activities in the value chain. For selected key figures, the calculation methods, where relevant and possible, continue to be based on the principles of the ESRS.

Time horizons

Defined time horizons are applied in the reporting to ensure a consistent assessment of developments and impacts over time. The short term covers up to 12 months, the medium term extends from the end of the short-term period to five years, while the long term covers a period of more than five years.

Assumptions and estimates

When collecting and processing sustainability data, extrapolation is used in individual cases where complete data is not available. Extrapolation is based on the available data and, where relevant, on revenue.

For the environmental indicators, extrapolation continues to be applied for the subsidiary Eskaro Ukraine and its underlying activities to ensure a consolidated data foundation for the Flügger group. Due to the ongoing war in Ukraine and the current operating conditions, Flügger has chosen to limit the extent of resource-intensive data collection in the Ukrainian business. Eskaro represents a limited share of the group's total revenue and workforce.

Data foundation and quality assurance

In recent years, Flügger has established system-supported processes and internal controls to support sustainability reporting, with a focus on data quality, consistency and traceability across the group. This includes centralised collection of ESG data, documentation of data sources and established processes for validation and follow-up on material key figures.

The reporting is prepared through collaboration between Sustainability, Group Accounting and other relevant data owners. Internal quality-assurance processes are applied on an ongoing basis, including approval procedures based on the four-eyes principle and assessments of material data risks, to support a consistent and reliable data foundation. For selected areas, data-based controls and cross-validation between, for example, energy, climate and financial data are used as part of the quality assurance of the reporting.

Correction of historical ESG data

Flügger applies established principles for assessing the need to recalculate or correct historical ESG data in order to ensure consistency, transparency and comparability over time. The need for recalculation is assessed, among other things, in the event of material organisational changes, including acquisitions or divestments of companies, changes in methods or identified errors and deficiencies in the data foundation.

Historical data is recalculated if changes are considered to have a material effect on reported key figures or the baseline, and always for changes exceeding 10%. Minor operational changes or ordinary business developments do not generally result in recalculation.

In the financial year 2025/26, Flügger adjusted the baseline for greenhouse gas emissions. The adjustment was due to improvements in the data foundation, including increased use of primary data and supplier-specific emission factors, as well as further development of calculation methods. Based on the improved data quality, Flügger assessed that recalculating the baseline was necessary to ensure a more accurate and comparable basis for monitoring the group's climate targets.

Assessments and any corrections are addressed as part of Flügger's governance process for ESG reporting.

Governance

Sustainability governance

Sustainability is anchored in the Board of Directors, Executive Management and the wider Flügger organisation. The work is driven through close collaboration across functions and business areas, with a focus on integrating sustainability into day-to-day operations, strategic decisions and the development of the group's products, solutions and processes. The governance structure also supports reporting, compliance, risk assessment and strategic sustainability initiatives.

The Board of Directors has overall responsibility for overseeing Flügger's strategic sustainability work, including the development of targets, priorities and material risks and opportunities. The Audit Committee also monitors sustainability reporting, internal controls and relevant regulatory requirements.

At Flügger, sustainability is not concentrated in a single central department. The work is coordinated by the group's Sustainability Manager in collaboration with relevant functions and management forums across the organisation. This approach reflects Flügger's ambition for sustainability to be integrated into day-to-day business and anchored close to the areas where decisions are made and development takes place.

To support this work, a number of cross-functional forums and working groups have been established with different areas of responsibility within strategy, reporting, compliance, quality, environment and product development.

Strategy and operational anchoring

Flügger's sustainability strategy is anchored in a Sustainability Strategy Steering Committee chaired by the group's CEO. The Steering Committee prioritises and follows up on strategic initiatives relating to, among other things, products, packaging, the value chain and CO₂e. The work is supported by working groups organised around the individual strategic tracks, with participation from relevant functions such as Product Management, Procurement, QHSE, Operations, R&D and Sustainability.



Flügger also operates a Customer Sustainability Forum, in which representatives from commercial functions, Product Management and Sustainability contribute insights into customer needs and expectations. Among other things, the forum supports the development of sustainability-related products, documentation and solutions and provides input to strategic priorities and product development.

ESG reporting and compliance

Sustainability reporting is anchored in an ESG Reporting Steering Committee comprising Flügger's CFO, SVP Supply Chain & Innovation, Director of Corporate Accounting & External Reporting, Group Financial Controller and Sustainability Manager. The Steering Committee works on developing processes, the data foundation, internal controls and reporting practices relating to sustainability. The work is supported by cross-functional working groups that contribute specialist knowledge and operational anchoring in areas including EUDR, PPWR, EPR and other regulatory matters.

Flügger's QHSE Board serves as a central operational management forum for quality, environment, health and safety across the group. The Board consists of representatives from management and key functions, including the CEO and CFO as well as leaders from, among others, Operations, Procurement, Product Management, QHSE and Sustainability.

The Board meets quarterly and follows up on environmental and quality-related KPIs, compliance, improvement initiatives and cross-functional priorities relating to the group's operations and sustainability activities. Its purpose is to support continuous improvement in occupational health and safety, quality, environmental performance and operational processes across Flügger's activities.

Flügger also operates a Compliance Obligations Forum, in which representatives from Supply Chain & Innovation, Legal, QHSE, Regulatory Affairs, Sustainability and Corporate Accounting, among others, continuously assess and coordinate the implementation of new regulatory requirements relating to reporting, the environment, due diligence, human rights and product responsibility.

Strategy

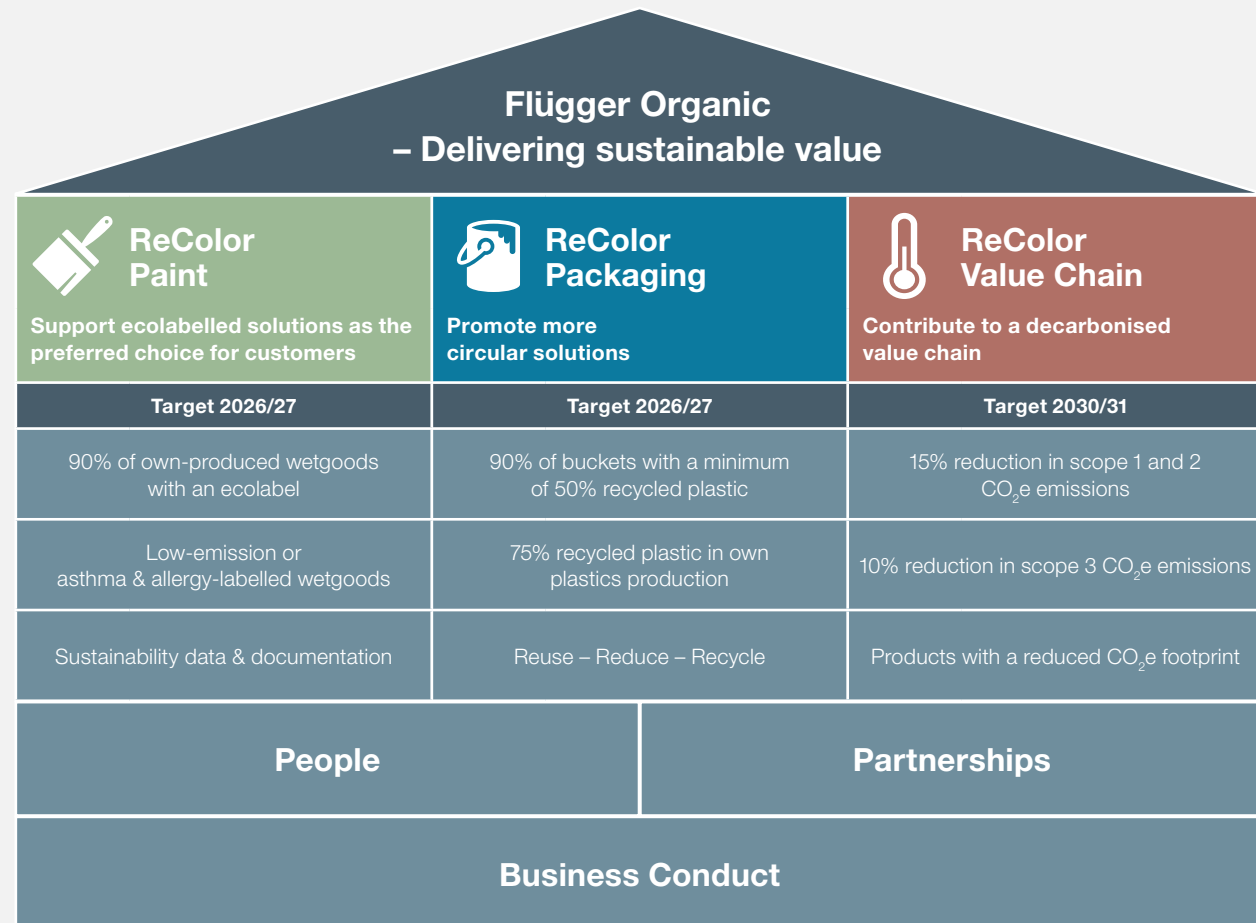
Flügger Organic – Delivering sustainable value

Flügger's sustainability strategy is based on the overall business strategy Flügger Organic – Delivering sustainable value. The strategy is anchored in the ambition to be the preferred choice for both professional painters and quality-conscious consumers, including by offering environmentally friendly and inspiring solutions.

The financial year 2026/27 will be the final year of the current Flügger Organic strategy period. In the coming financial year, Flügger will therefore begin developing the next strategy period, including the future direction and prioritisation of sustainability initiatives as an integral part of the business.

Flügger's prioritised focus areas – including ecolabelled products, customer solutions, increased use of recycled materials and CO₂e reductions – are based, among other things, on Flügger's double materiality assessment and dialogue with customers and stakeholders. The assessment supports a focus on the areas where Flügger has the greatest impact and where expectations from customers, business partners and other stakeholders are highest. The strategy thereby links environmental and social considerations with Flügger's business objectives and development.

During the financial year, Flügger also further developed its strategic approach to targets and priorities. Whereas the focus was previously more strongly on long-term absolute targets towards 2030 and 2050, increasing emphasis is now placed on concrete initiatives and the impact Flügger can contribute through products, packaging, the value chain and customer solutions. The long-term targets have therefore increasingly been translated into strategic directions that support concrete actions and continuous improvements across the business. The ambition remains to support the transition towards more responsible and resource-efficient solutions, but with greater focus on demonstrable initiatives and the value created in practice.



The strategic objective of 'Reuse – Reduce – Recycle' is supported, among other things, through the development of more circular solutions, increased use of recycled materials and exploration of opportunities related to design for recycling and future take-back and return solutions.

Flügger continues to have specific targets for 2026/27 and 2030/31 relating to ecolabelled wetgoods, purchased buckets containing recycled plastic, recycled plastic in own production and reductions in the group's scope 1, 2 and 3 CO₂e emissions towards 2030/31 as part of the strategy's long-term climate efforts.

Dialogue with customers and stakeholders

Flügger's strategy is developed and anchored on the basis of the company's long-term ambitions, business priorities and market conditions. The strategy is determined by Executive Management, approved by the Board of Directors and developed on the basis of, among other things, market insights, customer dialogue, industry developments and collaboration across the organisation.

Flügger's business areas and functions maintain an ongoing dialogue with customers, suppliers, employees, industry organisations and other business partners. Through these relationships, Flügger gains insight into market needs and expectations, which informs the development of products, services and documentation as well as strategic and organisational priorities.

Stakeholder dialogue takes place through both day-to-day contact and more formalised partnerships and forums. This includes collaboration with professional customers, suppliers, certification schemes and industry organisations, as well as Flügger's Customer Sustainability Forum, where trends, documentation requirements and sustainability-related needs are discussed on an ongoing basis.

The table provides examples of key stakeholders and how dialogue and collaboration with selected stakeholders may take place in practice across Flügger's business and value chain.

The examples illustrate some of the most important interfaces and forms of collaboration that contribute to insights, development and the ongoing prioritisation of the group's activities and solutions.

The ongoing dialogue enables Flügger to adapt the business to market developments while maintaining a focus on quality, functionality, documentation and responsible solutions for customers and users.

Stakeholders	Examples of dialogue and collaboration
Customers and users	Customer meetings, sales, technical advice, Customer Sustainability Forum, digital solutions, customer service and testing of new products
Suppliers and business partners	Supplier dialogue, product development, documentation and quality assurance
Employees	Ongoing dialogue, training, occupational health and safety and organisational development
Industry organisations and certification schemes	Collaboration on standards, ecolabelling and industry developments
Investors, banks, research institutes and other stakeholders	Annual reporting, ESG dialogue and ongoing communication

Resilience and climate scenarios

Flügger recognises that climate change and the green transition have a material influence on the group's business model – both today and in the future. As a manufacturer of wetgoods, particularly water-based and ecolabelled paint, Flügger is affected by both transition risks and opportunities as climate and sustainability requirements increase. At the same time, physical climate risks may have a direct impact on the group's supply chain and production.

The group's resilience analysis covers Flügger group A/S and its subsidiaries. The results of the analysis are integrated into Flügger's overall risk management and form part of the group's overall risk assessment as well as Flügger's double materiality assessment.

Flügger has conducted an analysis of climate-related risks and opportunities to assess the group's resilience under different climate scenarios. The purpose of the analysis is to identify potential vulnerabilities in both own operations and the supply chain that can inform strategic decisions. The analysis is divided into two categories:

- **Physical climate risks**, focusing on the impact on own production facilities, warehouses, stores, offices and the supply chain
- **Transition risks and opportunities** associated with the transition to a low-carbon economy.

Physical climate risks in own operations

In 2024/25, Flügger conducted an analysis of physical climate risks focusing on own operations. The analysis identifies exposure to both acute and chronic climate events such as flooding, storms and heatwaves. The analysis covers the most valuable assets, assessed on the basis of their insured value, which also represent the most business-critical parts of Flügger's operations, including all of the group's factories, warehouses and offices as well as selected stores. The threshold for including an asset in the analysis was determined by the group's ESG Reporting Steering Committee and presented to the Board of Directors' Audit Committee.

The physical climate risks are divided into two main categories to clarify the nature of the potential impacts:

Acute risks: Event-driven incidents, such as an increased frequency and intensity of extreme weather events, including storm surges, cloudbursts and severe storms.

Chronic risks: Long-term changes in the climate, such as persistent temperature increases, prolonged periods of drought or rising sea levels.

The analysis is based on four climate scenarios derived from the official Representative Concentration Pathway (RCP) scenarios of the United Nations Intergovernmental Panel on Climate Change (IPCC). These scenarios – RCP2.6, RCP4.5, RCP7.0 and RCP8.5 – are used to understand the consequences of different greenhouse gas emission pathways and their expected temperature impacts at ten-year intervals up to 2100. The four scenarios were selected to provide a range from a low-emission scenario with a temperature increase of 1.6°C to a high-risk scenario with global warming of up to 4.4°C by 2100. The analysis is based on geospatial data.

Results

The analysis shows that none of the assessed assets is at high risk of being affected under the physical climate scenarios. Consequently, no physical climate risks were included in the results of Flügger's double materiality assessment.

Physical climate risks in the supply chain

In 2024/25, Flügger also conducted an analysis of physical climate risks focusing on the upstream part of the supply chain. The analysis identifies exposure to both acute and chronic climate events and covers the most important suppliers, selected on the basis of Flügger's procurement spend in the preceding financial year.

The physical climate risks were assessed under two scenarios – a high-risk scenario (SSP5-8.5) and a medium-risk scenario (SSP2-4.5) – and analysed at ten-year intervals from the 2020s to the 2090s. For each supplier, the risk was assessed either on the basis of geolocation, using an address or coordinates, or country-specific data.

Results

The analysis showed that only a limited number of suppliers are potentially exposed to specific physical climate risks. The low level of physical climate risk in Flügger's supply chain reflects the group's work on ESG due diligence. The group applies a risk-based approach under which suppliers' ESG profiles are assessed based on both geographical factors and industry characteristics. This approach has contributed to Flügger having a supplier base with a low overall ESG risk, which is also reflected in the results of the analysis. ESG risk mappings form an integral part of both supplier qualification and ongoing supplier management. ESG due diligence is therefore a key tool in ensuring responsibility and resilience in the supply chain.

The group's procurement principles reflect many years of work on this type of risk. Mitigating actions designed to ensure a robust and future-proof supply chain have already been incorporated into the principles.

Transition risks

In 2025/26, Flügger verified the assessment of transition risks and opportunities associated with the transition to a low-carbon economy that the group conducted in 2024/25. These risks and opportunities arise from the market, technological and legislative changes brought about by the green transition. The purpose of the analysis is to identify matters that may affect Flügger's business model and competitiveness.

The analysis is based on an approach that combines internal assessments with external scenarios and expert input and provides a basis for Flügger's strategic priorities in a changing regulatory and market context. Three scenarios from the International Energy Agency (IEA) were used in the assessment: the Stated Policies Scenario (STEPS), which serves as the benchmark for the analysis; the Announced Pledges Scenario (APS); and the Net Zero Emissions by 2050 Scenario (NZE), under which most of the identified risks are assessed as arising. These scenarios provide a basis for decisions by illustrating how future political and market developments may affect Flügger's value chain and operations.

Results

The transition to a low-carbon economy creates new framework conditions for companies in the construction sector, including manufacturers of building materials such as paint. For Flügger, this means navigating a landscape of increasing requirements concerning climate and environmental impacts from authorities, customers and business partners. If our value chain is unable to adapt to these requirements, or if we cannot provide the necessary documentation of our products' sustainability performance, this may constitute a business risk. Similarly, a lack of action or transparency may adversely affect Flügger's reputation

in a market with increasingly stringent expectations of climate responsibility.

These risks are particularly relevant to core activities such as the development and marketing of new products, where forthcoming chemicals legislation, product standards or documentation requirements for ecolabelled products may affect our product portfolio and time to market. In addition, increased CO₂e taxes and requirements relating to energy and resource consumption may lead to higher operating costs, both in own production and among our suppliers.

This is also reflected in the way Flügger has deliberately strengthened the efforts of the group's R&D and Regulatory Affairs functions over the past two strategy periods, with a focus on promoting ecolabelled products and ensuring that Flügger remains ahead of both current and forthcoming legislative and regulatory requirements.

At the same time, the transition presents material strategic opportunities for Flügger. The group sees a growing market for sustainable and low-carbon products, including ecolabelled paints, data and documentation. These opportunities are expected to be particularly significant in scenarios where the transition to a low-carbon economy occurs rapidly and demand for sustainable products and documentation increases substantially.

The transition will also drive changes in material use, technologies and customer requirements, which may create new market opportunities for Flügger – particularly if we are able to maintain and strengthen our position as a supplier of innovative and sustainable products for professional and private-sector construction.

A summary of the specific transition risks and possible mitigating actions is provided in the table on the next page. These risks and opportunities have for several years formed an integral part of Flügger's strategic considerations and mitigating actions and will continue to do so in order to ensure resilience to future climate and transition risks.

Climate-related transition risks	Climate scenarios			Strategic mitigating actions (resilience)
	IEA NZE (1.5°C)	IEA APS (1.7°C)	IEA STEPS (2.4°C)	
Technology				
High transition costs Increased investment costs (CAPEX) from the rapid implementation of low-emission technologies, as well as the risk of an outdated production setup if the transition occurs faster than expected	High	Medium	Low	- Gradual optimisation of production through energy-efficiency initiatives and behavioural changes related to energy consumption. - Focus on continuous efficiency and energy optimisation before decisions are made on major investments in new technology
Regulatory				
Increased regulatory costs Higher raw-material prices due to CO ₂ e taxes and emissions trading schemes, as well as increased transport costs resulting from taxation	High	Medium	Low	- Collaboration with suppliers on solutions with a lower CO₂e footprint, such as bio-based or chemically recycled raw materials, as well as optimisations in suppliers' value chains and production. - Optimisation of logistics and the use of lower-emission modes of transport. - Continuation of in-sourcing or near-sourcing strategies for raw materials and goods for resale, and insourcing the production of selected products to reduce logistics emissions, particularly for goods for resale
Market				
Customers' and society's perception of the brand Increased costs and reduced availability of sustainable raw materials, as well as uncertain consumer behaviour that may lead to unsuccessful product launches	High	Medium	Low	- Development of more sustainable products. - Realisation of the market potential for products with improved environmental and health profiles (see the financial opportunity under Customers and users). - Proactive monitoring of consumer preferences regarding sustainable solutions. - Ensuring easy access to product documentation and data for customers (see the financial opportunity under Customers and users)
Reputation				
Customers' and society's perception of the brand Risk of criticism due to insufficient progress in sustainability efforts and allegations of greenwashing if promises are inconsistent with actual practice	High	Medium	Low	- Building cross-functional knowledge within the organisation about forthcoming regulatory requirements and legislation through various forums. - Transparency and accountability through third-party-verified data (such as EPDs) and environmentally and emissions-certified products

Internal career paths

René moved from running operations to setting the strategic direction

When René Wernblad joined Flügger in 2021 as Senior Procurement Partner & Manager, he helped transform the company's indirect procurement from a tactical function into a more strategic setup.

"That became the foundation for the global team we have today."

René has now already completed his first year as Director of Procurement – a transition that has required an entirely different strategic focus.

"Previously, my work was primarily operational. Today, my focus is more on strategies, processes and the overall direction of procurement."

His development has not only been about a new title, but about gradually taking on greater responsibility and gaining the opportunity to influence the business more broadly. This is particularly important at a time when global supply chains are under pressure.

"We work extensively to ensure a robust supply chain and avoid dependence on individual suppliers. That requires constantly thinking long term."

Looking back on his time at Flügger, René highlights certain principles that have been particularly important to his development.

"When you take responsibility, work holistically and across the organisation – while also having the courage to tackle the difficult tasks – it is recognised."

Double materiality assessment

The process for Flügger's double materiality assessment

Flügger's double materiality assessment builds on several years of experience and was updated in 2024/25 in accordance with the requirements of the CSRD and ESRS. The assessment identifies material environmental, social and governance-related impacts, risks and opportunities (IROs). It is revisited annually to assess whether material changes have occurred in the group's circumstances, while a full update is conducted every three years.

Scope

The business model, value chain, activities, products and geographical markets were mapped to establish the basis for the assessment. The purpose was to identify the areas of the value chain in which Flügger has the greatest actual or potential impacts on people and the environment, as well as the most material financial risks and opportunities.

Identification of impacts, risks and opportunities

Potential IROs were identified based on ESRS 1, previous assessments, internal data and input from relevant functions across the group. Each IRO was located within the value chain and assessed on the basis of environmental, social and economic factors.

The assessment was supported by industry-based ESG risk analyses, including SASB sector analyses, as well as analyses of suppliers' geographical locations and associated environmental, social and governance-related risks.

Flügger's procurement was mapped across product groups, areas of use and geographical origin to identify the areas of the value chain where the most material impacts, risks and opportunities occur.

Climate-related impacts were assessed on the basis of the group's scope 1, 2 and 3 CO₂e inventories and energy consumption in own operations.

For water and marine resources, a screening of own production sites and the supply chain was conducted, focusing on water-use permits and water-scarcity risk. The analysis showed that the topic is not material to Flügger.

Climate-related risks and opportunities are described in more detail in the section Resilience and climate scenarios.

Assessment of impacts, risks and opportunities

All IROs were assessed in accordance with the ESRS guidelines. Impacts on people and the environment were assessed based on severity, scale, irremediable character and – for potential impacts – likelihood. Financial risks and opportunities were assessed based on financial magnitude and likelihood.

A materiality threshold of 3 out of 5 was established. The assessments were performed from a gross perspective, without taking mitigating actions into account, and based on Flügger's specific context.

Internal calibration

The assessments were validated through workshops with representatives from People, Communication & Culture, R&D, Procurement, Operations and QHSE. The purpose was to ensure that the assessments reflected the group's actual risks, opportunities and impacts.

Determination of materiality and reporting scope

Based on the assessments, the material topics, subtopics and associated IROs were identified. These continue to form the basis of Flügger's sustainability reporting, although the group is no longer subject to the CSRD. Flügger continues to consider the double materiality assessment a relevant tool for prioritising the group's most material sustainability matters.

Approval by the Board of Directors' Audit Committee and senior management

The results were reviewed by Flügger's ESG Reporting Steering Committee and Sustainability Strategy Steering Committee and subsequently by the Board of Directors' Audit Committee. The assessment is used in developing the group's sustainability strategy and is fully updated every three years.

Stakeholder engagement

Flügger incorporated perspectives from customers, suppliers and employees. Customer insights were obtained, among other channels, through the Customer Sustainability Forum, while supplier perspectives were incorporated through ongoing dialogue on raw materials, packaging and supplier management. Employee perspectives were included through workshops with relevant internal functions. Stakeholder input helped qualify the assessment of material impacts, risks and opportunities. No separate external consultation process was conducted.

Double materiality assessment matrix

In conducting the double materiality assessment, Flügger used the ESRS as a framework and topic structure. The assessment is therefore structured around an evaluation of ESRS areas (E, S or G) and their related topics in order to identify the sustainability matters considered most material to the group.

The results of the assessment are presented in the matrix below, which shows the ESRS topics and subtopics that Flügger has assessed as material. The assessment identified three material ESRS areas comprising nine topics. The matrix also presents the topics that, based on the assessment performed, did not exceed the group's materiality criteria.



Strategic significance of the assessment

The results of Flügger's double materiality assessment are integrated into the group's overall business strategy, Flügger Organic, and directly reflected in the sustainability strategy under Flügger Organic. As described in the section on the sustainability strategy, topics such as climate change, energy, resource use and consideration for end-user health are incorporated into the targets. The strategy rests on a solid foundation of employee diversity, safety, strategic partnerships and responsible business conduct.

The group's assessment of material topics is revisited annually to ensure that it continues to reflect current circumstances and remains relevant. In the financial year 2025/26, Flügger revisited the assessment with a focus on developments in the group's business, value chain, regulatory environment and market expectations. As a central element of this year's review, Flügger conducted a benchmark analysis of double materiality assessments and reporting practices among a number of relevant Nordic and international companies in the paint, building-materials and related industries. The benchmark supported the conclusion that Flügger's current material topics remain relevant and adequately cover the group's activities and value chain.

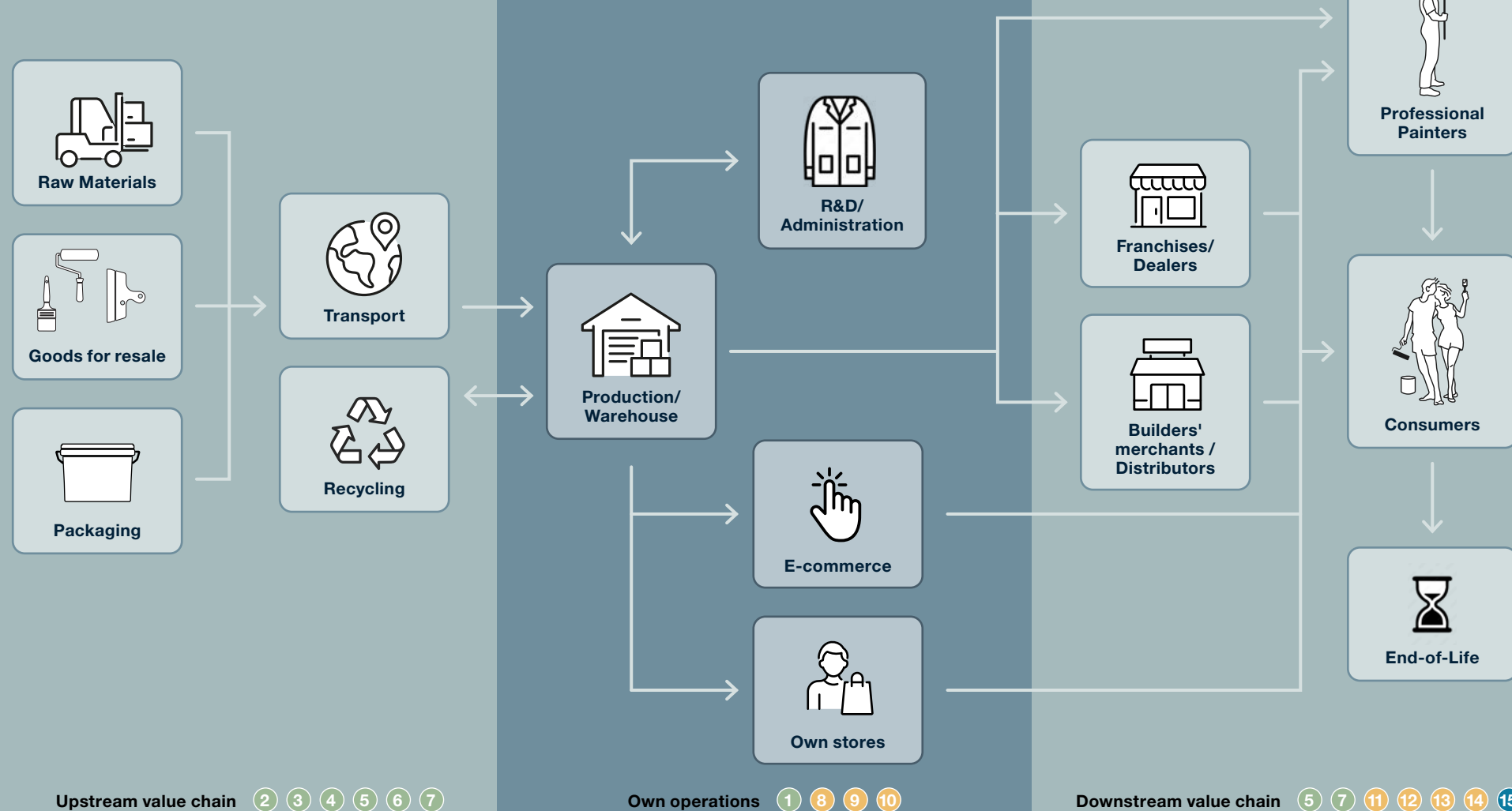
Every three years, a more comprehensive and systematic analysis is conducted to ensure an in-depth update of the assessment. This practice enables Flügger to continuously adapt its strategic focus areas in line with changes in external requirements, business activities and impacts on people and the environment.

Further insight into Flügger's approach to the most material IROs is provided in the following sections under Environmental information, Social information and Governance information, respectively.

The following pages present an overview of the impacts, risks and opportunities that the group has assessed as material. The overview presents the respective impacts, risks and opportunities (IROs).

Value chain mapping of material impacts, risks and opportunities

The figure provides a visual presentation of where the impacts, risks and opportunities identified by Flügger as material in the group's double materiality assessment occur in Flügger's upstream or downstream value chain or in own operations.



E Environmental Information

Subtopic	Impacts, risks and opportunities	Actual/ Potential	Value chain	Time horizon for impact
Climate change				
⊖	1 Greenhouse gas emissions from own operations Flügger's production and operations emit greenhouse gases that adversely affect the environment. Greenhouse gas emissions contribute to global climate change and the related environmental and societal impacts.	Actual	Own operations	Short
⊖	2 CO₂e emissions from raw materials, services and logistics The production of the raw materials used by the group to manufacture wetgoods is extensive and generally CO ₂ e-intensive. Many of the raw materials purchased by Flügger originate from the extraction and processing of minerals and from the chemical industry, both of which emit large quantities of CO ₂ e. In addition, the logistics used by Flügger contribute significant CO ₂ e emissions because the group's products have a high density and are therefore heavy.	Actual	Upstream	Short
⊖	3 Energy-intensive production of raw materials for wetgoods The raw materials purchased by Flügger require processing before they are received for production. This processing may involve chemical processes as well as heat-based processing. These processes have in common that they require substantial amounts of energy.	Actual	Upstream	Short
Pollution				
⊖	4 Air pollution in Flügger's upstream value chain The extraction of raw materials and resource conversion in the chemical industry involve a risk of air pollution. Industries such as mining and the chemical industry, from which a significant share of the group's raw materials originate, are energy-intensive and dependent on fossil fuels as production inputs and may therefore be associated with air pollution.	Potential	Upstream	Short
⊖	5 Air pollution from transport The transport sector, including trucks and other heavy vehicles using fossil fuels such as petrol or diesel, emits harmful substances. These contribute to air pollution and may have adverse environmental and health consequences.	Potential	Upstream/ Downstream	Short
Resource use and circular economy				
⊕	6 Reduced resource use for packaging Packaging, particularly for wetgoods, places high demands on the functionality of the plastic used. Historically, it has therefore been natural to use newly produced (virgin) plastic, which is resource-intensive to manufacture. Using recycled plastic considerably reduces resource consumption, resulting in a positive environmental impact.	Actual	Upstream	Short
⬇	7 Increased requirements for recycled materials in packaging Ecolabelling schemes set requirements for the share of recycled materials in packaging. There is a risk that Flügger may lose eco-labels for the group's products if regulatory requirements are not complied with.	-	Upstream/ Downstream	-

⊖ Negative impact ⊕ Positive impact ⬆ Financial opportunity ⬇ Financial risk

S Social Information

Subtopic	Impacts, risks and opportunities	Actual/ Potential	Value chain	Time horizon for impact
Health and safety				
⊖	8 Occupational accidents in production and stores The majority of Flügger's employees are employed in the group's stores, production facilities and warehouses. These workplaces involve a risk of occupational accidents in connection with handling heavy equipment, heavy lifting, operating forklift trucks, machinery and similar activities. An occupational accident may have serious consequences for both the individual and Flügger.	Actual	Own operations	Short
⊖	9 Insufficient reporting of occupational accidents The registration of occupational accidents and near misses is important in order to implement processes and measures that prevent occupational accidents as effectively as possible. Failure to report occupational accidents and near misses may result in systems and processes not reflecting the actual risk profile and the necessary corrective actions not being implemented.	Potential	Own operations	Short
Diversity				
⊖	10 Diversity in the workplace A lack of diversity may adversely affect the company's productivity and innovation, as homogeneous perspectives may limit problem-solving and idea generation. This may lead to less effective use of employees' skills. Companies with large workforces also have a responsibility not to reinforce inequalities and should actively work to promote diversity as part of their role in society.	Actual	Own operations	Short
Responsibility towards customers and users				
⊖	11 Impact of wetgoods on painters' health After application, paint, filler and other wetgoods may release vapours that could potentially trigger allergic reactions in painters.	Potential	Downstream	Short
⬆	12 Products with improved environmental and health profiles Products with improved environmental and health profiles represent an opportunity for Flügger by appealing to environmentally conscious painters and consumers, differentiating the company from competitors and driving innovation and long-term revenue through improved product quality.	-	Downstream	-
⬇	13 Increasing requirements for construction-project documentation and product data In the construction industry, documentation requirements are increasing in connection with sustainable-building certifications such as DGNB, BREEAM, LEED and EU Taxonomy documentation, which represent a selection of sustainable-building certification frameworks. These certifications have become benchmarks for sustainability in the construction industry and require extensive documentation.	-	Downstream	-
⬆	14 Sustainability data and documentation for customers The importance of sustainability data and documentation as competitive differentiators in the construction industry is growing, creating opportunities for differentiation not only through the provision of sustainable products, but also through the availability of data.	-	Downstream	-

⊖ Negative impact ⊕ Positive impact ⬆ Financial opportunity ⬇ Financial risk

G Management Information

Subtopic	Impacts, risks and opportunities	Actual/ Potential	Value chain	Time horizon for impact
Business Conduct				
	15 Unethical business conduct  Flügger is an international company with activities in many countries. There is therefore a risk of breaches of responsible business conduct. Such breaches may damage the company's reputation, lead to legal consequences and adversely affect employee productivity and engagement.	Actual	Downstream	Short

 Negative impact
  Positive impact
  Financial opportunity
  Financial risk

Environmental Information

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Climate Change

Identified IROs

- | | | |
|---|--|---|
| 1 | Greenhouse gas emissions from own operations | — |
| 2 | CO ₂ e emissions from raw materials, services and logistics | — |
| 3 | CO ₂ e emissions from raw materials, services and logistics | — |

Policies

Flügger has adopted a group-wide Climate and Environmental Policy to strengthen and formalise its strategic work on climate-related impacts, risks and opportunities. The policy provides an overall framework for how Flügger integrates environmental and climate considerations into decision-making and operations and supports the group's reduction targets. The policy applies to all companies, locations and employees across the group.

The Climate and Environmental Policy addresses both the carbon footprint of Flügger's activities and value chain and the positive impact the group can achieve through the development of products with a lower environmental impact, greater durability and improved health outcomes for painters and end users.

The policy covers key focus areas such as climate adaptation, emissions efficiency, product development, circular resource use and environmental management.

The core principles of the policy include:

- Setting greenhouse gas emission reduction targets
- Integrating climate and environmental considerations throughout the value chain
- Improving energy efficiency and resource consumption
- Stakeholder engagement and supplier collaboration
- Open and regular reporting of results and progress

The policy also commits Flügger to continuously identifying and managing climate-related risks and opportunities based on the group's double materiality assessment, including the climate scenario analysis performed.

The policy must also support the anchoring of climate and environmental considerations in the organisation's management, processes and policies, including through ISO 14001 and strategic supplier management.

The policy is reviewed annually and is publicly available at [fluegger.com](https://www.fluegger.com).

Transition plan & targets

The financial year 2025/26 marks the second year in which Flügger has prepared a carbon inventory covering scopes 1, 2 and 3. The carbon inventory is used as a key tool to provide insight into the group's carbon footprint and to support the prioritisation of reduction initiatives across own operations and the value chain.

The work is monitored on an ongoing basis in relevant management forums and forms part of Flügger's work on areas including energy, products, packaging, sourcing and the value chain.

Transition plan for own operations (scopes 1 and 2)

Flügger continuously works to reduce scope 1 and 2 emissions in support of the group's target to reduce scope 1 and 2 emissions by 15% by 2030/31.

During Flügger's previous strategy period, there was already a focus on reducing energy consumption per litre of wetgoods produced, and with 2015/16 as the baseline, the group achieved an overall reduction of 48% by 2024/25. Under the Going Green strategy, the metric covered scope 1 and 2 emissions associated with the energy consumption from operating Flügger's factories and related office, warehouse and store units in Kolding (DK), Bollebygd (SE), Bodafors (SE) and Gdansk (PL). These reductions were achieved through electrification, changes in energy sources and energy optimisation.

The current strategy period builds on this work and expands its scope to cover all of the group's scope 1 and 2 emissions. Flügger has identified specific focus areas intended to contribute to the planned reduction. The focus is on energy optimisation across the group's production and store network, electrification of Flügger's vehicle fleet and initiatives that remain to be decided. Measures are continuously developed and prioritised across the organisation with a focus on CO₂e reduction potential, operational considerations and cost-effectiveness.

Energy efficiency at factories (scopes 1 and 2)

A large share of the group's energy consumption – and therefore its scope 1 and 2 emissions – originates from the operation of the production facilities in Kolding (DK), Bollebygd (SE), Bodafors (SE), Bankeryd (SE) and Gdansk (PL), as well as Unicell International in Wasilków (PL). Flügger continuously works on process and energy optimisation, including improved heat utilisation, investment in more energy-efficient equipment when production equipment is upgraded and strengthened operational control. In addition, an energy analysis of Flügger's factory in Kolding was conducted in 2025/26, which will help qualify energy-efficiency measures over time. These efforts are expected to make a material contribution to reducing the group's scope 1 and 2 emissions towards 2030/31.

Energy optimisation in stores (scope 2)

Flügger has identified material reduction potential, particularly in relation to the management of lighting and general electricity consumption across the group's store network. As part of its further planning, Flügger will therefore examine opportunities to introduce solutions that combine effective energy management with a continued strong customer experience. The initiatives support the group's ambition to continuously reduce scope 2 emissions towards 2030/31.

The stores are an important part of the Flügger brand and the customer experience. Future energy initiatives must therefore balance climate efficiency with an inviting store environment in which lighting and spatial design support the advice provided to Flügger's customers.

Electrification of the vehicle fleet (scope 1)

The group has initiated a gradual electrification of company cars to reduce dependence on fossil fuels. Our guidelines stipulate that an electric vehicle should generally be selected for new company-car agreements where the employee's driving needs allow it. To support the transition to electric vehicles, charging stations have been installed in recent years at Flügger's head office in Rødovre and at the factories in Kolding, Bollebygd and Gdansk. This makes it easier for employees to choose electric vehicles, both privately and for work, and ensures that

an increasing share of kilometres driven on behalf of Flügger is travelled in electric vehicles. The initiative is expected to make a material contribution to Flügger's long-term efforts to reduce the group's scope 1 emissions towards 2030/31.

Development of future measures (scopes 1 and 2)

To ensure that Flügger meets the established reduction targets, further initiatives are also being defined. These may include additional investments in energy management, partnerships for technological development and new ways of reducing operational energy consumption. This also includes the expectation that an increasing share of renewable energy in the electricity grid towards 2030/31 will contribute to lower indirect scope 2 emissions.

Transition plan for the value chain (scope 3)

Flügger works to reduce scope 3 emissions through initiatives relating to raw materials, packaging, sourcing and logistics across the value chain. The work focuses on the areas where the group considers that it has the greatest opportunity to support reductions in the carbon footprint towards 2030/31.

Flügger has identified a number of key focus areas. The initiatives span the entire upstream part of Flügger's business and selected downstream areas such as logistics, and address energy, materials and distribution. The initiatives were identified through cross-functional collaboration in which specialist knowledge of key suppliers and their potential contribution to CO₂e reductions was assessed against Flügger's current baseline. Close collaboration with a number of suppliers has also helped validate the group's targets.

Energy transition in supplier markets

A large share of Flügger's indirect CO₂e footprint originates from energy consumption among raw-material producers. When suppliers invest in renewable energy and move away from fossil energy sources, emissions are reduced in the part of the value chain on which the group depends. Flügger actively promotes transparency regarding energy sources and collaborates with suppliers that document specific measures for their energy

transition. Supplier energy transition is considered one of the most material areas for reducing Flügger's upstream scope 3 emissions.

Efficiency improvements in raw-material suppliers' processes

A large share of Flügger's CO₂e footprint from raw materials can be attributed to energy-intensive processes used to process the raw materials applied in the production of wetgoods. To address this, Flügger engages with key suppliers to reduce energy consumption and process emissions in their manufacturing processes. Examples include optimised heat utilisation, process integration and the use of less energy-intensive raw materials. In addition to Flügger's engagement, progress is expected to occur gradually as many suppliers pursue lower energy consumption through cost-saving measures and their own climate ambitions. Improving energy efficiency and processes among raw-material suppliers is considered a key focus area in efforts to reduce upstream scope 3 emissions.

Circular solutions – including packaging

Virgin (newly produced) materials – whether plastic or production raw materials – generally have a higher carbon footprint than recycled or bio-based alternatives. By increasing the share of recycled or bio-based materials in both products and packaging, Flügger is working to reduce the use of virgin, fossil-based resources. Particular focus is placed on increasing the use of recycled plastic in Flügger's packaging and own plastics production, continuing the approach pursued since the Going Green strategy. The group is also exploring opportunities to use bio-based or recycled raw materials in the production of wetgoods. The use of circular raw materials is also supported by Flügger's strategic direction towards products with a lower CO₂e footprint, including in response to more stringent regulatory and voluntary requirements in construction projects. In this way, the group not only reduces its carbon footprint, but also contributes to more responsible use of finite resources. This is supported by Flügger's procurement principles, which ensure, among other things, that suppliers are assessed from the perspective of enabling sustainable innovation. Initiatives relating to circular materials and packaging contribute to efforts to reduce the overall carbon footprint of the value chain.

In-sourcing or near-sourcing of goods for resale

A smaller share of Flügger's goods for resale is produced outside the EU and Europe. The group's data shows that products manufactured in regions such as Asia generally have a higher CO₂e footprint due to a more fossil-based energy mix than in Europe, while long transport distances further increase emissions.

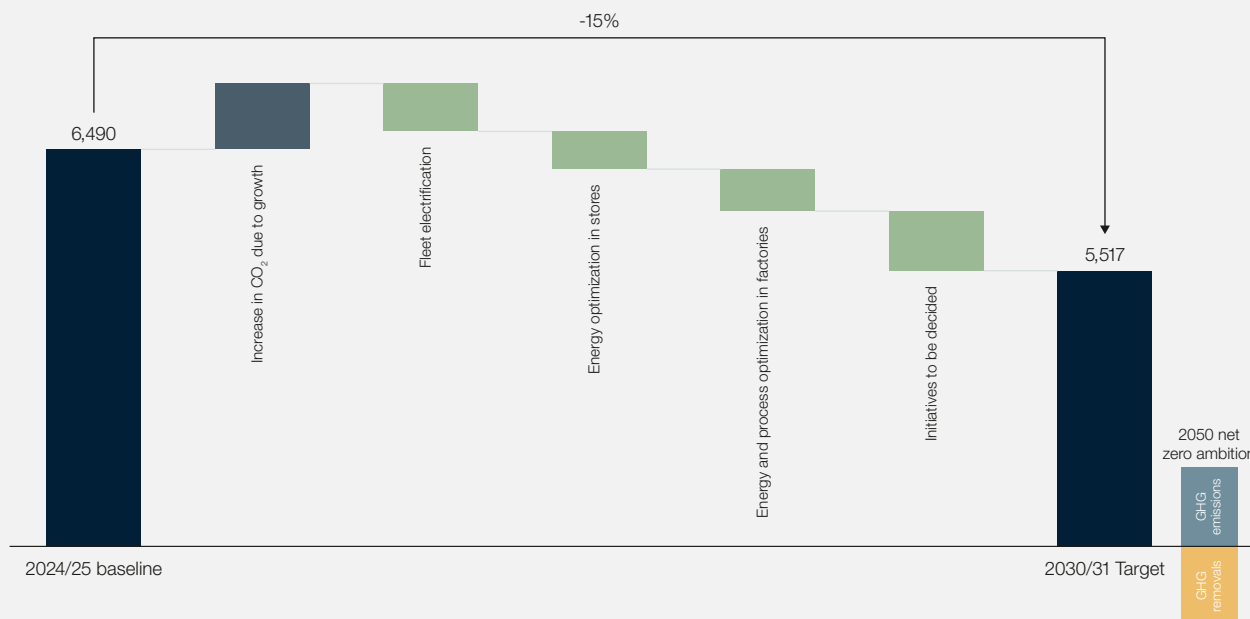
Flügger therefore continuously assesses opportunities to near-source and in-source selected goods and product groups in order to move production closer to the group's primary markets and existing value chain. By reducing dependence on long-distance freight and making greater use of suppliers and production in Europe, the group can reduce climate impacts related to transport and energy consumption while strengthening transparency, collaboration and supply-chain resilience.

The group continuously evaluates its sourcing strategy for resale products with a focus on quality, functionality, availability and carbon footprint. Near-sourcing and in-sourcing therefore form an important focus area in the development of more resource- and climate-efficient value chains.

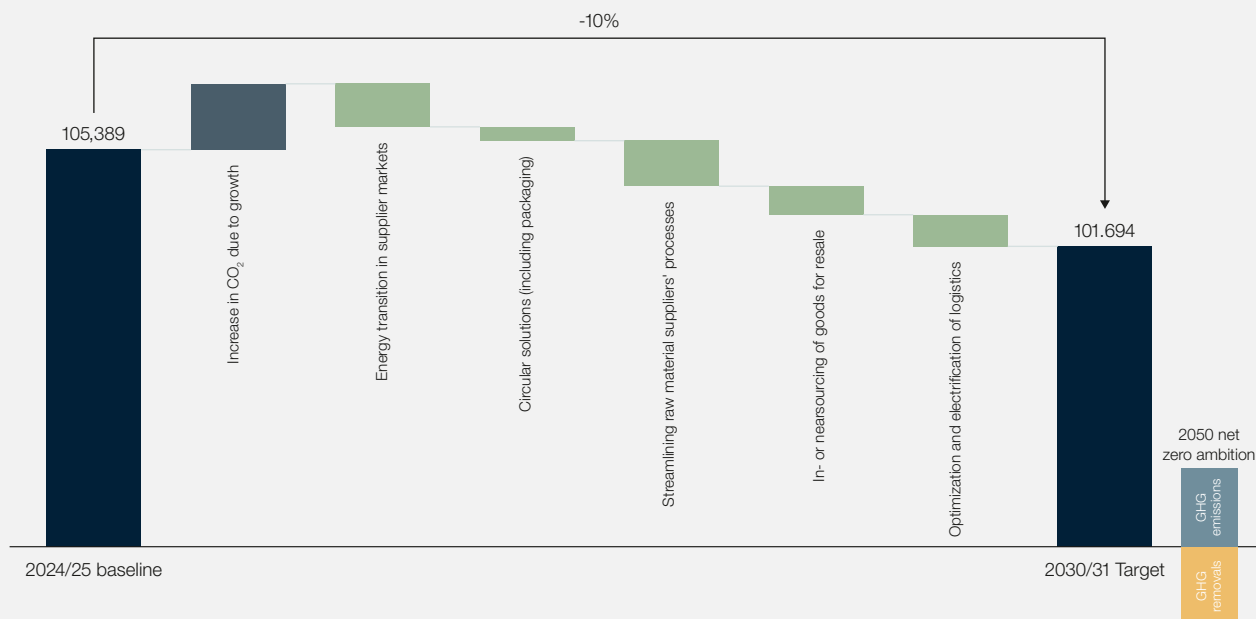
Optimisation and electrification of logistics

Transport accounts for a significant share of Flügger's scope 3 footprint. Although it is not the largest category, it is an area characterised by rapid technological development and considerable potential for CO₂e reductions. The group has therefore chosen to prioritise transport, actively working on route optimisation and the transition to low-emission logistics, including increased use of electric trucks, fossil-free fuels and collaboration with logistics partners that have ambitious climate targets. This continues the targets and focus areas from Flügger's previous strategy period. Collaboration with logistics partners and a focus on electrification are key elements in the work to develop more climate-efficient transport solutions.

Scope 1+2



Scope 3



Actions and initiatives

In the financial year 2024/25, Flügger presented a full carbon inventory across scopes 1, 2 and 3 for the first time. Since then, the inventory has formed the basis for a stronger understanding of the group's carbon footprint and the main drivers of emissions in both own operations and the value chain.

In the financial year 2025/26, the focus increasingly shifted towards translating data and insights into concrete actions, priorities and reduction initiatives across the organisation. The work included energy optimisation, data-based analysis of energy consumption, electrification of company cars, development of more resource-efficient packaging solutions and a strengthened data foundation to support decisions relating to climate and resource consumption.

Optimisation of operations and energy consumption

Flügger addresses CO₂e emission reductions as an integral part of the group's work to optimise operations, energy consumption and resource use across the organisation. Many of the initiatives that help reduce the carbon footprint also support more efficient processes, better use of resources and more stable operations.

The work includes energy efficiency at factories and stores, data-based monitoring of energy consumption, optimisation of logistics and transport, and the development of more resource-efficient products and packaging solutions in close collaboration with suppliers and value-chain partners. Flügger also continuously identifies improvement opportunities through analyses, follow-up on KPIs and cross-functional collaboration between, among others, Operations, Supply Chain, QHSE, Sustainability and Product Management.

The approach reflects Flügger's ambition to integrate climate and resource considerations more closely into day-to-day operations and to ensure that reducing the carbon footprint goes hand in hand with efficiency, quality and the long-term development of the business.

Data-driven work on climate and energy

In recent years, Flügger has worked systematically to strengthen the data foundation relating to climate, energy and resource consumption across the group. The purpose is to provide better insight into where the most material CO₂e emissions arise in operations and the value chain, while also strengthening the basis for prioritising and developing concrete reduction initiatives.

Among other things, the group has established central collection of hourly energy-consumption data for factories, offices and stores in the Nordic region. The data is actively used to identify trends, deviations and opportunities for energy optimisation and has provided the basis for analyses of energy consumption in stores and operations outside opening hours.

Flügger has also strengthened its work on climate data relating to products and the value chain. For several years, the group has worked with third-party-verified EPDs for own-produced wetgoods, creating an important foundation for product-related climate data. In the financial year 2025/26, Flügger took the next step in developing the data foundation by establishing CO₂ data for all own-produced products, including brushes, rollers, felt, paint trays and other accessories. In addition, CO₂ footprints have been calculated for all stocked goods for resale and trading goods.

The expanded data foundation provides greater insight into the carbon footprint of raw materials, packaging and goods for resale, among other areas, and is used both in the carbon inventory and as decision support for developing products, packaging solutions and reduction initiatives. As part of this work, Flügger has also developed an internal tool for the Procurement and Development functions that makes it possible to analyse the CO₂e effect of alternative raw materials and formulations. The tool is used to support decisions in product development and sourcing and also provides a better basis for assessing the climate effect of changes to raw materials, recipes and material choices at an early stage of the development process.

The more data-based foundation supports Flügger's efforts to integrate climate and energy considerations more closely into operations and decision-making across the organisation. Flügger also expects to continue strengthening the use of data and analyses in its work on energy efficiency, climate-footprint reductions and more resource-efficient solutions.

Electrification of company cars

During the financial year, Flügger continued working to electrify the group's company-car fleet as part of its efforts to reduce CO₂e emissions from own operations. Progress has been particularly significant in the Nordic countries, where the majority of company cars are now electric vehicles.

The transition to electric vehicles has helped reduce emissions related to fuel consumption and supports Flügger's long-term efforts to reduce dependence on fossil energy sources in day-to-day operations. The development has been supported, among other things, by Flügger's company-car policy, under which electric vehicles are generally selected for new agreements. Based on the change in the composition of the vehicle fleet and the associated emission factors, electrification of the company-car fleet reduced CO₂e emissions by 120 tonnes compared with 2024/25.

Electrification of the vehicle fleet is expected to remain an important focus area in efforts to reduce the group's scope 1 emissions in the coming years.

Reduced carbon footprint from packaging

During the financial year, Flügger continued working to reduce the carbon footprint associated with packaging by increasing the use of recycled plastic in the group's buckets for wetgoods. This development builds on several years of gradually increasing the share of recycled materials in packaging solutions as part of Flügger's focus on more circular solutions and responsible resource use.

Replacing a larger share of virgin plastic with recycled plastic reduces the CO₂e emissions associated with packaging production while also reducing the need for new fossil-based raw materials. Compared with the financial year 2024/25, the increased use of recycled plastic in Flügger's buckets contributed to a reduction of 2,033 tonnes of CO₂e. The use of recycled plastic is therefore both an important resource and climate initiative in Flügger's packaging strategy.

The development is driven through close collaboration between Procurement, Product Management, Sustainability and suppliers, among others, with a focus on combining a higher share of recycled materials with continued functionality, quality and durability in the packaging solutions.

Developments in production volume and raw-material consumption

During the financial year, Flügger experienced a decline in the total production volume of wetgoods, linked to an increased strategic focus on high-quality products and ecolabelled solutions under Flügger's own brands. The development resulted in lower overall consumption of raw materials and packaging by volume and also contributed to reduced CO₂e emissions relating to both production and purchased raw materials.

The development also reflects a strategic prioritisation of products with high functionality, coverage and durability, with greater emphasis on value creation and quality rather than volume alone. This naturally affects resource consumption, energy consumption and the carbon footprint associated with production and the value chain.

Flügger continues to develop products and solutions that combine high quality and functionality with a focus on more responsible resource use and reducing the carbon footprint across the value chain. The development also reflects a strategic focus on high-quality products and a deliberate decision to withdraw from parts of the market for low-price and low-quality products without a clear environmental profile.

Greenhouse gas emissions

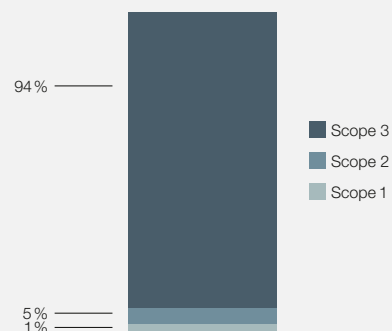
Key figures

The financial year 2025/26 marks the second year with a full carbon inventory across scopes 1, 2 and 3. During the year, Flügger continued to strengthen the data foundation and use climate data to support decisions aimed at reducing the group's carbon footprint.

The vast majority of emissions continue to originate from scope 3, particularly raw materials, packaging, transport and goods for resale, while scope 1 and 2 emissions from own operations account for a smaller share of the total carbon footprint.

The share of emissions calculated on the basis of activity- and quantity-based data is 81%.

Fordeling af scope 1, 2 & 3 udledninger



Own operations (scopes 1 and 2)

In the financial year 2025/26, Flügger's direct scope 1 emissions amounted to 815 tonnes of CO₂e, compared with 935 tonnes of CO₂e in the previous year. The reduction was attributable, among other things, to the continued electrification of the group's company-car fleet, with an increasing share of driving now taking place in electric rather than fossil-fuelled vehicles.

Indirect scope 2 emissions amounted to 5,903 tonnes of CO₂e (market-based), compared with 5,555 tonnes of CO₂e in 2024/25. The increase was primarily attributable to changes in energy consumption and the energy mix across the group's locations. Overall, scope 1 and 2 emissions amounted to 6,718 tonnes of CO₂e, an increase of 228 tonnes of CO₂e compared with the baseline year 2024/25.

The vast majority of scope 2 emissions continue to originate from energy consumption at the group's production facilities. The factory in Gdansk makes a particularly significant contribution to the carbon footprint due to the higher emission intensity of the Polish electricity grid compared with the Nordic countries, where the share of renewable energy is considerably higher. This underlines the importance of both energy efficiency and electrification as key focus areas in efforts to reduce emissions from own operations.

Although scope 1 and 2 emissions have increased since the baseline year, Flügger still expects to achieve the target of a 15% reduction by 2030/31. The target was set taking expected business growth into account, including changes in production activity, energy consumption and the development of the group's store and location network.

The value chain (scope 3)

In the financial year 2025/26, Flügger's total scope 3 emissions amounted to 105,389 tonnes of CO₂e, compared with 106,506 tonnes of CO₂e in the previous year.

Category 3.1 Purchased goods and services remains the most material source of emissions and amounted to 97,296 tonnes of CO₂e during the financial year. Of this amount, 64,577 tonnes

of CO₂e originated from raw materials for own production. Although raw materials remain the largest individual source of emissions in Flügger's value chain, emissions from this category were reduced compared with the previous year.

Raw materials such as titanium dioxide and binders continue to account for a significant share of the carbon footprint. At the same time, these raw materials are essential to the paint's coverage, durability and functionality. Flügger therefore continuously works to identify raw-material optimisations and alternatives that can reduce the carbon footprint without compromising product quality or customers' experience of the products and their functionality.

Emissions from upstream transport and distribution increased from 2,267 tonnes of CO₂e to 2,925 tonnes of CO₂e, while downstream transport and distribution increased from 3,669 tonnes of CO₂e to 4,795 tonnes of CO₂e. Transport therefore continues to account for a significant share of the group's value-chain carbon footprint and reflects Flügger's extensive distribution network across the Nordic region, Europe and Flügger's export markets. For goods for resale, country of origin and production conditions are becoming increasingly important assessment criteria. Flügger's analyses show that products manufactured outside Europe often have a higher carbon footprint due to more fossil-based energy systems and longer transport distances. Flügger therefore continuously assesses opportunities to near-source and in-source selected product groups as part of its work to reduce the carbon footprint of the value chain.

The overall development in scope 3 demonstrates that reducing the carbon footprint of the value chain continues to require close collaboration with suppliers, transport partners and other value-chain participants. Flügger maintains its target of reducing scope 3 emissions by 10% by 2030/31, and in the coming years its work will focus particularly on raw materials, packaging, transport and data-driven development.

Greenhouse gas emissions

Greenhouse gas emissions	Unit	Emissions 2024/25	Emissions 2025/26	Target 2030/31
Scope 1	Tonnes CO ₂ e	935	815	-
Scope 2 (location-based)	Tonnes CO ₂ e	2,891	3,369	-
Scope 2 (market-based)	Tonnes CO ₂ e	5,555	5,903	-
Scopes 1 and 2 (market-based)	Tonnes CO ₂ e	6,490	6,718	5,517
Scope 3	Tonnes CO ₂ e	105,389	106,506	94,850
3.1 Purchased goods and services	Tonnes CO ₂ e	97,069	97,296	-
Raw materials	Tonnes CO ₂ e	71,958	64,577	-
3.3 Fuel- and energy-related activities (not included in scope 1 or 2)	Tonnes CO ₂ e	1,241	1,284	-
3.4 Upstream transport and distribution	Tonnes CO ₂ e	2,267	2,925	-
3.9 Downstream transport and distribution	Tonnes CO ₂ e	3,669	4,795	-
Scope 1-3 greenhouse gas emissions (location-based)	Tonnes CO ₂ e	109,215	110,691	-
Scope 1-3 greenhouse gas emissions (market-based)	Tonnes CO ₂ e	111,880	113,224	-

Biogenic emissions

Biogenic emissions	Unit	Emissions 2024/25	Emissions 2025/26
Biogenic emissions (scope 1)	Tonnes CO ₂ e	58	48
Biogenic emissions (scope 2)	Tonnes CO ₂ e	305	254
Biogenic emissions (scope 3)	Tonnes CO ₂ e	2,271	4,069

Emissions and energy intensity

	Unit	2024/25	2025/26
Revenue	DKKm	2,271,639	2,312,917
Emissions intensity (location-based scopes 1-3)	Tonnes/DKKm	0.048	0.048
Emissions intensity (market-based scopes 1-3)	Tonnes/DKKm	0.049	0.049

Accounting policies

Flügger's carbon inventory has been prepared in accordance with the principles of the Greenhouse Gas Protocol and covers greenhouse gas emissions in scopes 1, 2 and 3 across the group's activities and value chain. The inventory is used to provide insight into the group's carbon footprint and support the prioritisation of reduction initiatives.

Where possible, activity- and quantity-based data is used as the basis for calculations. This includes weight, volume, energy consumption and transport distances. Where activity data is not available, spend-based methods are applied using procurement values and relevant emission factors. Flügger continuously works to increase the share of activity-based data in order to improve the accuracy and level of detail of the carbon inventory.

Scope 1

Scope 1 includes direct greenhouse gas emissions from activities under Flügger's operational control. This primarily includes fuel consumption in company cars and propane consumption in production. Emissions are calculated based on recorded consumption and emission factors from DESNZ. Biogenic CO₂ emissions are reported separately and are not included in the reported scope 1 emissions.

Scope 2

Scope 2 includes indirect greenhouse gas emissions from purchased electricity and heat used in the group's factories, warehouses, offices and stores. Flügger reports scope 2 using both the market-based and location-based methods. Emissions are calculated using country-specific emission factors and relevant supplier data where available. For energy consumption where specific emission factors are not available, national or regional averages are used. Emission factors are sourced primarily from AIB and DESNZ.

Scope 3

Scope 3 includes indirect greenhouse gas emissions from activities in Flügger's value chain. Flügger reports the scope 3 categories considered material to the group's carbon footprint, applying a threshold of at least 1% of total greenhouse gas emissions. The calculations are based on a combination of activity-based, supplier-specific and spend-based methods in accordance with the principles of the GHG Protocol.

The most material category is purchased goods and services, which includes raw materials, packaging, goods for resale and other purchases. For raw materials used in own-produced wet-goods, emission factors modelled using the Ecoinvent database, One Click LCA and supplier-specific data, where available, are primarily applied. The emission factors are combined with actual purchase volumes to calculate total emissions. For other categories, activity-based, distance-based and spend-based methods are used depending on data availability. Emission factors are sourced primarily from Ecoinvent, EXIOBASE, DESNZ, IEA and other recognised databases.

Biogenic emissions

Biogenic CO₂ emissions are calculated and reported separately from fossil emissions. Biogenic emissions include, among other things, emissions associated with biomass-based energy sources and raw materials containing biogenic carbon. The reporting is intended to provide transparency regarding the origin and carbon footprint of raw materials and energy sources.

Correction of historical climate and emissions data

As part of the ongoing development of the group's carbon inventory, historical emissions data for the financial year 2024/25 has been recalculated and the baseline has therefore been adjusted. The recalculation is primarily due to improved calculation

methods and increased use of primary data and supplier-specific emission factors, particularly within scope 3. The development of the data foundation provides a more accurate picture of the carbon footprint and strengthens comparability between reporting years and monitoring of the group's climate targets.

Internal Career Paths

Emma's relationships opened doors she had never expected

The story of Emma Clausen's career at Flügger now spans several chapters. The first was written in retail.

"I started in 2021 at the store in Rødovre, which is now one of PP's stores, and when Flügger House opened, I moved there."

There she became familiar with the customers, products and systems. Then a new opportunity suddenly arose: a maternity-cover position at Detale CPH, which Flügger acquired in 2019.

"At first I was a little hesitant, but then I thought it was a good opportunity to develop."

After the temporary position, Emma found herself at a crossroads and returned to the store. She remained there for a period – until another door opened. This time in the Credit department at head office.

"When someone sees something in you, you have to seize the opportunity. But I was also unsure how I would adapt from an active day in the store to a more 'sedentary' office role."

Although the transition has involved changes, Emma feels that she is building on a strong foundation.

"I can bring a great deal with me from the store – especially my knowledge of the systems and customer contact, just in a different form. And I received excellent support during the onboarding phase."

At Flügger, relationships can make precisely that difference – and lead you forward, including to places you may never have imagined yourself.

Pollution

Identified IROs

- 4 Air pollution in Flügger's upstream value chain 
- 5 Air pollution from transport 

Policies

The Climate and Environmental Policy provides the framework for Flügger's efforts to minimise air pollution across the value chain, where the most material environmental impacts have been identified. The policy applies to Flügger group A/S and its subsidiaries.

Flügger's Sustainability Principles for Suppliers and Value Chain ESG Due Diligence Principles set clear requirements for how suppliers actively work to reduce their environmental impact, including specifically minimising pollution of air, water and soil. Suppliers are expected to have established relevant policies and processes to prevent and minimise pollution of water, air and soil.

Actions and initiatives

Local sourcing to reduce environmental impact

Flügger systematically sources raw materials and packaging close to the group's production facilities in order to reduce environmental impacts relating to transport and logistics in the upstream value chain. Shorter transport distances help, among other things, to limit emissions and air pollution associated with transporting raw materials and packaging.

Most of Flügger's purchases are made from suppliers in Europe, where suppliers are also subject to extensive regulatory requirements relating to chemicals, the environment and product safety, among other matters. During the financial year, 94% of the expenditure on raw materials and packaging used in Flügger's own production was sourced within the EU, while 99% came from suppliers in Europe.

Flügger also considers that geographical proximity to suppliers supports a more robust and stable supply chain during a period characterised by increased geopolitical and supply uncertainty. The long-standing sourcing strategy therefore helps both to reduce transport-related environmental impacts and to strengthen continuity and security of supply in the group's value chain.

Supplier assessments and QHSE follow-up

Flügger continuously assesses and follows up on suppliers as part of its work on quality, the environment and responsible supplier management in the value chain. As part of the qualification process, all suppliers of raw materials and goods for resale complete self-assessment questionnaires relating to quality, environment, compliance and QHSE matters, among other areas.

In addition, audits are conducted of selected suppliers, focusing on quality and environmental management systems. Suppliers are selected using a risk-based approach that considers, among other things, the supplier's strategic importance, product type, geographical location and potential environmental and quality-related risks.

The work supports Flügger's focus on stable supplier relationships, product quality and the reduction of potential environmental impacts in the value chain, while contributing to dialogue and continuous improvements together with suppliers.

Key figures and targets

At present, Flügger has not defined quantitative targets for pollution in the value chain. Flügger uses the share of procurement from suppliers in the EU and Europe as an indicator of our potential environmental impact, including pollution. This geographical distribution serves as a proxy for the level of risk, as suppliers in these regions are typically subject to stringent environmental regulations. The group continuously works to develop and implement measurement methods and targets that can support our efforts to reduce environmental impact in the future.

Resource use and circular economy

Identified IROs

- 6 Reduced resource use for packaging 
- 7 Increased requirements for recycled materials in packaging 

Policies

Flügger's Climate and Environmental Policy forms the basis of the group's work on responsible resource use, waste reduction and support for more circular solutions in products and packaging. The policy applies across the group and covers all countries, locations and employees of Flügger group A/S and its subsidiaries. The policy is anchored in the Board of Directors and approved annually.

Flügger does not have a separate policy for the use of recycled materials, but works strategically in this area through specific targets and initiatives relating to the use of recycled plastic in packaging and in own-produced buckets, tools and accessories. The work is anchored in the group's Flügger Organic strategy and builds on initiatives from the previous Going Green strategy.

Responsibility for progress and prioritisation is anchored in the Procurement and Product Management departments in collaboration with Flügger's Sustainability Manager and the production facility in Bodafors. Developments are monitored quarterly by the group's Sustainability Strategy Steering Committee, with participation from senior management, and reported annually to the Board of Directors.

Innovation and collaboration with suppliers also play a central role in increasing the use of recycled materials and developing more circular solutions. This is integrated into Flügger's Procurement Principles, under which suppliers' ability to support the group's objectives for innovation, quality and sustainability forms part of the qualification and collaboration process. The principles are anchored with the SVP Supply Chain & Innovation and are continuously updated based on developments in the market, regulation and sustainability.

Flügger also sets requirements for suppliers through its Sustainability Principles for Suppliers. The principles include expectations relating to environmental considerations and responsible business conduct and supplement Flügger's Code of Conduct. Failure to comply with the principles may ultimately result in termination of the business relationship. Like the Procurement Principles, the Sustainability Principles are anchored with the SVP Supply Chain & Innovation.

Actions and initiatives

Blue buckets containing recycled plastic

Flügger systematically works to increase the use of recycled plastic in packaging as part of the group's focus on more circular solutions and responsible resource use. Packaging is a key focus area in the Flügger Organic strategy, under which the share of recycled plastic in buckets for wetgoods has gradually been increased in recent years.

In the financial year 2025/26, this work continued and was rolled out further across the product range and production sites. The development is driven by the continued conversion of additional packaging types and product series to solutions with a higher recycled-plastic content. The work builds on initiatives from previous strategy periods, during which Flügger gradually increased the use of recycled materials in packaging.

The buckets have also been developed with a focus on functionality and user-friendliness for professional painters and other users. The packaging is equipped with QR codes, among other features, providing direct access to product-specific documentation through Flügger Document Manager. This makes documentation more readily available and supports customers' increasing need for product and sustainability data in construction projects and other assignments.

The development also means that Flügger is close to achieving the group's strategic target for 2026/27 of further increasing the share of buckets containing recycled plastic as part of its work on more resource-efficient and circular packaging solutions.

Extended producer responsibility

During the financial year, Flügger worked on implementation and preparations relating to extended producer responsibility for packaging across the relevant markets. This included mapping and validating data on packaging types, materials and packaging volumes across the group's products and value chain.

The work also supports Flügger's preparations for forthcoming European requirements concerning packaging and packaging waste, including the Packaging and Packaging Waste Regulation (PPWR). Flügger therefore continuously works to strengthen its data foundation, packaging insights and cross-functional processes to better support future requirements relating to material use, recycled content and circular packaging solutions, among other matters.

The work on producer responsibility has also provided greater insight into Flügger's packaging consumption and waste streams and created a stronger data foundation for prioritising future initiatives relating to packaging and resource use. The insights are used, among other things, to identify areas for further reducing material consumption, increasing the use of recycled materials and improving opportunities for recycling and circular packaging solutions.

In addition, the work has contributed to closer collaboration across the organisation between Sustainability, Procurement and Product Management, among other functions, with the aim of incorporating considerations relating to packaging, waste streams and future regulatory requirements earlier in the development of products and packaging solutions.

Key figures and targets

Recycled plastic

Flügger works to promote more circular solutions through increased use of recycled plastic in packaging. As part of the current strategy period towards 2026/27, the group has established specific targets for the use of recycled plastic in buckets and in own plastics production:

- **90% of Flügger's purchased buckets must contain at least 50% recycled plastic**
- **75% recycled plastic in own plastics production**

These targets are important steps towards more circular use of plastic at Flügger and are intended to help reduce the group's dependence on virgin resources. At the same time, the initiatives help future-proof our products in relation to external requirements, including, for example, the Nordic Swan Ecolabel's current requirement of at least 30% recycled plastic in packaging. By already exceeding this level, Flügger strengthens its ability to retain ecolabels and meet customers' and the market's increasing expectations for resource-efficient packaging.

Other targets

The group has not currently set specific external targets for resource inputs or waste. However, Flügger continuously works to strengthen the data foundation and improve reporting on resource consumption and waste in order to support more targeted management and prioritisation in these areas going forward.

Although group targets for waste have not yet been established, developments are monitored continuously through management follow-up on relevant environmental indicators. Flügger's QHSE Board monitors waste volumes and other environmental KPIs monthly as part of the ongoing follow-up on the group's environmental initiatives.

As part of this work, Flügger has also introduced internal waste KPIs for the financial year 2026/27. The KPIs are intended to support an increased focus on waste streams, data quality and continuous improvements in waste management across the group.

Entity-specific indicators

Recycled plastic in buckets

The use of recycled plastic in packaging is a key focus area in Flügger's work on more circular solutions and reducing consumption of virgin raw materials. Developments are monitored continuously as part of the group's strategic work on packaging and resource consumption.

Purchased plastic buckets for wetgoods continue to account for the largest share of Flügger's total plastic consumption. In the financial year 2025/26, Flügger used a total of 5.2 million buckets, compared with 6.0 million in the previous year. At the same time, the number of buckets containing at least 50% recycled plastic increased to 4.6 million, compared with 3.2 million in the previous year.

This means that 87.6% of the buckets used in 2025/26 contained at least 50% recycled plastic, compared with 54% in the previous year and 30% in 2023/24. The development reflects continued efforts to convert additional packaging types to solutions with a higher recycled-plastic content and the gradual phase-out of packaging containing a lower share of recycled material.

Flügger is therefore close to the group's strategic target for 90% of buckets to contain at least 50% recycled plastic by the end of 2026/27.

Recycled plastic in own plastics production

Flügger is also working to increase the use of recycled plastic in its own production of buckets, tools and accessories. Production includes paint trays, brush handles and other plastic-based products manufactured at the group's factory in Bodafors (SE).

Description	Unit	2023/24	2024/25	2025/26	2026/27 target
Recycled plastic in buckets					
Number of buckets	Units	5,661,394	5,998,322	5,232,785	-
Number of buckets containing at least 50% recycled plastic	Units	1,671,185	3,237,785	4,583,165	-
Share of buckets containing at least 50% recycled plastic	%	30	54	87.6	90
Recycled plastic in own plastics production					
Total volume of plastic granulate	Tonnes	119	150	121	-
Volume of recycled plastic granulate	Tonnes	64.6	114	89	-
Share of recycled plastic in own-produced buckets, tools and accessories	%	55	76	73.6	75

In 2025/26, Flügger used a total of 121 tonnes of plastic granulate in its own production, compared with 150 tonnes in the previous year. Of this amount, recycled plastic granulate accounted for 89 tonnes, corresponding to 73.6% of total consumption, compared with 76% in the previous year.

The slight decline in the share of recycled plastic should be viewed in the context of variations in the product mix and production between financial years. The level remains close to the group's strategic target of 75% recycled plastic in the own production of buckets, tools and accessories in 2026/27.

The use of recycled plastic materials is an integral part of Flügger's efforts to support more resource-efficient and circular solutions in products and packaging.

Accounting policies

Recycled plastic in buckets

The data point is based on the share of purchased buckets containing at least 50% recycled plastic out of the total volume of purchased buckets used as packaging for wetgoods sold in segments 1 and 2, excluding Unicell International. The calculation method is based on a 12-month rolling average.

Recycled plastic in own plastics production

The data point is based on the total volume of recycled plastic granulate relative to the total volume of plastic granulate used in the own production of small buckets, tools and accessories at our factory in Bodafors (SE). The indicator is limited to the Bodafors factory, as this is the only one of our factories where plastic granulate is used in production. The calculation method is based on a 12-month rolling average.

Key waste figures for the group

Flügger reports both hazardous and non-hazardous waste, focusing on waste that is recycled, reused or disposed of as part of the group's activities. The waste streams include materials sent for recycling, energy recovery and landfill.

In the financial year 2025/26, Flügger generated a total of 3,453 tonnes of waste, compared with 3,183 tonnes in the previous year. Non-hazardous waste continued to account for by far the largest share of total waste volumes. A total of 639 tonnes of waste was sent for recycling or reuse, corresponding to 19% of total waste, compared with 20% in the previous year. Recycling accounted for the largest share of the recirculated waste streams.

The majority of the waste continued to be treated through incineration with energy recovery, amounting to 2,764 tonnes in 2025/26 compared with 2,523 tonnes in the previous year. At

the same time, the total volume of non-recycled waste increased from 2,556 tonnes to 2,813 tonnes.

Although the total volume of waste increased during the year, the amount of waste sent to landfill decreased from 33 tonnes to 28 tonnes. The reduction concerned both hazardous and non-hazardous waste. Waste sent for incineration without energy recovery amounted to 18 tonnes in 2025/26, while 3 tonnes was treated as bioenergy.

The volume of hazardous waste increased from 215 tonnes to 483 tonnes during the financial year. The development was primarily due to an increase in waste sent for incineration with energy recovery. Non-hazardous waste continued to account for the majority of the group's total waste volumes, comprising 2,330 tonnes of non-recycled waste and 622 tonnes of recycled waste.

No radioactive waste was generated during the period.

Accounting policies

Waste

Flügger records waste data for all stores, factories and offices in Denmark, Norway and Sweden, as well as for our factory in Poland. The data is compiled in collaboration with our waste-management provider, which handles and treats the waste either at its own facilities or through approved business partners.

Incoming waste streams are sorted and treated with the aim of increasing the recyclability and value of the materials. This treatment generates outgoing waste streams, which are linked to the incoming streams through an internal mapping of the waste provider's processes. Each outgoing stream is assigned an R/D code (Recovery/Disposal code) depending on its subsequent treatment or disposal. The categorisation follows EU Waste Framework Directive 2008/98/EC.

Data for Unicell International, Eskaro Ukraine AB, Flügger Coating in China and Flügger Lithuania has been extrapolated based on their share of total group revenue, as data was not available.

Waste

Description	Unit	2024/25			2025/26		
		Hazardous waste	Non-hazardous waste	Total	Hazardous waste	Non-hazardous waste	Total
Total volume of waste	Tonnes			3,183			3,453
Recycled and reused waste							
Recycling	Tonnes	36	591	627	17	622	639
Reuse	Tonnes	0.001	0.008	0.009	0	-	0.013
Total volume	Tonnes	36	591	627	17	622	639
Share	%	1.1	19	20	0.5	18	19
Non-recycled waste							
Incineration with energy recovery	Tonnes	212	2,311	2,523	482	2,282	2,764
Incineration without energy recovery	Tonnes	-	-	-	-	18	18
Bioenergy	Tonnes	-	-	-	-	3	3
Landfill	Tonnes	3	31	33	1	27	28
Other disposal methods	Tonnes	-	-	-	-	-	-
Total volume of non-recycled waste	Tonnes	215	2,342	2,556	483	2,330	2,813
Share	%	7	74	80	14	67	81
Total volume of radioactive waste	Tonnes	-	-	-	-	-	-
Share	%	-	-	-	-	-	-

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Health and safety

Identified IROs

- 8 Occupational accidents in production and stores 
- 9 Insufficient reporting of occupational accidents 

Policies

Flügger is organised into separate occupational health and safety organisations at country level to ensure compliance with the specific health and safety legislation of each country. In addition to separate country-level health and safety organisations, Flügger also recognises the need for clear health and safety principles. These form part of the overall QHSE principles and are anchored in QHSE. The principles apply to all Flügger employees at all Flügger locations and were approved by Executive Management in 2024. Flügger aims to have no occupational accidents and to create the best and safest possible physical working environment for employees.

Actions and initiatives

Focus on health and safety

Flügger places strong emphasis on minimising the risk of employees sustaining work-related injuries, regardless of whether they work in stores, production, warehouses or offices.

Against this background, resources were added to our QHSE organisation both locally and at group level during the most recent financial year, enabling the roll-out of various initiatives such as the implementation of new systems and training in safety and emergency preparedness.

A number of our stores were visited by QHSE during the financial year to map local challenges. Flügger also maintains an ongoing dialogue with employees from all parts of the organisation to ensure an understanding of the importance of reporting near misses.

During the past year, Flügger continued to focus on ergonomics. Assistive equipment has been purchased for the stores on an ongoing basis to reduce the physical strain on employees in their daily work.

Simplified reporting

In 2025/26, Flügger introduced a new accident-reporting system that simplifies the reporting of accidents, work-related ill health and other incidents. Flügger in Denmark and Sweden was using the system by the end of the financial year 2025/26, and the system will be implemented across the remainder of Flügger in 2026/27.

Flügger employees in all parts of the organisation are asked to report near misses if they observe something that could potentially result in an accident. The introduction of the new reporting system, combined with the continued focus on safety, has resulted in an increase in reported observations. Flügger expects this development to continue when the rest of the group gains access to the system.

Flügger's occupational health and safety organisation enables employees, through their health and safety representatives, to highlight and raise concerns about negative impacts on health and safety at Flügger.

Strengthened management focus on health and safety

As mentioned in last year's annual report, Flügger has strengthened senior management's focus on QHSE through the further development of our QHSE Board. At Board meetings, senior management and the leaders of each business area in Flügger are presented with developments and ongoing health and safety initiatives. One of the main purposes is to address and decide on health and safety initiatives and improvements for Flügger employees.

Key figures and targets

Flügger's accident frequency for 2025/26 (Lost Time Injury Frequency Rate, LTIFR) is shown in the table below. The target for 2025/26 is a maximum of five accidents per 1 million working hours.

Flügger is aware of 0 cases of work-related ill health in 2025/26.

The table below shows that both the number of lost-time accidents and the number of lost working days increased compared with the previous financial year.

One explanation is that the new accident-reporting system has made it easier to report an accident. At the same time, the roll-out of the system was accompanied by training for managers and other relevant employees on different incident types, increasing knowledge across the organisation of the definition of an occupational accident.

	Unit	2024/25	2025/26
Lost-time accidents	Number	3	12
Lost working days	Number	3	129
Accident frequency (LTIFR)	Frequency	1	4
Fatal accidents among employees	Number	0	0

Accounting policies

Lost-time accident

An occupational accident is defined as an incident in connection with work that results in a person sustaining physical or psychological injury. A lost-time accident is an accident resulting in absence beyond the day of the accident, with the absence recorded in the group's time-registration system.

Work-related ill health

Work-related ill health is defined as any abnormal condition or disorder caused by exposure to health hazards in the working environment associated with employment at Flügger, other than as a result of an occupational injury. This includes both acute and chronic illnesses.

Lost working days

Lost working days comprise the number of days of absence, calculated as full working days, following and as a result of occupational accidents until the employee is able to work again, leaves the company or transfers to the municipal system. This also includes days on which the employee is not scheduled to work, such as weekends or holidays, but would have been unable to perform their work as a result of the occupational accident. Only employees whose salary is paid by the company are included.

Accident frequency (LTIFR)

LTIFR (Lost Time Injury Frequency Rate) is defined as the number of occupational injuries resulting in at least one day of absence per 1 million working hours.

Fatal accidents among employees

A fatal accident is a work-related incident that results in a person's death. Employees whose salary is paid by the company, as well as other workers working at company locations, are included in the total number.

Diversity

Identified IRO

10 Diversity in the workplace



Policies

Diversity Policy

Flügger has a Diversity Policy intended to ensure diversity both at management levels and across all other employee groups.

The Diversity Policy contains guidelines stipulating that Flügger must be a workplace offering equal opportunities for everyone in a safe and non-discriminatory working environment and that we comply with Danish and international human-rights standards and equality legislation.

Flügger does not tolerate bullying, sexual harassment, discrimination, offensive behaviour or threats and provides ongoing training for Flügger employees to minimise the risk of employees being exposed to conduct that contravenes this policy.

Flügger strives for a workforce comprising a combination of younger and experienced employees who can jointly inspire and contribute to Flügger's development.

The group also strives for both genders to be represented in a 40:60 distribution at other management levels and therefore focuses on identifying candidates of both genders when recruiting new managers. The Flügger Board of Directors reviews the Diversity Policy when required and at least once a year and makes any necessary revisions. Flügger's Diversity Policy is available at the link below: www.flugger.com/koncern/mangfoldighedspolitik/

Actions and initiatives

At Flügger, we regard a diverse workplace and an inclusive working environment as assets and recognise the differences among our employees. The group believes that diverse teams, including management teams, work more innovatively, make better decisions and contribute to new thinking, while also promoting inclusiveness and tolerance among employees. At Flügger, this diversity is particularly evident in the wide

range of educational and professional backgrounds across the workforce, where different disciplines come together to create innovation. We continuously work to attract, retain and motivate talented employees through a safe working environment, attractive career opportunities and a focus on diversity and inclusion. Open and honest dialogue is generally encouraged.

In 2025/26, we prioritised management dialogue across countries and the value chain through gatherings that included training in management and dialogue tools beneficial to strategy implementation, leadership and collaboration across differences. In addition, employees can report offensive conduct anonymously through Flügger's whistleblower scheme.

Skills development and internal career paths

Flügger continuously works on skills development across the organisation, focusing on creating strong development opportunities for employees with different professional and personal backgrounds. Through training, education and internal development, Flügger supports a workplace that accommodates different skills, experiences and perspectives, contributing to a more diverse and inclusive workforce.

In recent years, Flügger has also upgraded its approach to training and skills development across the organisation, particularly within the commercial functions. The purpose is, among other things, to strengthen employees' professional skills, customer insight and advisory capabilities and support the development of solutions and customer experiences across the business.

As part of this work, Flügger has chosen in this year's reporting to highlight employees who have developed internally within the organisation and moved across roles and functions through skills development and internal career opportunities. The employee stories and images in the report are intended to illustrate Flügger's focus on development, learning and long-term opportunities for employees across the group.

Key figures and targets

Flügger employs a total of 2,074 employees, comprising 46% women and 54% men. Senior management consists of a total of seven employees, of whom 57% are men and 43% are women. In addition, 387 employees are employed at management level. Managers are defined as employees with personnel responsibility. Of these, 52% are men and 48% are women. Flügger has a target for the group to maintain workforce diversity such that the underrepresented gender accounts for at least 40%.

Two of Flügger's four members of the Board of Directors elected by the general meeting are women (50%). The group therefore meets the Danish Business Authority's definition of equal gender representation on the Board of Directors. Read more about the Board of Directors in the Corporate governance section of the Annual Report.

Flügger is not subject to section 107f of the Danish Financial Statements Act on gender-balance reporting, as the company does not exceed the specified size thresholds. The assessment is made at company level, as the provision does not contain rules for calculating the size criteria at group level.

Number of employees by country and gender*	2024/25				2025/26			
	Women	Men	Other	Total	Women	Men	Other	Total
Denmark	245	241	-	486	248	245	-	493
Sweden	212	213	-	425	211	197	-	408
Norway	77	89	-	166	73	91	-	164
Poland	274	289	2	565	306	303	-	609
Ukraine	67	183	-	250	77	221	-	298
Iceland	12	32	-	44	7	37	-	44
China	20	16	-	36	22	17	-	39
Lithuania	4	14	-	18	4	15	-	19
Total number of employees	911	1,077	2	1,990	948	1,126	-	2,074

Characteristics of the company's employees

Employees in the group	Unit	2024/25	2025/26
Average number of full-time equivalents	FTEs, number	1,701	1,834
Average number of employees	Headcount, number	1,990	2,074
Permanent/temporary employees	Headcount, %	83/17	83/17

	2024/25		2025/26	
Employee turnover	Number	%	Number	%
Voluntary turnover	258	13%	297	13%
Involuntary turnover	250	13%	214	10%
Total	508	26%	511	23%

Diversity key figures

	2024/25		2025/26	
Gender distribution in the group	All employees	Senior management	All employees	Senior management
Number of men	1,077	4	1,126	4
Number of women	911	2	948	3
Number of other	2	-	-	-
Share of women, total	46%	33%	46%	43%

Employee distribution by age group	2024/25			2025/26		
Age group	<30	30-50	>50	<30	30-50	>50
Number of employees	392	1,068	530	369	1,132	573
Share of employees	20%	54%	26%	18%	55%	28%

Accounting policies

Number of employees (headcount)

All employees employed and paid by the Flügger group are included, including temporary employees and agency workers on Flügger contracts, employees on leave such as maternity or parental leave, sick leave and unpaid leave, office trainees, student assistants, salaried PhD and master's students, apprentices and similar employees, as well as employees released from their duties. The number of employees is calculated as at 30 April 2026.

Full-time equivalents (FTEs)

The number of full-time equivalents, also stated as FTEs, is defined as an employee's contractual working hours compared with a full-time position in the same role and country. One FTE therefore represents one full-time employee. The average, which is also reported in the financial highlights and key figures in the consolidated financial statements, is calculated by legal entity based on monthly measurements at the end of each month.

Gender distribution among employees, management, senior management and the Board of Directors, and Board independence

We define gender diversity among employees as the proportion of women, men and employees of other genders within the total workforce of the Flügger group. Gender diversity in management is defined as the proportion of women in positions with personnel responsibility compared with the total number of employees in positions with personnel responsibility in the Flügger group. Gender diversity in senior management is defined based on the management team reporting directly to our CEO. Gender diversity is based on employee headcount.

We calculate the gender distribution of the Board of Directors based on members elected by the general meeting. Employee representatives on the Board are not included.

We calculate the share of independent Board members as the number of independent members relative to non-independent Board members. Employee representatives are not included.

Employees by age

The number of employees under 30 years of age, between 30 and 50 years of age and over 50 years of age (headcount). All employees employed and paid by the Flügger group are included, including temporary employees and agency workers on Flügger contracts, employees on leave such as maternity or parental leave, sick leave and unpaid leave, office trainees, student assistants, salaried PhD and master's students, apprentices and similar employees, as well as employees released from their duties. The number of employees is calculated as at 30 April 2026.

Internal Career Paths

Nadia grew into the leadership role – with support all the way

When Nadia Knakkegaard joined Flügger in 2016 as a Sales Assistant in Holbæk, she did not necessarily have a plan to become Store Manager. But step by step, her experience, responsibility and drive all grew.

Her next stop was Rødovre, where the pace was high during both the Covid-19 pandemic and the establishment of Flügger House. During this period, she became Deputy Store Manager and developed a real interest in leadership.

“Things moved incredibly fast, and you really learned a great deal. But I could also feel that if I was to develop further and learn the other aspects of the leadership role, I needed more calm.”

She therefore made a conscious decision to move to the store in Køge. There, she had the opportunity to work more deeply with leadership while completing a management programme at Niels Brock.

“I wasn’t simply thrown in at the deep end. I was allowed to develop gradually.”

Throughout the process, she experienced strong support from both managers and colleagues.

“I have always had someone to lean on. Lene Fischer in particular has been good at giving me room to try things out in practice.”

After two years in Køge, Nadia became Store Manager in Roskilde in 2024, where she helped open the new store from the ground up.

For Nadia, the network and relationships she has built over a decade have been crucial.

“You have to be curious about your colleagues and the company. It has given me tremendous confidence always to have people around me whom I could ask for help. It has also given me the courage to reach out for new tasks.”

Responsibility towards customers and users

Identified IROs

- | | | |
|----|---|---|
| 11 | Impact of wetgoods on painters' health | ⊖ |
| 12 | Products with improved environmental and health profiles | ⬆ |
| 13 | Increasing requirements for construction-project documentation and product data | ⬇ |
| 14 | Sustainability data and documentation for customers | ⬆ |

Policies

Flügger's Climate and Environmental Policy and strategic initiatives form the basis of the group's work to reduce the environmental impact of its products and develop solutions that are more considerate of both the environment and users, while supporting the industry in a world with increasing requirements for data and documentation. The policy applies across the group and its subsidiaries.

A key focus is the development of products with an improved environmental and health profile, including products with low emissions, products without substances of concern, products with a reduced environmental impact and products that meet recognised ecolabelling criteria. As part of this work, Flügger has a target for 90% of sold own-produced wetgoods to be ecolabelled by the end of 2026/27.

Flügger continuously works to identify and manage matters relating to product quality, health and safety and accessible and transparent product documentation, with a focus on both customers and users.

Dialogue with customers and users is an important part of this work. Through Flügger's Customer Sustainability Forum, among other channels, customer needs and expectations are continuously incorporated into the development of policies, targets and initiatives.

Actions and initiatives

Flügger continuously develops products, services and digital solutions that support both professional customers and other users in their work on quality, efficiency and sustainability. Development is based on customer needs and focuses on combining functionality, documentation and a strong environmental and health profile in solutions that work in practice. A key focus area is also to support more efficient workflows and reduce treatment steps for both professional and private users. This contributes to time savings, reduced material and resource consumption and more ergonomic work processes.

CO₂ data and EU Taxonomy documentation

Flügger continuously works to strengthen the availability and quality of product-related documentation to support customers' need for transparency, documentation and sustainability data. The development is driven by increasing requirements from the construction industry, certification schemes and customers, who increasingly request documentation relating to carbon footprints, ecolabels and regulatory matters, among other areas.

As part of this work, Flügger further developed the data foundation for the group's products during the financial year. CO₂e data has now been calculated for all products sold by Flügger across own-produced goods, goods for resale and specially sourced products. The data is made available to customers and supports documentation requirements in construction as well as customers' own sustainability efforts.

Flügger has also expanded the content of the digital documentation platform Flügger Document Manager, where a large share of the group's wetgoods now includes documentation relating to the EU Taxonomy. The platform brings together safety data sheets, product data sheets, environmental certificates and EPDs, among other documents, making relevant documentation more readily available to customers and users.

Focus on ecolabelled products

Flügger systematically develops products that combine a documented environmental and health profile with high quality, functionality and efficient application. Ecolabelling is an integral part of product development and is used as a tool to ensure high standards relating to chemistry, indoor climate and environmental impact, among other matters, while the products must also meet professional users' requirements for performance and durability.

For a number of years, the development of products carrying the Nordic Swan Ecolabel and EU Ecolabel has focused on high coverage, low VOC content, the absence of substances of concern and high washability, among other properties. Several of these properties also contribute to more efficient workflows,

for example through high coverage and strong application properties that can reduce the need for additional treatments and thereby save both time and resources when carrying out painting work.

During the financial year, Flügger increased its focus on communicating the relationship between ecolabelling, product quality and functionality to customers and users. At the same time, work continued to increase the share of ecolabelled products, including by ecolabelling more wood-protection products, among them selected products in the Wood Tex range. The purpose is to support the perception of ecolabelled solutions as a natural choice without compromising quality, efficiency or performance.

Filler solutions that reduce work steps

Flügger continuously develops products and solutions that can contribute to more efficient workflows and better ergonomics for both professional painters and private users. An important part of product development is therefore to identify opportunities to reduce the number of work steps, simplify work processes and improve application properties without compromising the quality of the finished result.

During the financial year, this included further development of the Perform range, whose technical properties make it possible to paint directly on unprimed filler without applying a separate coat of primer. The solution reduces the number of work steps, lowers material consumption and contributes to more efficient painting work.

Flügger also launched a new filler solution aimed at private users, focusing on making filling work simpler and more accessible. Flügger Filler Allround can be used for several different tasks within the same project, thereby reducing the need for multiple specialised products. The product can also be rolled directly

from the bucket, contributing to a faster and more ergonomic work process and making it easier to achieve a uniform result. The filler also carries the Nordic Swan Ecolabel and was developed with a focus on strong application properties and high functionality in practice.

Supplier partnerships and documented solutions

Flügger continuously collaborates across the value chain to ensure that products and system solutions work together in practice and support efficient workflows for professional users. An important part of this work is joint testing, documentation and knowledge-sharing with suppliers and business partners, focusing on quality, compatibility and usability when carrying out painting work.

During the financial year, this included a partnership with fermacell®, under which Flügger's Perform Filler was tested and documented for use on fermacell® Fibre Gypsum. This enables painters to work with a familiar product with documented compatibility across materials and suppliers and may thereby reduce the risk of errors, uncertainty and unnecessary additional work steps on the construction site.

The partnership is based on joint testing programmes, documentation and technical dialogue between specialists at Flügger and fermacell®. The purpose is to reduce complexity when carrying out painting work and support quality assurance, more predictable work processes and a better user experience for professional painters.

Key figures and targets

As part of Flügger's strategy for responsible product development, the group has a target for 90% of wetgoods sold under Flügger's brands to be ecolabelled by the end of the financial year 2026/27. The target supports the ambition to offer products

with a documented environmental and health profile and to meet the increasing demand for ecolabelled products among both professional and private customers.

Progress towards the target is monitored continuously as part of Flügger's product-development and portfolio-management activities. The work includes reformulating existing products, developing new ecolabelled solutions and maintaining a focus on combining a strong environmental and health profile with high functionality and quality in practice, including in commercial dialogue with our customers and business partners.

In the financial year 2025/26, ecolabelled products accounted for 89.1% of the total volume of wetgoods sold under Flügger's brands, measured in litres. Compared with the previous year, total litre sales declined by approximately 3 million litres, while sales of ecolabelled products increased by approximately 1 million litres. The development reflects, among other things, an increased strategic focus on Flügger's core customers and targeted development of ecolabelled products and private-label ranges that meet customers' requirements for functionality, documentation and environmental properties.

The development of data and documentation takes place in close dialogue with customers and the market. Through Flügger's Customer Sustainability Forum, the need for additional data availability is continuously evaluated, including which information customers request and how documentation can best be made available across platforms and digital solutions.

Accounting policies

At Flügger, we define wetgoods as paint, wood protection, filler, wallpaper adhesive, sealant and similar products. Ecolabelled wetgoods are defined as wetgoods certified with the Nordic Swan Ecolabel and/or the EU Ecolabel.

The share of ecolabelled wetgoods is based on the sales volume of wetgoods in the Nordic and International segments. Own-produced, outsourced and purchased wetgoods are included in the calculation.

Share of ecolabelled wetgoods 2025/26

	Unit	2024/25	2025/26	Target 2026/27
Litres of ecolabelled wetgoods sold	Litres	42,610,330	43,665,947	-
Litres of wetgoods sold	Litres	51,960,907	48,997,446	-
Share of ecolabelled wetgoods	%	82	89.1	90

Management information

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Good Business Practices

Identified IRO

15 Unethical business conduct



Policies

Code of Conduct

At Flügger, we have a Code of Conduct that applies across the group and is intended to ensure that activities are carried out in accordance with our DNA and values. It expresses our corporate culture and the expectations we have of one another, our employees and business partners, while also reflecting a strong desire to create sustainable development throughout the value chain.

Flügger's Code of Conduct is a code of behaviour that employees, business partners, suppliers and others must comply with in areas such as fair competition, anti-corruption, the environment, occupational health and safety, and human and labour rights.

Our guidelines on human rights and working conditions state that Flügger supports and respects internationally recognised human rights and the ILO's fundamental principles and rights at work. Everyone has the right to have their fundamental rights respected, to experience fair working conditions and to have a healthy and safe working environment in their workplace.

With regard to anti-corruption and anti-bribery, our guidelines make clear that Flügger, its suppliers and others must not engage in any form of fraud, corruption or bribery. Gifts, rewards and benefits, including secret commissions or kickbacks, that may improperly influence the recipient's conduct are considered bribery, and Flügger must neither accept, offer nor give bribes in any form. Flügger has established specific guidelines for events and gifts. We have zero tolerance for corruption, bribery and human rights violations.

Flügger's Code of Conduct is available at www.flugger.com.

Sustainability Principles for Suppliers

In addition to Flügger's Code of Conduct, which forms part of all contracts entered into, Flügger also has a code of conduct in the form of Sustainability Principles for Suppliers, which are included in new contracts. The Sustainability Principles for Suppliers contain requirements concerning suppliers' business conduct, human and labour rights and environmental considerations, including climate, resource use, deforestation and biodiversity.

Flügger's Sustainability Principles for Suppliers are available at

www.flugger.com.

Actions and initiatives

Risk management

Flügger's business-conduct risks are incorporated into and managed on an equal footing with other risks in the group's risk management, which aims both to identify and assess relevant risks and to reduce, minimise or control their impact.

Training of Flügger employees

Each year, the group's employees complete mandatory e-learning covering, among other things, Flügger's Code of Conduct and GDPR. E-learning is also a standard part of Flügger's onboarding programme for new employees. In addition to training on the Code of Conduct and GDPR, selected employee groups are required to complete e-learning on competition law, stock exchange law and IT security.

Whistleblower scheme

In accordance with EU and national legislation, Flügger has established a whistleblower scheme through which employees, business partners, suppliers, customers and others can anonymously report serious breaches of law, including human rights violations, corruption and bribery. The whistleblower scheme is managed through a system operated by an independent party that guarantees anonymity, security and user-friendliness. The scheme can be accessed from all countries.

Whistleblowers who, in good faith and on reasonable grounds, report or assist Flügger Group in investigating violations under the whistleblower scheme will not be subjected to retaliation or punishment, even if the report or assistance involves the disclosure of or access to confidential information. This includes reprimands, changes to job duties, changes to employee benefits, changes in reporting access, impairment of the whistleblower's career opportunities or reputation, threats to take any of the above actions, or deliberate omissions that

could harm the person concerned. However, individuals who knowingly and in bad faith report another person will not be protected. Individuals who report other employees in bad faith may be subject to civil, criminal and administrative sanctions as well as disciplinary measures, including dismissal. Information that could identify the whistleblower, either directly or indirectly, will not be shared with anyone other than the Group General Counsel, the Chief People Officer of Flügger group A/S and other employees authorised to handle reports made under the whistleblower scheme. In some cases, however, Flügger may be required to disclose the whistleblower's identity to public authorities, such as the police, in order to address violations or safeguard the accused person's right to a defence. In such cases, the whistleblower will be informed before disclosure, unless notification would jeopardise related investigations or legal proceedings.

Flügger reviews all reports submitted through the scheme. Information on employees' access to and use of the whistleblower scheme forms part of the annual e-learning.

A detailed description of how we handle reports is available at www.flugger.com/da/kontakt/#whistleblowordning.

Key figures and targets

Training of Flügger employees

The group's target is for all Flügger employees to complete e-learning on the group's Code of Conduct. In 2025/26, 99% of Flügger's employees completed the e-learning training. In 2025/26, the group will continue its active efforts to ensure that employees complete the training, including by communicating through internal channels, issuing reminders and following up regularly with both employees and their managers. Failure to complete the annual training may have employment-related consequences for the employee concerned.

Sustainability Principles in new contracts

In 2025/26, as in the previous year, Flügger worked systematically to incorporate the Sustainability Principles for Suppliers into all new procurement contracts. Once again, the principles were included in 100% of all new contracts entered into.

At the same time, Flügger strengthened its efforts to secure existing suppliers' commitment to the Sustainability Principles for Suppliers. The work included a systematic review of existing supplier contracts and ongoing dialogue with suppliers of raw materials and goods for resale regarding requirements and expectations concerning responsible business conduct, human rights, labour rights and environmental considerations. Over the past two years, the proportion of existing contracts with these suppliers whose signatories have accepted the principles increased from 67% to 87%.

Accounting policies

Code of Conduct training

The proportion and number of employees who have completed e-learning on the Flügger Code of Conduct are calculated on the basis of all employees across the group, including employees who are, for example, on parental leave or long-term sick leave during the period in which the annual e-learning is conducted.

Internal Career Paths

Two years ago, Marcin was given responsibility for the Polish market – and he is thriving

Marcin Borowiec is anything but a new face at Flügger, where he has worked for almost a decade. He first served as Regional Manager, then spent a period outside Flügger before returning 'home' as Country Manager for the Polish market.

"I had not planned to return, but when the opportunity arose, it felt completely right."

Today, he leads a market where the results are clear. But the success did not happen by itself.

"The overall paint market in Poland is barely growing, and volumes are currently declining. Nevertheless, we are growing and gaining market share. That has required us to go the extra mile."

It takes only a few minutes in Marcin's company for his drive to become apparent.

"I am constantly thinking about opportunities and how I can develop the business," says Marcin, adding:

"You can only work strategically if you have a strong team around you. And we do."

Roles in Poland are developing rapidly alongside the growth, creating many strong development opportunities for both existing teams and new employees.

Marcin's story of seeking new challenges and returning is therefore, in many ways, a classic Flügger story.



Responsibility in the supply chain

Policies

Responsible business conduct in the supply chain is anchored in Flügger's Procurement Principles, Sustainability Principles for Suppliers, Value Chain ESG Due Diligence Principles and other internal supplier-management and due-diligence processes.

As a supplement to Flügger's Code of Conduct, the group has established Sustainability Principles for Suppliers. The principles include requirements concerning suppliers' business conduct, human rights, labour rights and environmental matters.

Actions and initiatives

Flügger depends on stable and responsible supplier relationships and expects suppliers to demonstrate the same responsible business conduct that the group itself pursues. Flügger's analyses and double materiality assessment show that a material proportion of the group's ESG-related risks is linked to the supply chain. Due diligence and supplier management are therefore key focus areas in the group's work on sustainability and responsible business practices.

Flügger conducts ESG due diligence in the supply chain to identify and manage potential impacts and risks relating to, among other things, the environment, human rights, labour rights, health and safety and responsible business conduct. The work covers both the qualification of new suppliers and ongoing follow-up on existing relationships.

Risk assessment in the supply chain

Flügger takes a risk-based approach to ESG in the supply chain, under which suppliers and procurement are continuously assessed based on factors including geographical location, industry risks, product types and the suppliers' strategic importance to the group. The risk assessments are used as part of Flügger's due-diligence processes and also provide important input to the group's double materiality assessment and the prioritisation of sustainability initiatives in the value chain.

The geographical risk assessment is based on publicly available ESG-related indices and analyses from, among others, universities, NGOs and international organisations. The assessments are compared with the countries of origin of the raw materials, packaging and products purchased by Flügger. The purpose is to provide a better overview of potential environmental, social and governance-related risks in the value chain and support the prioritisation of supplier dialogue, due diligence and follow-up.

Flügger's overall geographical risk profile continues to be assessed as relatively low. Only a small proportion of the group's procurement originates from suppliers in areas assessed as potentially high risk, while the majority is purchased from suppliers in low-risk areas. However, the risk profile varies depending on the supplier, product type and individual E, S and G parameters.

Most of Flügger's procurement is from suppliers in Europe, where suppliers are also subject to extensive regulatory requirements relating to, among other things, chemicals, the environment and product safety. During the financial year, 94% of expenditure on raw materials and packaging used in Flügger's own production was sourced within the EU, while 99% originated from suppliers in Europe.

The relatively low geographical risk profile is supported by Flügger's long-standing strategy of sourcing from nearby geographical markets, with a focus on security of supply, quality, sustainability and reduced transport-related environmental impact. Flügger also purchases selected raw materials and products outside Europe, including from the USA, China and Southeast Asia, where enhanced due diligence and follow-up are applied where relevant.

Flügger's long-standing strategy of sourcing from nearby geographical markets not only contributes to reducing transport-related environmental impacts, but also supports a more stable and transparent value chain. The high proportion of procurement from suppliers in Europe provides better opportunities for close collaboration, dialogue and follow-up across the value chain, as well as shorter and less complex supply chains.

Geographical proximity to suppliers also contributes to greater flexibility and resilience in a period characterised by increasing geopolitical uncertainty, volatile raw-material markets and growing regulatory requirements. Flügger therefore considers close and long-term supplier relationships an important element of its work on security of supply, quality and responsible business operations.

Flügger also conducts risk assessments based on industry risks, drawing on external industry and sector analyses, including risk areas related to the environment, health and safety and responsible business conduct. The mapping is used to identify areas of the supply chain where greater focus, dialogue or additional assessments may be required as part of the ongoing development of supplier management.

Flügger also uses QHSE-related self-assessment questionnaires (SAQs) as part of the qualification and follow-up of suppliers of raw materials and goods for resale. The SAQs cover matters including quality, environment, health, safety and management systems and are used to supplement the group's other risk assessments and due-diligence processes. Selected suppliers are also audited with a focus on quality and environmental management, based on the supplier's risk profile and strategic importance to the group.

Anti-corruption and responsibility in the supply chain

Flügger treats responsible business conduct as an integral part of the group's collaboration with suppliers and other business partners. This work includes a focus on transparency, compliance, responsible business processes and strong collaborative relationships across the value chain.

Responsible business conduct and anti-corruption form part of Flügger's supplier screening and due-diligence processes. The work is performed using a risk-based approach that takes into account factors including supplier type, geographical presence and the nature of the relationship. The processes include contractual requirements, supplier dialogue and relevant screening

and qualification processes as part of the ongoing development of the group's supplier relationships.

Going forward, Flügger expects to continue developing its work on governance and responsible business conduct as part of the group's general supplier management and long-term value-chain relationships.

Flügger's work on ESG risks in the supply chain

Flügger uses ESG risk assessments as input to supplier management, due-diligence processes and the double materiality assessment. The assessments are combined with other data, supplier dialogue and internal assessments of factors including strategic importance, product type and ability to influence. The due-diligence processes are documented in Flügger's management system, and relevant employees are trained in the processes.

Flügger's ESG due diligence is performed as an integral part of both the qualification of new suppliers and ongoing supplier management. The extent of assessments and follow-up depends on factors including the supplier's risk profile, strategic importance, type of supply and the nature of the relationship. The processes include Sustainability Principles for Suppliers, regulatory supplier and product qualification, QHSE assessments and audits, the ESG risk assessments described above, and relevant screening and control processes.

As part of ongoing supplier management, Flügger works with, among other things, contract management, supplier dialogue, performance follow-up, ESG-related assessments and the whistleblower scheme. An overview of the key ESG-related due-diligence processes in supplier qualification and supplier management is provided in Tables 1 and 2 below.

Where a supplier does not meet Flügger's requirements and expectations, the matters are generally addressed through dialogue and collaboration. If material issues cannot be resolved satisfactorily, the relationship with the supplier concerned may be terminated.

ESG due diligence of suppliers as part of the qualification process

Process	ESG area
Sustainability Principles for Suppliers	E, S, G
Regulatory supplier and product qualification	E, S, G
QHSE assessment	E, S, G
QHSE audit	E, S, G
Sanctions and anti-bribery screening	S, G
Financial screening	G
ESG risk assessment	E, S, G

ESG due diligence of suppliers as part of Flügger's supplier management

Process	ESG area
Contracts	E, S, G
Supplier performance management	Varies
Supplier relationship management	E, S, G
ESG risk assessment	E, S, G
QHSE audits	E, S, G
Whistleblower scheme	E, S, G

Income statement

	2024/25	2025/26
Revenue	2,272	2,313
Production costs	-1.055	-1.028
Gross profit	1,217	1.285
Sales and distribution costs	-915	-944
Administrative expenses	-209	-235
Other operating income	5	4
Other operating expenses	-4	-2
Operating profit	94	108
Financial Income	22	15
Financial expenses	-34	-34
Profit before tax	82	89
Tax	-19	-21
Net profit	63	68

Distribution of profits

Shareholders in Flügger group A/S, share	58	63
Minority Interests	5	5
Net profit	63	68

Earnings per share after tax and minority interests

Earnings per share of 20 DKK	19.5	21.2
Diluted earnings per share of 20 DKK	19.4	21.1

Statement of comprehensive income

	2024-25	2025/26
Net profit	63	68
Items recirculated to the income statement:		
Exchange rate adjustments, subsidiaries, etc.	17	4
Total other comprehensive income	17	4
Total comprehensive income	80	72

Distribution of comprehensive income

Shareholders of Flügger group A/S, share	74	68
Minority Interests	6	4
Total comprehensive income	80	72

Balance sheet

	30.04.2025	30.04.2026
Assets		
Goodwill	149	153
Software	36	49
Other intangible assets	23	19
Prepayments, intangible assets	9	3
Intangible Assets	217	224
Land and buildings	270	255
Technical equipment and machinery	120	103
Other machinery and equipment	91	95
Leased assets	357	362
Assets under construction	23	17
Property, plant, and equipment	861	832
Deferred tax asset	11	15
Receivables	25	17
Total non-current assets	1,114	1,088
Inventory	375	363
Receivables	395	367
Tax receivable	12	9
Cash and cash equivalents	24	22
Current assets	806	761
Total assets	1,920	1,849

	30.04.2025	30.04.2026
Liabilities		
Share capital	60	60
Reserve for foreign exchange rate adjustments	-110	-105
Retained earnings	845	822
Proposed dividend	30	60
Equity, excluding minority interests	825	837
Minority interests	45	43
Equity	870	880
Deferred tax	21	28
Lease liability	284	281
Mortgage credit institution loans	104	94
Liability, put option	9	9
Long-term liabilities	418	412
Lease liability	87	99
Mortgage credit institution loans	9	10
Bank Debt	149	37
Trade payables	206	231
Tax payables	11	14
Other payables	170	166
Current liabilities	632	557
Total liabilities	1,920	1,849

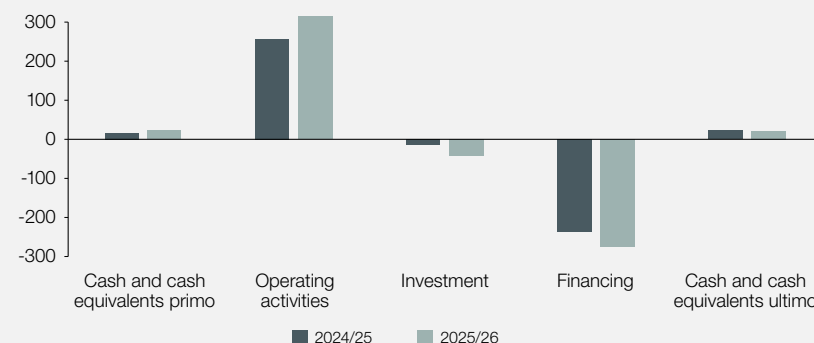
Statement of equity

	Share capital	Reserve for foreign exchange rate adjustments	Retained earnings	Proposed/ distributed dividend	Company shares	Minority Interests	Total Equity
Equity at 1 May 2025	60	-110	845	30	825	45	870
Net profit	-	-	63	-	63	5	68
Items recirculated to the income statement:							
Exchange rate adjustments, subsidiaries, etc.	-	5	-	-	5	-1	4
Total other comprehensive income	-	5	-	-	5	-1	4
Total comprehensive income	-	5	63	-	68	4	72
Dividends paid	-	-	-	-60	-60	-6	-66
Proposed interim dividend	-	-	-30	30	-	-	-
Proposed dividend	-	-	-60	60	-	-	-
Purchase of own shares	-	-	-2	-	-2	-	-2
Share-based payments	-	-	6	-	6	-	6
Total transactions with shareholders	-	-	-86	30	-56	-6	-62
Equity at 30 April 2026	60	-105	822	60	837	43	880
Equity at 1 May, 2024	60	-147	821	15	749	72	821
Reclassification	-	21	5	-	26	-26	-
Net profit	-	-	58	-	58	5	63
Items recirculated to the income statement:							
Exchange rate adjustments, subsidiaries, etc.	-	16	-	-	16	1	17
Total other comprehensive income	-	16	-	-	16	1	17
Total comprehensive income	-	16	58	-	74	6	80
Dividends paid	-	-	-	-15	-15	-7	-22
Put option	-	-	-4	-	-4	-	-4
Proposed dividend	-	-	-30	30	-	-	-
Purchase of own shares	-	-	-10	-	-10	-	-10
Share-based payments	-	-	5	-	5	-	5
Total transactions with shareholders	-	-	-39	15	-24	-7	-31
Equity at 30 April 2025	60	-110	845	30	825	45	870

Cash Flow Statement

	2024-25	2025/26
Operating profit	94	108
Depreciation, amortisation and writedowns	163	159
Other non-cash items	16	14
Change in receivables	-4	28
Change in inventories	-13	12
Change in accounts payable	14	25
Change in other operating liabilities	7	-4
Cash flows from operations before financing and taxes	277	342
Financial income	5	2
Financial expenses	-19	-19
Cash flows from operations before tax paid	263	325
Tax paid	-7	-11
Cash flows from operating activities	256	314
Purchase of intangible assets	-18	-20
Purchase of property, plant, and equipment	-40	-30
Sale of non-current assets	2	3
Installment payments due from a divested company	43	5
Cash flows from investing activities	-13	-42
Cash flows from investing activities	243	272
Drawings on credit facility	-111	-112
Mortgage payments	-	-9
Repayments of debt to related parties	-14	-
Lease payments	-80	-85
Dividends paid	-15	-60
Dividends paid to minority shareholders	-7	-6
Purchase of own shares	-10	-2
Cash flow from financing activities	-237	-274
Cash flows for the year	6	-2
Cash and cash equivalents at the beginning of the year	18	24
Exchange rate adjustment	-	-
Cash and cash equivalents at the end of the year	24	22

Development in cash flow



Accounting Policies

Cash Flow Statement

The cash flow statement shows cash flows for the year broken down by operating, investing, and financing activities, as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated using the indirect method, based on operating profit for the year after paid interest and taxes and adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities include payments related to the acquisition and disposal of businesses and operations, as well as purchase and disposal of intangible assets, property, plant, and equipment, and other long-term assets.

Cash flows from financing activities include changes in the amount or composition of share capital and related costs, as well as the raising of loans, repayments on interest-bearing debt, lease payments, purchase of own shares, and dividends paid to shareholders, etc.

Cash flow denominated in currencies other than the functional currency are converted as at transaction day exchange rates.

Cash and cash equivalents

Cash and cash equivalents include cash holdings, marketable securities, and bank deposits, including time deposits with a remaining maturity of less than 3 months at the time of purchase, which can be converted into cash and cash equivalents without difficulty and for which there are only insignificant risks of changes in value. These holdings are measured at nominal value.

