

Notes – Group

1 General accounting policies

The Parent Company, Trelleborg AB (publ), is a limited liability company with its registered office in Trelleborg, Sweden. The Parent Company is listed on Nasdaq Stockholm. The Board of Directors resolved to adopt these consolidated financial statements for publication on February 26, 2026.

The annual accounts contains the Group’s accounts for the fiscal year of January 1–December 31, 2025, are prepared in Swedish kronor and all amounts are in millions of kronor, unless otherwise stated.

Basis of preparation

The Trelleborg Group’s financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Corporate Groups and IFRS® Accounting Standards as approved by the EU and IFRIC® interpretations, as approved by the EU.

The Group’s financial statements have been prepared in accordance with the cost method, with the exception of certain financial instruments that were measured at fair value.

The Parent Company applies the same accounting policies as the Group, except in the instances stated in Note 35 “Parent Company’s accounting policies.” The differences arising between the Parent Company and the Group’s accounting policies are attributable to limitations on the ability to apply IFRS Accounting Standards in the Parent Company, primarily as a result of the Swedish Annual Accounts Act.

These policies were applied consistently for all years presented, unless otherwise stated.

Consolidated financial statements

Group

The consolidated financial statements include the Parent Company and all subsidiaries, joint ventures, and associated companies. Intra-Group transactions, balance-sheet items, and income and costs for intra-Group transactions are eliminated.

Translation of foreign currencies

Functional currency and reporting currency

Items included in the financial statements of the various entities of the Group are valued in the currency used in the primary economic environment of each company’s operations (functional currency). Swedish kronor (SEK), which is the Parent Company’s functional currency and presentation currency, is utilized in the consolidated financial statements.

Transactions and balance-sheet items

Transactions in foreign currency are translated into the functional currency in accordance with the exchange rate prevailing on the transaction date. Exchange rate gains and losses resulting from settlement of such transactions and from the translation at the closing rate of monetary assets and liabilities in foreign currency are recognized in profit and loss. An exception is made when hedging transactions meet the requirements for cash flow hedging or net-investments hedging whereby gains and losses are recognized directly against other comprehensive income after adjustment for deferred taxes. Reversal to profit and loss takes place at the same time as the hedged transaction impacts profit and loss.

Subsidiaries

The earnings and financial position of the Group subsidiaries, joint ventures, and associated companies are prepared in the functional currency of each company. In the consolidated financial statements, the earnings and financial position of foreign subsidiaries are translated into SEK in accordance with the following:

Income and expenses in the income statements of subsidiaries are translated at the average exchange rate for the applicable year, while assets and liabilities in the balance sheets are translated at the closing rate. Exchange rate differences arising from translation are recognized as a separate item in other comprehensive income. Translation differences arising on financial instruments, which are held for hedging of net assets in foreign subsidiaries, are also entered as a separate item in other comprehensive income. On divestment, the

accumulated translation differences attributable to the divested unit, previously recognized in other comprehensive income, are realized in the consolidated income statement in the same period as the gain or loss on the divestment.

For foreign operations located in countries with hyperinflation, the financial statements are adjusted before translation using a reliable inflation index. This is performed in order to take into account changes in the purchasing power of the company’s functional currency, usually its local currency. Only the year concerned is adjusted using an inflation index. Thereafter, assets and liabilities, including goodwill and other consolidated surplus values and discounts are restated in the Group’s presentation currency at the exchange rate prevailing on the closing date. Revenue and expenses are also restated using this exchange rate. Refer to the “Change in equity” table on page 110 and Notes 9, 15 and 17.

Goodwill and adjustments of fair value arising in connection with the acquisition of foreign operations are treated as assets and liabilities of these operations, and are translated at the closing rate.

Other accounting and valuation policies

Non-current assets and non-current liabilities comprise amounts expected to be recovered or paid more than 12 months from the closing date. Current assets and current liabilities comprise amounts expected to be recovered or paid within 12 months of the closing date.

New and amended IFRS financial reporting standards applied from January 1, 2025

Only one change in standards has come into effect and is applied for the fiscal year beginning on January 1, 2025:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The amendments have not had any material impact on the consolidated financial statements.

New and amended standards and interpretations that have not yet come into effect

A number of new and amended standards and interpretations have been published by IASB but have not yet come into effect and were not applied prospectively in connection with the preparation of the Group’s and Parent Company’s financial statements.

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, IASB published amendments to IFRS 9 and IFRS 7 concerning the classification and measurement of financial instruments. The amendments clarify the timing of the derecognition of financial liabilities and additional guidance for electronic payments. The amendments also clarify the assessment of the characteristics of contractual cash flows of financial assets with special terms and conditions, including those with ESG-linked agreements.

The Group has analyzed the impact of the amendments to IFRS 9 and IFRS 7 linked to the derecognition of financial liabilities in terms of the Group’s procedures for electronic payments. The amendments have no material impact on the consolidated financial statements other than possible additional disclosures.

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments disclosures: Contracts referring to nature-dependent electricity.

In December 2024, the IASB published amendments to IFRS 9 and IFRS 7 relating to contracts that refer to nature-dependent electricity. The amendments apply only to contracts that refer to nature-dependent electricity. The amendments aim to make it easier for entities to report the financial effects of contracts for nature-dependent electricity, which are often structured as power purchase agreements (PPA).

The Group has analyzed the effects of the amendments to IFRS 9 and IFRS 7 linked to contracts within the Group that refer to nature-dependent electricity and assesses that the amendments will not have any material impact on the financial statements.

- IFRS 18 Presentation and Disclosure in Financial Statements

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In April 2024, the IASB published the new IFRS 18 standard, which will replace IAS 1 Presentation of Financial Statements.

The new standard introduces three areas of new requirements aimed at increasing the comparability, presentation and consistency of financial statements. The first area introduces new requirements for the structure of the Group's income statement by introducing categories and requires entities to present two new defined subtotals. The second area involves new requirements for disclosures of certain key indicators used by the entity in its external financial communication, called Management Defined Performance Measures (MPM). The third area introduced by IFRS 18 aims to provide entities with enhanced guidance on the aggregation and disaggregation of information in financial statements and notes. The standard also provides guidance on how entities can determine whether information about an item should be included in the primary financial statements or in the notes. The implementation of IFRS 18 will also result in changes to other standards.

The Group is currently endeavoring to identify any impact the amendments may have on the primary financial statements and the notes to the financial statements.

Pillar 2

The Group has applied the temporary exemption issued by the IASB in May 2023 relating to the accounting requirements concerning deferred tax under IAS 12. Consequently, the Group has neither recognized nor disclosed deferred tax related to Pillar 2.

On December 31, 2023, Sweden, the country in which the Parent Company is domiciled, adopted the Pillar 2 regulatory framework and the law entered into force on January 1, 2024. Under this regulatory framework, the Parent Company is obliged to pay a top-up tax on the profits of subsidiaries that are taxed at an effective rate of less than 15 percent. The main jurisdictions where this may be applicable are Bulgaria and Hungary. The Group has not recognized any tax expense in relation to Pillar 2 as it is deemed immaterial.

Critical accounting estimates and judgments

Executive Management and the Board of Directors make estimates and assumptions about the future. These estimates and assumptions impact recognized assets and liabilities, as well as revenue and expenses, and other disclosures, including contingent liabilities. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The conclusions reached in this manner form the basis for decisions concerning the carrying amounts of assets and liabilities where these cannot be determined by means of other information. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. Estimates and assumptions that may have a significant effect on the Group's earnings and financial position are provided for each note where appropriate:

- Note 2 Segment reporting
- Note 9 Income tax
- Note 11 Pension provisions and similar items
- Note 16 Leases
- Note 17 Intangible assets
- Note 18 Inventories
- Note 19 Current operating receivables
- Note 24 Other provisions

Risks and uncertainties

Risks in the long term

Trelleborg has identified relevant areas based on strategic risks, operational risks, compliance risks and financial risks that may have a significant impact on the entire Group and which therefore justify managing risk exposure at Group level.

Risks in the short term

To date, the increase in global trade barriers has had a limited direct impact on Trelleborg's operations, as its business model is based on regional production for a regional market. Our global presence also enables shifts in production to avoid tariffs. The starting point is that cost increases due to unavoidable tariffs are compensated through price increases. Indirect impacts, such as supply chain disruptions and increased raw material costs, may however negatively affect operations. The uncertainty created by rising global trade barriers may also affect global economic activity.

Climate-related risks

Climate change is a challenge that entails risks for the entire global community, including its companies, people, and surrounding environment. Trelleborg is playing an active risk-prevention role by supplying products and solutions that reduce energy consumption and emissions for customers and society at large, and through its systematic work to limit climate risks directly associated with its own operations and its value chain.

During 2025, sustainability governance and organization were further developed. Trelleborg continued to strengthen its organization during the year to clarify the roles of the Board of Directors, the management, the executive steering committee and the operational employees for the steering of sustainability work, as well as the individual responsibility of the business areas for planning and implementation.

An analysis of climate-related risks and opportunities including future climate scenarios with financial impact according to the TCFD's recommendations provides the basis and variables for a potential future description for Trelleborg to base its actions on. The risks facing the Group can be divided into transition and physical risks.

Transition risks are generally expected to occur before physical risks. The organization is continuously increasing its contingency for future carbon regulations and rises in the price of raw materials. Transition risks related to changes in demand where customers avoid fossil materials is probably a larger risk in the medium term than new political measures and taxes. New materials and new technical solutions are monitored for the same purpose – so Trelleborg can become an industry leader in sustainability.

The risk analysis of climate-related physical risks has been in place for a long time. The number of upgrades to the level of Highly Protected Risk facilities is rising, refer to page 49.

Trelleborg's sustainability reporting is described in more detail on pages 50–102. Climate risks, including transition risks and physical risks, as well as descriptions of various climate scenarios, can be found on pages 64–68.

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