

# Financial statements and notes

## The Group

Consolidated income statement	115
Consolidated balance sheet	116
Consolidated changes in equity	117
Consolidated cash flow statement	118

## Consolidated notes

<b>G1</b>	Significant accounting principles	119	<b>G21</b>	Provisions for pension and other non-current post-employment benefits	137
<b>G2</b>	Segment information	120	<b>G22</b>	Other interest-bearing liabilities	140
<b>G3</b>	Categories of revenue	122	<b>G23</b>	Other provisions	140
<b>G4</b>	Personnel information and remuneration of management	123	<b>G24</b>	Other liabilities	141
<b>G5</b>	Remuneration to auditors	126	<b>G25</b>	Accrued expenses	141
<b>G6</b>	Other operating income	126	<b>G26</b>	Contingent liabilities and pledged assets	141
<b>G7</b>	Other operating expenses	126	<b>G27</b>	Supplementary information – financial risk	142
<b>G8</b>	Operating expenses	126	<b>G28</b>	Transactions with related parties	148
<b>G9</b>	Net financial items	126	<b>G29</b>	Supplementary information to the cash flow statement	148
<b>G10</b>	Income tax	127	<b>G30</b>	Business combinations	149
<b>G11</b>	Earnings per share	129	<b>G31</b>	Divestments and assets held for sale	151
<b>G12</b>	Intangible assets	130	<b>G32</b>	Government grants	152
<b>G13</b>	Property, plant and equipment	132	<b>G33</b>	Events after the end of the period	152
<b>G14</b>	Right-of-use assets and customer financing	133			
<b>G15</b>	Shares in associates, joint ventures and financial assets	134			
<b>G16</b>	Non-current receivables	135			
<b>G17</b>	Inventories	135			
<b>G18</b>	Trade receivables	136			
<b>G19</b>	Other current receivables	136			
<b>G20</b>	Capital and reserves	136			

# Consolidated income statement

MSEK	Note	2024	2025
Revenue	G2, G3	122,878	120,680
Cost of goods and services sold		-73,742	-71,678
<b>Gross profit</b>		<b>49,136</b>	<b>49,002</b>
Selling expenses		-15,832	-14,987
Administrative expenses		-8,915	-8,624
Research and development expenses		-4,808	-4,542
Share of results of associates and joint ventures		-208	23
Other operating income	G6	297	580
Other operating expenses	G7	-1,249	-643
<b>Operating profit</b>	G2	<b>18,420</b>	<b>20,809</b>
Financial income		827	640
Financial expenses		-2,787	-1,991
<b>Net financial items</b>	G9	<b>-1,959</b>	<b>-1,351</b>
<b>Profit before tax</b>		<b>16,461</b>	<b>19,458</b>
Income tax	G10	-4,216	-4,767
<b>Profit for the year</b>		<b>12,245</b>	<b>14,691</b>
<i>Profit for the year attributable to:</i>			
Owners of the Parent Company		12,243	14,690
Non-controlling interests		2	1
Basic earnings per share, SEK	G11	9.76	11.71
Diluted earnings per share, SEK		9.75	11.70
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit/loss for the year</i>			
Actuarial gains/losses on defined-benefit pension plans	G21	-117	1,310
Fair value adjustment		-14	81
Tax relating to items that cannot be reclassified	G10	-5	-304
<b>Total items that will not be reclassified to profit or loss</b>		<b>-136</b>	<b>1,087</b>
<i>Items that may be reclassified to profit/loss for the year</i>			
Translation differences during the year		5,627	-12,419
Fair-value changes in cash flow hedges		-1,622	26
Tax related to fair-value changes in cash-flow hedges	G10	334	-5
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>4,340</b>	<b>-12,399</b>
<b>Total other comprehensive income for the year</b>		<b>4,204</b>	<b>-11,312</b>
<b>Total comprehensive income</b>		<b>16,449</b>	<b>3,379</b>
<i>Total comprehensive income for the year attributable to:</i>			
Owners of the Parent Company		16,445	3,383
Non-controlling interests		4	-5

# Consolidated balance sheet

MSEK	Note	Dec 31, 2024	Dec 31, 2025
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	G12	70,323	62,594
Property, plant and equipment	G13	24,678	22,339
Right-of-use assets	G14	5,877	5,410
Shares in associates and joint ventures	G15	134	121
Financial assets	G15	516	600
Deferred tax assets	G10	4,115	3,650
Non-current receivables	G16	5,239	5,248
<b>Total non-current assets</b>		<b>110,883</b>	<b>99,962</b>
<b>Current assets</b>			
Inventories	G17	34,827	33,219
Trade receivables	G18	19,836	19,595
Income tax receivables	G10	3,627	3,094
Other receivables	G19	8,529	7,403
Prepaid expenses and accrued income		1,761	1,628
Cash and cash equivalents		4,528	4,958
Assets held for sale	G31	395	–
<b>Total current assets</b>		<b>73,502</b>	<b>69,898</b>
<b>Total assets</b>		<b>184,384</b>	<b>169,860</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		1,505	1,505
Other paid-in capital		7,678	7,678
Reserves		15,962	3,635
Retained earnings incl. profit for the year		71,779	80,348
<b>Equity attributable to owners of the Parent Company</b>	G20	<b>96,924</b>	<b>93,166</b>
Non-controlling interest		75	71
<b>Total equity</b>		<b>96,999</b>	<b>93,237</b>
<b>Non-current liabilities</b>			
Provision for pensions	G21	4,382	3,569
Interest-bearing liabilities	G22, G27	36,486	32,027
Deferred tax liabilities	G10	3,553	3,274
Other provisions	G23	1,199	1,064
Other liabilities	G24	739	577
<b>Total non-current liabilities</b>		<b>46,359</b>	<b>40,510</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	G22, G27	6,269	5,094
Accounts payable		10,077	10,719
Income tax liabilities	G10	3,031	2,136
Other liabilities	G24	11,075	8,216
Other provisions	G23	2,552	2,414
Accrued expenses	G25	7,978	7,533
Liabilities directly attributed to assets held for sale	G31	43	–
<b>Total current liabilities</b>		<b>41,026</b>	<b>36,113</b>
<b>Total liabilities</b>		<b>87,385</b>	<b>76,623</b>
<b>Total equity and liabilities</b>		<b>184,384</b>	<b>169,860</b>

# Consolidated changes in equity

MSEK	Equity attributable to equity holders of the Parent Company						Non-controlling Interest	Total Equity
	Share Capital	Other paid-in capital	Reserves	Retained earnings	Total			
<b>Equity at January 1, 2024</b>	<b>1,505</b>	<b>7,678</b>	<b>11,420</b>	<b>67,028</b>	<b>87,631</b>	<b>66</b>	<b>87,697</b>	
Adjustment on correction of error	-	-	-	-77	-77	-	-77	
<b>Equity at January 1, 2024</b>	<b>1,505</b>	<b>7,678</b>	<b>11,420</b>	<b>66,952</b>	<b>87,555</b>	<b>66</b>	<b>87,620</b>	
Profit for the year	-	-	-	12,243	12,243	2	12,245	
Other comprehensive income	-	-	4,542	-340	4,202	2	4,204	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,542</b>	<b>11,903</b>	<b>16,445</b>	<b>4</b>	<b>16,449</b>	
<i>Transactions with owners</i>								
Change in fair value of put option to acquire non-controlling interest	-	-	-	-219	-219	-	-219	
Change in non-controlling interest	-	-	-	-6	-6	6	-	
Change in share based program	-	-	-	29	29	-	29	
Dividend	-	-	-	-6,880	-6,880	-	-6,880	
<b>Equity at December 31, 2024</b>	<b>1,505</b>	<b>7,678</b>	<b>15,962</b>	<b>71,779</b>	<b>96,924</b>	<b>75</b>	<b>96,999</b>	
<b>Equity at January 1, 2025</b>	<b>1,505</b>	<b>7,678</b>	<b>15,962</b>	<b>71,779</b>	<b>96,924</b>	<b>75</b>	<b>96,999</b>	
Profit for the year	-	-	-	14,690	14,690	1	14,691	
Other comprehensive income	-	-	-12,327	1,021	-11,306	-6	-11,312	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-12,327</b>	<b>15,710</b>	<b>3,383</b>	<b>-5</b>	<b>3,379</b>	
<i>Transactions with owners</i>								
Change in fair value of put option to acquire non-controlling interest	-	-	-	31	31	-	31	
Change in non-controlling interest	-	-	-	-1	-1	1	-	
Change in share based program	-	-	-	32	32	-	32	
Dividend	-	-	-	-7,203	-7,203	0	-7,203	
<b>Equity at December 31, 2025</b>	<b>1,505</b>	<b>7,678</b>	<b>3,635</b>	<b>80,348</b>	<b>93,166</b>	<b>71</b>	<b>93,237</b>	

# Consolidated cash flow statement

MSEK	Note	2024	2025
<b><i>Cash flow from operating activities</i></b>			
Profit before tax		16,461	19,458
Adjustment for depreciation, amortization and impairment losses		7,981	7,415
Other adjustments for non-cash items	G29	1,822	-352
Payment to pension fund		-395	-359
Income tax paid		-5,474	-5,156
<b>Cash flow from operating activities before changes in working capital</b>		<b>20,395</b>	<b>21,005</b>
<b><i>Changes in working capital</i></b>			
Change in inventories		1,189	-1,764
Change in operating receivables		347	-1,602
Change in operating liabilities		-280	2,274
<b>Cash flow from changes in working capital</b>		<b>1,256</b>	<b>-1,092</b>
Investments in rental equipment		-1,407	-995
Proceeds from sale of rental equipment		363	271
<b>Cash flow from operating activities, net</b>		<b>20,607</b>	<b>19,189</b>
<b><i>Cash flow from investing activities</i></b>			
Acquisitions of companies and shares, net of cash acquired	G30	-3,187	-2,997
Proceeds from sale of companies and shares, net of cash disposed	G31	-22	336
Acquisitions of tangible assets		-3,565	-2,835
Proceeds from sale of tangible assets		257	376
Acquisitions of intangible assets		-1,276	-972
Proceeds from sale of intangible assets		7	2
Acquisitions of financial assets		-23	-2
Proceeds from sale of financial assets		18	6
Other investments, net		122	-276
<b>Cash flow from investing activities</b>		<b>-7,671</b>	<b>-6,364</b>
<b><i>Cash flow from financing activities</i></b>			
Repayment of borrowings		-10,535	-5,024
Proceeds from borrowings		5,928	1,765
Amortization, lease liabilities		-1,439	-1,433
Repurchase of own shares		-61	-6
Dividends paid		-6,880	-7,203
<b>Cash flow from financing activities, net</b>	G29	<b>-12,988</b>	<b>-11,901</b>
<b>Cash flow for the year</b>		<b>-51</b>	<b>924</b>
Cash and cash equivalents at beginning of year		4,363	4,528
Exchange-rate differences in cash and cash equivalents		216	-494
<b>Cash and cash equivalents at the end of year</b>	G29	<b>4,528</b>	<b>4,958</b>

# Group notes

## G1 Significant accounting principles – assessments and assumptions for accounting purposes

The consolidated financial statements comprise Sandvik AB, corporate registration number 556000-3468, (the Parent Company) and all its subsidiaries (jointly the Group), with registered office in Stockholm, Sweden. The address for the headquarter is Box 510, 101 30 Stockholm. The Group also includes the share of investments in associated companies.

The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Group. Accordingly, the financial statements are presented in SEK. All amounts are in million SEK unless otherwise stated. Amounts in tables and calculations in the financial statements and notes do not always agree exactly with the totals due to rounding.

### § Accounting principles

The symbol and heading show where the accounting principles are described in each note. The accounting principles have been applied consistently to all periods presented in these consolidated financial statements.

#### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards adopted by the International Accounting Standards Board (IASB) as endorsed by the EU. In addition, the recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Corporate Reporting Board, has been applied.

The Parent Company has applied the same accounting principles as those applied in the consolidated financial statements except as set out in note P1, Accounting principles, Parent Company. The financial statements are presented on pages 32-50 and 114-171 in the printed Annual Report. The Parent Company's Annual Report and the consolidated financial statements were approved for issuance by the Board of Directors on March 6, 2026. Both the Group's and the Parent Company's income statements and balance sheets are subject to adoption at the Annual General Meeting on April 28, 2026.

#### Basis of consolidation

The consolidated financial statements are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and all subsidiaries over which the Parent Company exercises control.

#### Foreign currency

##### *Financial statements of foreign operations*

The assets and liabilities of foreign operations, arising on consolidation, are translated from the foreign operation's functional currency to the Group's reporting currency, SEK. Revenues and expenses of foreign operations are translated to SEK at average rates that approximate the foreign exchange rates prevailing at each of the transaction dates.

Translation differences arising from the translation of the net investment in foreign operations are recognized in other comprehensive income and are accumulated in a separate

component of equity, a translation reserve. If the foreign operation is divested, the accumulated translation differences attributable to the divested foreign operation is reclassified from equity to profit or loss for the year as a reclassification adjustment at the date on which the profit or loss of the divestment is recognized. For cases in which divestments made include a residual controlling influence, the proportionate share of accumulated translation differences from other comprehensive income is transferred to non-controlling interests.

#### Changes in accounting policies 2025

IASB has published amendments of standards effective in 2025. These have not had any material impact on the financial statements.

#### Changes in accounting policies 2026 or later

##### *IFRS 18 Presentation and Disclosure in Financial Statements.*

The implementation of IFRS 18 will have an impact on the Group's presentation of the income statement and statement of cash flows. It also requires additional note disclosures. Sandvik is still assessing the full impact of IFRS 18. The standard will be applied from January 1, 2027.

No other new or amended standards effective from 2026 or later are expected to materially affect the financial statements.

#### Critical accounting estimates and judgments

In order to prepare the financial statements, management and the Board make various judgments and estimates that can affect the amounts recognized in the financial statements for assets, liabilities, revenues and expenses as well as information in general, including contingent liabilities.

The judgments and estimates discussed in notes where applicable are those deemed to be most important for an understanding of the financial statements, considering the level of significant estimations and uncertainty. The conditions under which Sandvik operates are gradually changing, meaning that the judgments also change. Climate change has been assessed to not have a significant impact on the financial statements nor on the estimates and assumptions made when preparing the annual report and consolidated financial statements.

### ! Critical estimates and judgments

The symbol and heading show where the estimates and judgments are described in each separate note. The notes and critical estimates and judgments refers to:

#### Note Critical estimates and judgments

G10	Deferred tax liabilities and assets and tax disputes
G12	Impairment of goodwill and non-current assets
G13	Impairment of non-current assets
G21	Defined benefit obligations
G23	Provisions and legal disputes
G27	Allowance for expected credit losses
G30	Allocation of purchase price

## G2 Segment information

2024	Mining	Rock Processing	Machining and Intelligent Manufacturing	Group activities	Eliminations	Group total
External revenues	63,607	10,704	48,567	-	-	122,878
Internal revenues	16	1	517	-	-533	-
<b>Total revenue</b>	<b>63,623</b>	<b>10,705</b>	<b>49,084</b>	<b>-</b>	<b>-533</b>	<b>122,878</b>
Share of results of associates and joint ventures	26	-	-234	-	-	-208
<b>Operating profit</b>	<b>11,934</b>	<b>883</b>	<b>6,318</b>	<b>-715</b>	<b>-</b>	<b>18,420</b>
Net financial items	50	-32	-123	-7	-	-1,959
Income tax expense for the year	-	-	-	-	-	-4,216
<b>Profit for the year</b>	<b>11,984</b>	<b>851</b>	<b>6,195</b>	<b>-721</b>	<b>-</b>	<b>12,245</b>
Assets	73,048	16,401	77,245	2,119	-	168,813
Investments in associates and joint ventures	72	-	62	-	-	134
Assets held for sale	122	-	273	-	-	395
Unallocated assets	-	-	-	-	-	15,042
<b>Total assets</b>	<b>73,242</b>	<b>16,401</b>	<b>77,580</b>	<b>2,119</b>	<b>-</b>	<b>184,384</b>
Liabilities	18,259	3,644	11,325	1,838	-	35,067
Liabilities held for sale	-	-	38	5	-	43
Unallocated liabilities	-	-	-	-	-	52,275
<b>Total liabilities</b>	<b>18,259</b>	<b>3,644</b>	<b>11,363</b>	<b>1,844</b>	<b>-</b>	<b>87,385</b>
<b>Other disclosures</b>						
Capital expenditure	-1,800	-175	-2,805	-60	-	-4,841
Depreciation and amortization	-2,513	-528	-3,639	-80	-	-6,760
Impairment losses	-357	-139	-671	-55	-	-1,221
Other non-cash expenses	20	151	711	940	-	1,822
Restructuring costs	-494	-395	-1,725	-67	-	-2,681

2025	Mining	Rock Processing	Machining and Intelligent Manufacturing	Group activities	Eliminations	Group total
External revenues	62,971	10,435	47,273	-	-	120,680
Internal revenues	22	1	443	-	-467	-
<b>Total revenue</b>	<b>62,994</b>	<b>10,437</b>	<b>47,717</b>	<b>-</b>	<b>-467</b>	<b>120,680</b>
Share of results of associates and joint ventures	17	-	6	-	-	23
<b>Operating profit</b>	<b>12,713</b>	<b>1,341</b>	<b>7,421</b>	<b>-667</b>	<b>-</b>	<b>20,809</b>
Net financial items	77	-26	-148	-10	-	-1,351
Income tax expense for the year	-	-	-	-	-	-4,767
<b>Profit for the year</b>	<b>12,790</b>	<b>1,315</b>	<b>7,273</b>	<b>-677</b>	<b>-</b>	<b>14,691</b>
Assets	69,020	14,658	70,085	1,568	-	155,331
Investments in associates and joint ventures	63	-	58	-	-	121
Unallocated assets	-	-	-	-	-	14,408
<b>Total assets</b>	<b>69,083</b>	<b>14,658</b>	<b>70,143</b>	<b>1,568</b>	<b>-</b>	<b>169,860</b>
Liabilities	18,797	3,329	11,109	1,391	-	34,627
Unallocated liabilities	-	-	-	-	-	41,996
<b>Total liabilities</b>	<b>18,797</b>	<b>3,329</b>	<b>11,109</b>	<b>1,391</b>	<b>-</b>	<b>76,623</b>
<b>Other disclosures</b>						
Capital expenditure	-1,623	-189	-1,985	-9	-	-3,807
Depreciation and amortization	-2,483	-480	-3,576	-79	-	-6,617
Impairment losses	-295	-69	-376	-57	-	-797
Other non-cash expenses	-279	-103	141	-110	-	-352
Restructuring costs	-40	-52	623	-	-	531

→ G2, continued

Revenue by country	2024	2025
USA	17,739	17,636
Australia	14,285	13,731
China	9,123	8,792
Canada	7,699	8,487
Germany	6,542	6,498
South Africa	4,823	4,780
Mexico	5,145	4,757
Indonesia	3,550	3,458
Italy	3,603	3,434
Brazil	3,052	3,276
India	3,561	3,174
France	2,873	2,780
Chile	2,516	2,626
Sweden	2,427	2,280
UK	1,890	1,828
Poland	1,919	1,746
Ghana	1,691	1,549
Peru	1,301	1,461
Japan	1,387	1,368
Spain	1,448	1,357
Democratic Republic of the Congo	1,074	1,293
Switzerland	1,179	1,281
Tanzania	1,131	1,251
Zimbabwe	1,281	1,239
Türkiye	1,255	1,117
Other countries	20,384	19,482
<b>Total</b>	<b>122,878</b>	<b>120,680</b>

Revenue is specified by country based on where the customers are located.

Non-current assets by country	2024	2025
USA	30,475	25,928
Australia	15,013	13,142
Sweden	13,240	12,675
Luxembourg	8,450	7,775
China	6,181	5,105
France	4,402	4,140
Germany	3,699	3,419
Austria	3,046	2,871
Finland	2,850	2,733
Canada	2,671	2,332
UK	2,121	1,817
India	2,082	1,690
Switzerland	1,604	1,469
Ireland	1,414	1,270
Czech Republic	945	898
Other countries	2,686	3,080
<b>Total</b>	<b>100,879</b>	<b>90,342</b>

## § Accounting principles

The Group's operations are organized in three business areas, based on products and services. The Group's chief operating decision-maker, the CEO, monitors the business result and decides on the distribution of resources based on the products the Group manufactures and sells as well as the service it provides, these constitute the Group's operating segments. Each operating segment has a president, who reports to the CEO and is responsible for day-to-day activities.

Segment results, assets and liabilities include only those items that are directly attributable to the segment and the relevant portions of items that can be allocated on a reasonable basis to the segments. Unallocated items comprise of interest, gains/losses on disposal of financial investments, interest expense, income tax expense, and certain administrative expenses. Unallocated assets and liabilities include income and deferred tax receivables and payables, financial investments and financial liabilities.

## G3 Categories of revenue

Primary geographical markets	2024				2025			
	Mining	Rock Processing	Machining and Intelligent Manufacturing	Total	Mining	Rock Processing	Machining and Intelligent Manufacturing	Total
Europe	6,531	2,083	23,247	<b>31,861</b>	6,181	1,844	22,421	<b>30,447</b>
North America	14,586	2,158	13,838	<b>30,583</b>	15,296	2,226	13,358	<b>30,880</b>
South America	6,096	1,326	1,092	<b>8,514</b>	6,418	1,320	979	<b>8,717</b>
Africa and Middle East	13,349	1,374	509	<b>15,232</b>	12,924	1,398	490	<b>14,812</b>
Asia	10,260	1,854	9,548	<b>21,662</b>	9,762	1,648	9,720	<b>21,130</b>
Australia and New Zealand	12,785	1,909	332	<b>15,026</b>	12,390	2,000	305	<b>14,694</b>
<b>Total</b>	<b>63,607</b>	<b>10,704</b>	<b>48,567</b>	<b>122,878</b>	<b>62,971</b>	<b>10,435</b>	<b>47,273</b>	<b>120,680</b>
<b>Major goods/service lines</b>								
Sale of goods	56,748	9,703	44,407	<b>110,858</b>	56,124	9,433	43,346	<b>108,903</b>
Rendering of services	5,859	996	4,134	<b>10,989</b>	5,882	997	3,908	<b>10,786</b>
Rental income	970	3	4	<b>978</b>	948	5	3	<b>955</b>
Other non-product related revenue	30	2	21	<b>53</b>	18	1	16	<b>36</b>
<b>Total</b>	<b>63,607</b>	<b>10,704</b>	<b>48,567</b>	<b>122,878</b>	<b>62,971</b>	<b>10,435</b>	<b>47,273</b>	<b>120,680</b>
Order backlog to be recognized as revenue after 2026	2,444	92	0	<b>2,519</b>	2,987	5	0	<b>2,991</b>

### § Accounting principles

#### Sale of goods

Revenue from goods sold (e.g., metal cutting tools, mining equipment) is recognized at a point in time when the control has been transferred to the customer. For sale of goods the transfer of control usually occurs when the significant risks and rewards are transferred in accordance to the Incoterms. For changes in contract assets and liabilities, see note G19 and G24.

When goods sold are highly customized and there is an enforceable right to payment for performances completed to date, the goods are recognized over time. Progress of satisfaction of each performance obligation is used to measure the revenue by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Payment is generally due between 30–90 days from the transfer of control. In some contracts, short-term advances are required before the equipment is delivered.

#### Rendering of services

Revenue from service contracts (e.g., installation, support and maintenance) is recognized over time since the customer receives and consumes the benefits as it is being provided. Progress of satisfaction of each performance obligation is used to measure the revenue by the proportion of cost incurred to date compared to estimated total cost of each performance obligation.

Payment is generally due between 30–90 days after completion.

#### Variable consideration

Some customer contracts contain right of return, late delivery penalties, volume rebates and trade-in, which give rise to variable consideration subject to constraint. Such variable consideration have been considered as part of the revenue recognition.

#### Significant financing component

Sandvik applies the practical expedient to not calculate and account for significant financing component if the period between the transfer of a good or service to a customer and payment is 12 months or less.

#### Licenses

Revenue from licenses is recognized at point in time if the customer can use the license in its current functionality and no further updates or improvements are expected or required. If the customer has the right to access the license including future updates with improved functionality, the revenue from those licenses is recognized over the contract period.

## G4 Personnel information and remuneration of management

### Average number of employees, full-time equivalent

	2024		2025	
	Number	Women %	Number	Women %
Sweden	5,325	29	5,192	29
Rest of Europe	12,599	22	12,370	20
<b>Total Europe</b>	<b>17,923</b>	<b>24</b>	<b>17,561</b>	<b>23</b>
North America	6,317	20	6,212	21
South America	2,709	20	2,817	25
Africa, Middle East	3,219	20	3,381	19
Asia	8,708	18	9,308	19
Australia	2,286	20	2,345	20
<b>Total</b>	<b>41,162</b>	<b>21</b>	<b>41,624</b>	<b>21</b>

### Wages, salaries and other remuneration and social costs

	2024	2025
Wages, salaries and other remuneration	-26,798	-26,793
Social costs	-3,455	-3,344
Pension costs	-1,596	-1,617
<b>Total</b>	<b>-31,850</b>	<b>-31,753</b>

### Remuneration to the board of directors

Fees to the Chairman and other external Board members are paid in accordance with the resolution at the Annual General Meeting. No Board fees are paid to the President and the employee

### Wages, salaries and other remuneration by market area

	2024	2025
Sweden	-3,829	-3,927
Rest of Europe	-9,632	-9,728
<b>Total Europe</b>	<b>-13,461</b>	<b>-13,655</b>
North America	-5,767	-5,151
South America	-1,029	-1,038
Africa, Middle East	-1,408	-1,501
Asia	-2,769	-3,086
Australia	-2,365	-2,362
<b>Total</b>	<b>-26,798</b>	<b>-26,793</b>
of which, to Boards of Directors and presidents		
Salaries and other remuneration	-971	-932
of which, variable salary	-157	-182

### Gender distribution in senior management

Proportion of women, %	2024	2025
Gender distribution in senior management	19	21
Other senior executives	26	27

representatives. In accordance with the resolution of the 2025 Annual General Meeting, the total fee to the external Board members elected at the Meeting amounts to in total SEK 8,105,000 on an annual basis.

SEK	2024				
	Board fee	Audit Committee fee	Remuneration Committee	Acquisition and Divestitures Committee	Total Board and Committee fee
Johan Molin (Chairman of the Board)	-3,000,000	-200,000	-167,000	-226,000	<b>-3,593,000</b>
Claes Boustedt	-800,000	-352,000	-	-167,000	<b>-1,319,000</b>
Marika Fredriksson	-800,000	-	-	-	<b>-800,000</b>
Andreas Nordbrandt	-800,000	-	-	-	<b>-800,000</b>
Susanna Schneeberger <sup>1)</sup>	-800,000	-	-	-	<b>-800,000</b>
Helena Stjernholm	-800,000	-200,000	-132,000	-167,000	<b>-1,299,000</b>
Kai Wärn	-800,000	-	-132,000	-	<b>-932,000</b>
<b>Total</b>	<b>-7,800,000</b>	<b>-752,000</b>	<b>-431,000</b>	<b>-560,000</b>	<b>-9,543,000</b>

1) Appointed in April 2024

SEK	2025				
	Board fee	Audit Committee fee	Remuneration Committee	Acquisition and Divestitures Committee	Total Board and Committee fee
Johan Molin (Chairman of the Board)	-3,125,000	-210,000	-175,000	-237,000	<b>-3,747,000</b>
Claes Boustedt	-830,000	-370,000	-	-175,000	<b>-1,375,000</b>
Marika Fredriksson	-830,000	-	-	-	<b>-830,000</b>
Andreas Nordbrandt	-830,000	-	-	-	<b>-830,000</b>
Susanna Schneeberger	-830,000	-	-	-	<b>-830,000</b>
Helena Stjernholm	-830,000	-210,000	-138,000	-175,000	<b>-1,353,000</b>
Kai Wärn	-830,000	-	-138,000	-	<b>-968,000</b>
<b>Total</b>	<b>-8,105,000</b>	<b>-790,000</b>	<b>-451,000</b>	<b>-587,000</b>	<b>-9,933,000</b>

**President and other senior executives***Guidelines for remuneration*

For information on the current guidelines for remuneration of senior executives, adopted by the 2024 Annual General Meeting, please refer to pages 34–36.

*President and CEO*

Sandvik's President and CEO, Stefan Widing, was paid an annual fixed salary of SEK 17,160,000 and received a fringe benefit value of a car provided by the company. In addition, the President and CEO was paid an annual cash-based salary with a maximum value of 75 percent of the annual fixed salary. The variable cash-based salary for 2025 amounted to SEK 11,266,076 being 88 percent of the maximum value.

Stefan Widing is entitled to retire at age 65. A pension premium of 37.5 percent of his annual fixed salary is reserved annually. In the event of termination of employment by the company, Stefan Widing has a notice period of 12 months and 12 months' severance pay.

*Other senior executives*

The members of the Group Executive Management in Sweden receive an occupational pension plan limited to 35 percent of their annual base salary. The pension plan entails savings to pension, contributions for disability pension, insurance, and supplementary disability and survivor's pension. One member of the Group Executive Management is based in Switzerland and covered by a Swiss pension plan amounting to 21 percent of annual base salary, whereof 75 percent is paid by the company and 25 percent by the employee. Another member based in the UK, is covered by a UK salary supplement plan amounting to 12 percent of the annual base salary. The minimum retirement age is 62.

Severance pay is paid in the event that the company terminates employment. The severance pay equals 6–12 months of fixed salary in addition to the notice period, which is 6–12 months. Any other income from employment may be deducted from the severance pay.

External remuneration market data for benchmarking is used as guidance. A sign-on bonus was paid in 2025.

**Remuneration and other benefits pertaining to 2024 expensed during the year, in SEK**

Position	Fixed salary	Annual variable salary <sup>3)</sup>	Other benefits <sup>4)</sup>	Long-term variable salary <sup>5)</sup>	Pension costs <sup>6)</sup>
President and CEO	-16,748,678 <sup>1)</sup>	-1,477,824	-159,196	-5,465,050	-7,345,166
Other senior executives <sup>7)</sup>	-45,582,334 <sup>2)</sup>	-4,887,342	-1,426,931	-9,562,355	-13,433,296
<b>Total</b>	<b>-62,331,012</b>	<b>-6,365,166</b>	<b>-1,586,127</b>	<b>-15,027,405</b>	<b>-20,778,462</b>

1) The fixed salary during 2024 for Stefan Widing amounted to SEK 16,420,272. The remaining amount relates to vacation pay, etc.

2) Fixed salaries for other Senior Executives pertaining to 2024.

3) Amount pertaining to 2024 and expected to be paid in 2025.

4) Relates mainly to fringe benefits and company car.

5) The amounts pertain to changes in provisions made for the 2022 and 2023 LTI programs at year-end. Provisions made for the LTI 2024 program forfeited at year end.

6) Amounts pertaining to company paid contributions for the President and other senior executives. For the President and CEO the pension contributions included a pending payment of SEK 1,008,245 for the years 2022 and 2023.

7) Pertains to the following persons in 2024: Cecilia Felton, Åsa Thunman, Johan Kerstell, Sofia Sirvell, Björn Roodzant, Nadine Crauwels, Richard Harris, Mats Eriksson, Mattias Nilsson.

**Remuneration and other benefits pertaining to 2025 expensed during the year, in SEK**

Position	Fixed salary	Annual variable salary <sup>3)</sup>	Other benefits <sup>4)</sup>	Long-term variable salary <sup>5)</sup>	Pension costs <sup>6)</sup>
President and CEO	-17,503,200 <sup>1)</sup>	-11,266,076	-162,009	-2,208,243	-6,332,794
Other senior executives <sup>7)</sup>	-54,572,458 <sup>2)</sup>	-20,200,432	-1,527,909	-4,515,363	-13,183,577
<b>Total</b>	<b>-72,075,658</b>	<b>-31,466,508</b>	<b>-1,689,918</b>	<b>-6,723,606</b>	<b>-19,516,371</b>

1) The fixed salary during 2025 for Stefan Widing amounted to SEK 17,160,000. The remaining amount relates to vacation pay, etc.

2) Fixed salaries for other Senior Executives pertaining to 2025.

3) Amount pertaining to 2025, expected to be paid in 2026.

4) Relates mainly to fringe benefits and company car.

5) The amounts pertain to changes in provisions made for the 2023 and 2025 LTI programs at year-end. Provisions made for the LTI 2024 program forfeited at year end 2024.

6) Amounts pertaining to company paid contributions for the President and other senior executives.

7) Pertains to the following persons in 2025: Cecilia Felton, Sofia Sirvell, Björn Roodzant, Nadine Crauwels, Richard Harris, Mats Eriksson, Mattias Nilsson, Björn Axelsson (Feb-Dec), Johanna Krefth (Oct-Dec), Johan Kerstell (Jan), Åsa Thunman (Jan-May).

**Long-term incentive programs (LTI)***Share-based incentive program 2022–2025*

The 2022–2025 Annual General Meetings approved the Board's proposal to adopt a performance share program for each year for a maximum 350 senior executives and key individuals in the Sandvik Group, divided into four categories. For all participants, a personal investment is required in each separate program and the programs encompass at grant a maximum total of 5,103,030 shares.

All program participants have invested in Sandvik shares ("investment shares"), up to an amount corresponding to 10 percent of their fixed annual pre-tax salary at the time of the investment.

*Performance shares*

In LTI 2022–2025, Sandvik shares may be allotted provided certain performance targets are met ("performance shares"). The maximum number of performance shares that may be allotted for each acquired investment share depends on the category to which the participant belongs.

The number of performance shares that will finally be allotted to the participant for each acquired investment share is dependent on the development of the Sandvik Group adjusted earnings per share ("EPS") during the financial year that the investment shares were acquired, compared to adjusted EPS for the previous financial year.

In January 2022–2025 the Board of Directors established the levels regarding adjusted EPS for the performance year in question that had to be attained for allotment of a certain number of performance shares.

*Performance outcome 2022–2025*

**LTI 2022:** Performance shares were allotted since the performance targets set by the Board of Directors were met. The LTI adjusted EPS for the 2022 financial year amounted to SEK 12.89.

**LTI 2023:** Performance shares were partly allotted since the performance targets set by the Board of Directors were partly met. The adjusted EPS for the 2023 financial year amounted to SEK 14.04.

**LTI 2024:** No performance shares were allotted since the performance targets set by the Board of Directors were not met. EPS for the 2024 financial year amounted to SEK 13.11. There will be no allotment of shares under LTI 2024.

**LTI 2025:** Performance shares were partly allotted since the performance targets set by the Board of Directors were partly met. EPS for the 2025 financial year amounted to SEK 13.27.

The number of allotted performance shares under the 2022–2025 LTI programs for the President and other members of the Group Executive Management on Dec 31, 2025, corresponds to the number of outstanding performance shares at year-end.

→ G4, continued

The allotments of performance shares in ongoing programs requires continuous employment and that all investment shares are held during a period of three years from the acquisition of the investment shares.

#### Costs for the programs

The following IFRS2 provisions were established during the year: For LTI 2023, SEK 31.2 million (excluding social costs), of which SEK 4.8 million for the President and CEO, and other senior executives. For LTI 2024, no IFRS2 provisions were made during 2020 since the performance targets set by the Board of Directors were not met. For LTI 2025, SEK 18.4 million (excluding social costs), of which SEK 2.0 million for the President and CEO, and other senior executives.

The employee performance shares are expensed as an employee expense (excluding social costs) over the vesting period and are recognized directly against equity. The amount recognized is continuously revised throughout the vesting period of each program. Social costs are expensed during the vesting period of each program based on the change in value of the employee performance shares.

#### Preparation and decision-making process

The Board's Remuneration Committee prepares issues relating to the Group Executive Management's remuneration. The Committee met three times during the year. Items dealt with included the distribution between fixed and variable salary, the magnitude of any pay increases and both the short- and long-term variable incentive programs.

The Board discussed the Remuneration Committee's proposals and made a decision, using the Committee's proposal as a basis. Based on the Remuneration Committee's proposals, the Board decided on the remuneration of the President for 2025. The President decided on remuneration to other senior executives after consultation with the Remuneration Committee. The Remuneration Committee performed its task supported by expertise on remuneration levels and structures. For information on the composition of the Committee, refer to the Corporate Governance Report.

#### Assumptions for determining the value, 2022–2025 LTI Programs

Assumptions	Program 2022 (on date of issue)	Program 2023 (on date of issue)	Program 2024 (on date of issue)	Program 2025 (on date of issue)
Share price, SEK	201.60	198.35	238.10	213.80
Present value of forecasted future dividends, SEK <sup>1)</sup>	17.32	16.77	18.09	17.25
Risk-free interest rate, %	0.40	3.23	3.74	2.04

1) Based on analysts' three-year combined expectations.

#### Number of Shares 2022–2025 LTI programs

	Performance shares 2022	Performance shares 2023	Performance shares 2024	Performance shares 2025
Outstanding at beginning of year	1,023,210	562,183	–	–
Allotted during the period	–	–	–	1,433,710
Vested during the year	1,009,123	2,298	–	–
Forfeited during the year	14,087	46,884	–	1,176,307
Transferred during the year	–	–	–	–
Outstanding at year-end	–	513,001	–	257,403
Theoretical value when allotted acc. to Black-Scholes, SEK	184.28	181.58	220.01	196.55

#### Number of Performance Shares, Parent Company, 2022–2025 LTI programs

	Performance shares 2022	Performance shares 2023	Performance shares 2024	Performance shares 2025
Outstanding at beginning of year	196,182	97,443	–	–
Allotted during the period	–	–	–	218,309
Vested during the year	202,808	–	–	–
Forfeited during the year	–	16,523	–	184,951
Transferred during the year	6,626	–	–	–
Outstanding at year-end	0	80,920	–	33,358
Theoretical value when allotted acc. to Black-Scholes, SEK	184.28	181.58	220.01	196.55

## § Accounting principles

Share-based payments refer to remuneration to employees in accordance with employee share saving programs.

The costs for the employee performance shares are expensed as an employee expense (excluding social costs) over the vesting period and are recognized directly against equity. The amount recognized is continuously revised throughout the vesting period of each program. Social costs are expensed during the vesting period of each program based on the change in value of the employee performance shares.

The share-based program, performance share consists of the rights to provide entitlement to shares subject to the same conditions and if goals relating to operating performance are achieved. The amount recognized as an expense is adjusted to reflect the actual number of shares vested.

In order to meet its commitments under the share saving program, Sandvik has entered into an equity swap agreement with a financial institution. Under the agreement, the financial institution undertakes to distribute Sandvik shares to participants in the program when the date for allotment occurs in accordance with the terms and conditions of the program.

The fair value of the Sandvik share when the swap agreement was signed is recognized as a financial liability and as a reduction of equity in accordance with IAS 32. Social costs relating to share-based payments to employees are expensed over the accounting periods during which the services are provided. The charge is based on the fair value of the options at the reporting date. The fair value is calculated using the same formula as that used when the options were granted.

## G5 Remuneration to auditors

	2024	2025
<b>PwC</b>		
Audit fees	-94	-93
Audit activities other than the audit assignment	-6	-6
Tax consultancy services	-10	-7
Other Services	-2	-3
<b>Total</b>	<b>-112</b>	<b>-109</b>
<b>Other audit firms</b>		
Audit fees	-23	-20
Audit activities other than the audit assignment	-3	-3
Tax consultancy services	-42	-49
Other Services	-57	-38
<b>Total</b>	<b>-125</b>	<b>-111</b>

Audit refers to the statutory audit of the financial statements, the accounting records and the administration of the business by the Board of Directors and the President and CEO, and auditing and other review procedures performed in accordance with agreements or contracts. This includes other procedures required to be performed by the company's auditors as well as other services caused by observations during the performance of such examination and other procedures.

Tax consultancy services relate to services in the tax area. Other services essentially comprise advice in areas closely related to the audit, such as other assurance, advice on accounting issues and due diligence services in connection with acquisitions.

## G6 Other operating income

Other operating income amounted to SEK 580 million (297). The amount mainly consists of SEK 281 million gain on disposal of fixed assets.

For 2024 the amount consists mainly of SEK 74 million gain on write off of earn out and SEK 55 million gain on disposal of equipment and right-of-use assets.

## G7 Other operating expenses

Other operating expenses amounted to SEK -643 million (-1,249). The amount mainly consists of SEK -362 million loss due to valuation of hedges and loss on foreign exchange and SEK -112 million for external M&A transaction costs.

For 2024 the amount consists of SEK -220 million loss on the divestment of business, SEK -178 million for external M&A transaction costs, SEK -119 million loss due to valuation of hedges, SEK -74 million loss on foreign exchange, and SEK -61 million loss on disposal of land and buildings.

## G8 Operating expenses

	2024	2025
Cost of goods and material	-40,685	-38,752
Employee benefit expense	-31,850	-31,753
Depreciation and amortization	-7,489	-7,348
Impairment losses, inventories	-495	-305
Impairment losses and reversal impairment losses, non-current assets	-408	-66
Impairment losses, doubtful receivables	-126	-134
Other expenses	-23,493	-22,117
<b>Total</b>	<b>-104,546</b>	<b>-100,475</b>

## G9 Net financial items

	2024	2025
Interest income	622	577
Dividend	3	3
Other investments including derivatives		
Net gain on remeasurements of financial assets/liabilities	115	16
Gain on disposal of financial assets	1	-
Other financial income	85	45
<b>Financial income</b>	<b>827</b>	<b>640</b>
Interest expense	-2,551	-1,824
Other investments including derivatives		
Net loss on remeasurements of financial assets/liabilities	-42	-27
Foreign exchange losses	-80	-66
Other financial expenses	-113	-74
<b>Financial expenses</b>	<b>-2,787</b>	<b>-1,991</b>
<b>Net financial items</b>	<b>-1,959</b>	<b>-1,351</b>

For further information regarding valuation policies for financial instruments, refer to note G27.

### § Accounting principles

Financial expenses consist of interest expense on borrowings, interest income and expenses on interest swaps that are recognized net as an interest expense. Credit losses on financial assets and foreign exchange gains and losses on hedging instruments are recognized in profit or loss for the year.

## G10 Income tax

### Recognized in the income statement

Income tax expense for the year	2024	2025
Current tax	-4,369	-5,151
Adjustment of taxes attributable to prior years	-502	204
<b>Total current tax expense</b>	<b>-4,871</b>	<b>-4,947</b>
Deferred taxes relating to temporary differences and tax losses carried forward	655	180
<b>Total tax expense</b>	<b>-4,216</b>	<b>-4,767</b>

The Group's recognized tax expense for the year amounted to SEK 4,767 million (4,216) or 24.5 percent (25.6) of profit before tax.

### Reconciliation of the tax expense

The Group's weighted average tax rate, calculated in accordance with the statutory tax rate in each country, was 23.1 percent (22.2). The tax rate in Sweden was 20.6 percent (20.6).

Reconciliation of the Group's weighted average tax rate, based on the tax rate in each country, and the Group's actual tax expense:

	2024		2025	
	MSEK	%	MSEK	%
Profit before tax	16,461		19,458	
Weighted average tax based on each country's tax rate	-3,654	-22.2	-4,492	-23.1
<b>Tax effect of</b>				
Non-deductible expenses	-385	-2.3	-312	-1.6
Tax-exempt income	162	1.0	164	0.8
Adjustments relating to prior years	-502	-3.1	204	1.0
Effects of tax losses carried forward, net	-84	-0.5	-143	-0.7
Other	247	1.5	-188	-0.9
<b>Total recognized tax expense</b>	<b>-4,216</b>	<b>-25.6</b>	<b>-4,767</b>	<b>-24.5</b>

### Tax items attributable to other comprehensive income

	2024			2025		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Actuarial gains/losses attributable to defined-benefit pension plans	-117	-5	-122	1,310	-289	1,021
Translation differences	5,627	-	5,627	-12,419	-	-12,419
Fair-value changes in cash flow hedges	-1,622	334	-1,288	26	-5	21
Fair-value adjustment	-14	-	-14	81	-15	66
<b>Other comprehensive income</b>	<b>3,874</b>	<b>329</b>	<b>4,204</b>	<b>-11,002</b>	<b>-309</b>	<b>-11,312</b>

### Recognized in the balance sheet

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following assets and liabilities.

	2024			2025		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Intangible assets	196	-3,180	-2,984	168	-3,026	-2,858
Property, plant and equipment	195	-1,387	-1,192	206	-1,182	-976
Financial non-current assets	154	-359	-205	139	-440	-301
Inventories	1,426	-162	1,264	1,329	-149	1,180
Receivables	168	-107	61	162	-80	82
Interest-bearing liabilities <sup>1)</sup>	833	-52	781	615	-38	577
Non interest-bearing liabilities <sup>2)</sup>	1,811	-48	1,763	1,662	-42	1,620
Other	-	-19	-19	-	-15	-15
Tax losses carried forward	914	-	914	832	-	832
Tax credits, etc.	179	-	179	235	-	235
<b>Total</b>	<b>5,876</b>	<b>-5,314</b>	<b>562</b>	<b>5,348</b>	<b>-4,972</b>	<b>376</b>
Offsetting within companies	-1,761	1,761	-	-1,698	1,698	-
<b>Total deferred tax assets and liabilities</b>	<b>4,115</b>	<b>-3,553</b>	<b>562</b>	<b>3,650</b>	<b>-3,274</b>	<b>376</b>

1) Mainly related to pensions

2) Mainly related to provisions

**Unrecognized deferred tax assets**

Tax losses carried forward for which no deferred tax asset has been recognized amounted to SEK 2,492 million and were allocated as follows:

<b>SEK thousand Company</b>	<b>Country</b>	<b>Unrecognized tax losses</b>	<b>Theoretical DTA</b>
DSI Underground Argentina S.A.	Argentina	14,829	3,707
SigmaTEK Pty. Ltd. (Australia)	Australia	9,909	2,973
Sandvik Mining and Construction Australia Pty Ltd	Australia	51,218	15,365
Svk Coromant do Br Industr e Comerc de Ferram Ltda	Brazil	93,585	31,819
DSI Underground System Brasil Ind. e Comercio Ltda	Brazil	874	297
FREZITE Ferramentas de Corte LTDA	Brazil	947	322
Sandvik Holding Do Brasil Ltda	Brazil	56,950	19,363
Norprop Limited	Canada	2,049	543
Norgalv Limited	Canada	8,168	2,165
Sandvik Chile S.A.	Chile	346,015	93,424
Sandvik Mining and Construction Chile S.A.	Chile	1,550	419
Wuhan Yongpu Carbide Tools	China	488	122
Suzhou SPD Precision	China	62	15
Suzhou Yongpu Precision Technology	China	3,989	997
Cimatron (Beijing) Technologies Co. Ltd.	China	637	159
SigmaTEK Systems China, LLC	China	9,436	2,359
Sandvik China Holding Co. Ltd	China	376,723	94,181
OSK (Kunshan Ousike Precision Tools Co., Ltd)	China	31,674	7,918
Shanghai Jianshe Luqiao machinery Co., Ltd	China	77,114	19,278
DSI Underground Multitex s.r.o.	Czech Republic	78	16
Akkurate	Finland	6,412	1,282
SigmaNEST France	France	2,042	527
Seco Ressources et Finances SA	France	4,427	1,143
Schaum-Chemie Beteiligungen 1 GmbH	Germany	64	19
Metrologic Group GmbH	Germany	1,065	320
Protomedical GmbH	Germany	80,305	24,092
esco GmbH engineering solutions consulting	Germany	947	284
SigmaTEK Japan LTD.	Japan	994	304
DSI Underground Holdings S.A.	Luxembourg	653,603	163,009
Jupiter LuxCo 2 S.à r.l.	Luxembourg	8,606	2,146
DSI Underground IP Holding Luxembourg S.à r.l	Luxembourg	2,233	557
DSI Underground SMART S.à r.l	Luxembourg	14,941	3,726
Rocbolt Technologies Holdings Mongolia S.à r.l.	Luxembourg	834	208
Rocbolt of Mauritius Ltd	Mauritius	1,079	162
Mansour Mining Technolog De Mexico S.A DE C.V	Mexico	1	0
Mansour Mining Tech De Mexico Servic. S.A. de C.V.	Mexico	7	2
Terelion de Mexico S.A. de C.V.	Mexico	6,540	1,962
Rocbolt Technologies Mongolia LLC	Mongolia	1,087	272
DSI Underground Peru S.A.C.	Peru	19,773	5,833
Sandvik Philippines Inc	Philippines	1,175	294
Seco Tools Portugal Lda	Portugal	1,623	341
Rocbolt Technologies Holdings Pty. Ltd.	South Africa	1,529	413
Rocbolt Technologies Pty. Ltd	South Africa	6,848	1,849
Sandvik SRP Holdings South Africa (Pty) Ltd	South Africa	47	13
Sandvik Holding AG	Switzerland	1,974	296
Walter Cutting Tools Industry & Trade LLC	Turkey	2,202	550
Edvirt UK Limited	UK	31	8
LLC Seco Tools Ukraina	Ukraine	890	160
Sandvik Holding US	USA	583,467	151,702
Metrologic Group Services, Inc.	USA	964	251
<b>Total</b>		<b>2,492,005</b>	<b>657,167</b>

→ G10, continued

The expiry dates of these tax losses carried forward are allocated as follows:

Year	MSEK
2026	378
2027	27
2028	22
2029	51
2030	38
No expiry date	1,976
<b>Total</b>	<b>2,492</b>

#### Change of deferred tax in temporary differences and unutilized tax losses carried forward

	2024	2025
Balance at the beginning of the year, net	-125	562
Recognized in profit and loss	655	180
Acquisitions/disposals of subsidiaries	-274	-56
Recognized in other comprehensive income	329	-309
Asset held for sale	-	-2
Translation differences	-23	1
<b>Balance at end of year, net</b>	<b>562</b>	<b>376</b>

In addition to the deferred tax assets and liabilities, Sandvik reports the following tax liabilities and receivables:

	2024	2025
Income tax liabilities	-3,031	-2,136
Income tax receivables	3,627	3,094
<b>Tax liabilities/receivables, net</b>	<b>596</b>	<b>958</b>

#### OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. In Sweden, the jurisdiction in which Sandvik AB is incorporated, the Pillar Two legislation came into effect from January 1, 2024. The Group has applied the mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when incurred.

The Group estimates that it will not be liable to any material Pillar Two taxes as most jurisdictions in which the Group operates have an effective tax rate of 15 percent or higher.

#### § Accounting principles

Income tax comprises current and deferred tax. Income tax is recognized in income statement for the year except when the underlying transaction is recognized in other comprehensive income. In these cases, the associated tax effects are recognized in other comprehensive income.

Current tax liabilities are offset against current tax receivables and deferred tax assets are offset against deferred tax liabilities when the entity has a legal right to offset these items and intends to do so.

#### ! Critical estimates and key judgments

##### *Deferred tax liabilities and assets and tax disputes*

Significant estimates are made to determine current and deferred tax liabilities and assets, not least the value of deferred tax assets.

The actual results may differ from these estimates, for instance due to changes in the business climate, changed tax legislation, or the outcome of the final review by tax authorities and tax courts of tax returns.

## G11 Earnings per share

#### Basic and diluted earnings per share, SEK

	Basic		Diluted	
	2024	2025	2024	2025
Earnings per share	9.76	11.71	9.75	11.70

The calculation of the numerators and denominators used in the above calculations of earnings per share is presented below:

MSEK	2024	2025
Profit for the year attributable to the equity holders of the Parent Company	12,243	14,690

Number of shares, in thousands of shares	2024	2025
Total number of ordinary shares at January 1	1,254,386	1,254,386
Weighted average number of shares outstanding, basic	1,254,386	1,254,386
Effect of share options	1,600	1,011
Weighted average number of shares outstanding, diluted	1,255,986	1,255,397

Diluted earnings per share is related to outstanding share-based LTI programs for 2023 and 2025. For the 2024 LTI program no performance shares were allotted since the performance targets set by the Board of Directors were not met. Further information about the LTI programs are found in note G4.

#### § Accounting principles

The calculation of basic earnings per share is based on the profit (loss) attributable to ordinary equity holders of the Parent Company divided by the weighted average number of ordinary shares outstanding during the year.

When calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the effects of all dilutive potential ordinary shares, which during reported periods relates to share-based payment arrangements issued to employees. All LTI programs within Sandvik are performance-based and are regarded as giving a potential dilutive effect. The share-based awards are dilutive if the exercise price is less than the quoted stock price and increases with the size of the difference.

## G12 Intangible assets

	Internally generated intangible assets				Acquired intangible assets <sup>1)</sup>					Total
	Capitalized R&D expenditure	IT software	Other	Subtotal	Market and customer related	Goodwill	Technology and similar rights	Other	Subtotal	
<b>Cost</b>										
<b>January 1, 2024</b>	<b>4,584</b>	<b>4,223</b>	<b>402</b>	<b>9,209</b>	<b>14,605</b>	<b>46,656</b>	<b>5,597</b>	<b>2,529</b>	<b>69,388</b>	<b>78,598</b>
Additions	245	685	34	964	-	-	31	280	311	1,276
Business combinations	-	-	-	-	1,673	1,848	160	14	3,695	3,695
Divestments and disposals	-9	-29	-	-38	-224	-78	-15	-58	-375	-413
Impairment losses	-	-	-59	-59	-	-	-5	-	-5	-64
Reclassifications	118	-1	-5	112	-	-	127	59	185	298
Translation differences	101	11	19	132	1,027	2,753	271	82	4,133	4,265
<b>December 31, 2024</b>	<b>5,039</b>	<b>4,890</b>	<b>391</b>	<b>10,321</b>	<b>17,081</b>	<b>51,181</b>	<b>6,166</b>	<b>2,907</b>	<b>77,333</b>	<b>87,655</b>
<b>Accumulated amortizations and impairment losses</b>										
<b>January 1, 2024</b>	<b>3,599</b>	<b>2,691</b>	<b>272</b>	<b>6,561</b>	<b>4,040</b>	<b>-</b>	<b>2,235</b>	<b>1,270</b>	<b>7,544</b>	<b>14,104</b>
Divestments and disposals	-3	-29	-	-34	-3	-	-11	-51	-65	-99
Impairment losses	41	103	-	143	7	-	-	-	7	150
Reclassifications	74	2	-74	2	-	-	91	2	92	94
Amortization for the year	218	194	12	425	1,276	-	508	286	2,068	2,493
Translation differences	67	5	11	84	332	-	127	43	501	587
<b>December 31, 2024</b>	<b>3,996</b>	<b>2,966</b>	<b>222</b>	<b>7,184</b>	<b>5,652</b>	<b>-</b>	<b>2,949</b>	<b>1,548</b>	<b>10,147</b>	<b>17,330</b>
<b>Net carrying amount</b>										
<b>December 31, 2024</b>	<b>1,043</b>	<b>1,924</b>	<b>170</b>	<b>3,136</b>	<b>11,429</b>	<b>51,181</b>	<b>3,217</b>	<b>1,358</b>	<b>67,185</b>	<b>70,323</b>
<b>Cost</b>										
<b>January 1, 2025</b>	<b>5,039</b>	<b>4,890</b>	<b>391</b>	<b>10,321</b>	<b>17,081</b>	<b>51,181</b>	<b>6,166</b>	<b>2,907</b>	<b>77,335</b>	<b>87,655</b>
Additions	318	586	19	924	-	-	13	35	48	972
Business combinations	-	-	-	-	585	901	67	-	1,553	1,553
Divestments and disposals	-39	-136	-	-175	-245	121	-108	-65	-297	-472
Impairment losses	-	-	-	-	-40	-	-	-	-40	-40
Reclassifications	133	884	-82	935	-23	-3	273	-1,150	-903	33
Translation differences	-189	-31	-40	-260	-2,252	-5,994	-720	-164	-9,130	-9,391
<b>December 31, 2025</b>	<b>5,262</b>	<b>6,193</b>	<b>289</b>	<b>11,744</b>	<b>15,106</b>	<b>46,206</b>	<b>5,692</b>	<b>1,562</b>	<b>68,565</b>	<b>80,310</b>
<b>Accumulated amortizations and impairment losses</b>										
<b>January 1, 2025</b>	<b>3,996</b>	<b>2,966</b>	<b>222</b>	<b>7,184</b>	<b>5,652</b>	<b>-</b>	<b>2,949</b>	<b>1,548</b>	<b>10,147</b>	<b>17,330</b>
Divestments and disposals	-42	-136	-	-179	-246	-	-109	-62	-417	-595
Impairment losses	3	-	-	3	-	-	-	6	6	9
Reclassifications	6	162	-	168	-24	-	191	-385	-218	-50
Amortization for the year	238	252	12	503	1,218	-	452	196	1,867	2,368
Translation differences	-127	-16	-17	-159	-737	-	-354	-95	-1,186	-1,347
<b>December 31, 2025</b>	<b>4,075</b>	<b>3,228</b>	<b>217</b>	<b>7,521</b>	<b>5,863</b>	<b>-</b>	<b>3,128</b>	<b>1,203</b>	<b>10,195</b>	<b>17,716</b>
<b>Net carrying amount</b>										
<b>December 31, 2025</b>	<b>1,187</b>	<b>2,965</b>	<b>71</b>	<b>4,223</b>	<b>9,243</b>	<b>46,206</b>	<b>2,563</b>	<b>358</b>	<b>58,370</b>	<b>62,594</b>

1) Changed the headlines within Acquired intangible asset to reflect the increased value, due to business combinations.

### Amortization for the year is included in the following lines in the income statement

	2024	2025
Cost of goods and services sold	-761	-696
Selling expenses	-1,291	-1,226
Administrative expenses	-187	-184
Research & development	-255	-262
<b>Total</b>	<b>-2,493</b>	<b>-2,368</b>

→ G12, continued

Goodwill by cash-generating unit	Carrying amount	
	2024	2025
<b>Machining and Intelligent Manufacturing</b>		
Walter Group	3,102	2,770
Seco Tools	646	594
Sandvik Coromant	4,389	3,802
Dormer Pramet	292	241
China Division	1,250	1,049
Business area level	18,348	16,451
<b>Total</b>	<b>28,028</b>	<b>24,907</b>
<b>Mining</b>		
Business area level	16,811	15,295
<b>Total</b>	<b>16,811</b>	<b>15,295</b>
<b>Rock Processing</b>		
Business area level	6,300	5,971
<b>Total</b>	<b>6,300</b>	<b>5,971</b>
Other Operations	42	33
<b>Group total</b>	<b>51,181</b>	<b>46,206</b>

### Impairment tests of goodwill

The carrying amount of goodwill is essentially related to a number of major business combinations.

In 2025, there were no changes made to the business areas that have caused the cash generating units (CGUs) that existed during 2024 to change. That means that goodwill is tested for impairment on a business area level for Mining and Rock Processing and on a division/business area level for Machining and Intelligent Manufacturing with the following CGUs: Walter Group, Seco Tools, Sandvik Coromant, Dormer Pramet, China Division, and Machining and Intelligent Manufacturing business area.

Consolidated goodwill is allocated to the CGUs stated above. The recoverable amount of all of the CGUs has been assessed based on estimates of value in use. Calculations of value in use are based on the estimated future cash flows using forecasts covering a four-year period, which are based on the business plans prepared annually by each of the business areas and approved by Sandvik Group Executive Management.

These plans are founded on the business areas' strategies and an analysis of the current and anticipated business climate, and the impact this is expected to have on the market in which the business area operates. A range of economic indicators, which differ for each market, and external and internal studies of these, are used in the analysis of the business situation. The forecasts form the basis for how the values of the material assumptions are established. The forecasts consider potential significant climate-related risks (as well as other types of risks recognized in the Sandvik Key Risk map) and the Group's ongoing and future mitigating activities.

The assumptions mentioned below reflect past experience and the current and future situation and are consistent with external information. The most material assumptions when determining the value in use include anticipated demand, growth rate, operating margin, working capital requirements and the discount rate. Assumptions on growth rate and margins are at normal levels in relation to outcomes for all CGUs in recent years. The future revenues in 2026 are somewhat higher due to the acquisitions in 2025, but for 2027 and onwards the revenues and margins are assumed to be normalized.

The factor used to calculate growth in the terminal period after four years was 2 percent for all CGUs. Need of working capital beyond the four-year period is deemed to increase approximately at the same rate as the expected growth in the terminal period.

The discount rate consists of a weighted average cost of capital for borrowed capital and shareholders' equity. Sandvik calculates a pre-tax discount rate for each CGU, which varied between 8.8 percent and 11.5 percent; Mining 11.4 percent (11.3), Rock Processing 11.5 percent (12.4), Walter Group 10.5 percent (10.0), Seco Tools 10.3 percent (10.5), Sandvik Coromant 10.4 percent (10.5), Dormer Pramet 10.5 percent (11.1), China Division 8.8 percent (9.1), and Machining and Intelligent Manufacturing 10.3 percent (10.5). The specific risks of the CGUs have been adjusted for future cash flow forecasts.

The impairment testing of goodwill performed during the fourth quarter 2025 did not indicate any impairment requirements. Sensitivity in the calculations implies that the goodwill value would be maintained even if the discount rate was increased by 2 percentage points or if the long-term growth rate was lowered by 2 percentage points. The goodwill value would also be maintained, given an operating margin drop of 2 percentage points.

## § Accounting principles

### Intangible asset

#### *Product and software development*

Capitalized costs for product and software development are recognized as intangible assets if such expenditures, with a high degree of certainty, will result in future economic benefits and Sandvik control of the asset.

#### *Market and customer related*

Includes customer lists, customer contracts and relationships with customers, as well as trademarks and trade names. Pertains both to trademarks subject to amortisation and to trademarks considered to have an indefinite useful life.

#### *Goodwill*

Goodwill is allocated to CGUs that are expected to benefit from the synergies of the business combination. Goodwill arising on the acquisition of an associated company is included in the carrying amount of participation in associated companies.

#### *Technology and similar rights*

Include software and other technology-related intellectual property rights which include, but are not limited to, patents.

#### *Amortization of intangible assets*

Amortization is charged to profit or loss for the year on a straight-line basis over the estimated useful lives, unless such lives are indefinite.

The estimated useful lives are as follows:

— Product and software development	3–10 years
— Trademarks	3–20 years
— Customer Relationships	3–12 years
— Technology and similar rights	3–20 years

## ! Critical estimates and key judgments

### *Impairment of goodwill and other non-current assets*

When conducting impairment tests of goodwill and other intangible assets, estimates are made to determine the recoverable amounts of cash-generating units. The recoverable amount is based on projections of future cash flows and are to a varying degree sensitive to changes in assumptions and the business environment. These are based on management's best estimate but may differ from actual outcome.

## G13 Property, plant and equipment

	Land and buildings	Plant and machinery	Rental fleet	Equipment, tools, fixtures and fittings	Construction in progress	Total
<b>Acquisition cost</b>						
<b>At January 1, 2024</b>	<b>14,344</b>	<b>31,206</b>	<b>2,619</b>	<b>6,350</b>	<b>3,069</b>	<b>57,590</b>
Additions	156	853	1,407	353	2,203	4,972
Business combinations	85	887	–	37	139	1,147
Divestments and disposals	-199	-1,201	-584	-512	-124	-2,618
Reclassifications	352	1,367	-310	350	-2,286	-526
Translation differences for the year	551	1,181	82	197	107	2,117
<b>At December 31, 2024</b>	<b>15,289</b>	<b>34,293</b>	<b>3,215</b>	<b>6,775</b>	<b>3,108</b>	<b>62,681</b>
<b>Accumulated depreciations and impairments</b>						
<b>At January 1, 2024</b>	<b>6,880</b>	<b>22,694</b>	<b>1,254</b>	<b>4,489</b>	<b>39</b>	<b>35,356</b>
Divestments and disposals	-99	-1,134	-433	-469	-39	-2,174
Impairment losses	27	72	4	5	–	108
Reversal of impairment losses	–	-34	–	–	–	-34
Reclassifications	13	-7	-124	5	–	-113
Depreciation for the year	491	1,807	767	532	–	3,598
Translation differences for the year	262	816	36	146	–	1,261
<b>At December 31, 2024</b>	<b>7,575</b>	<b>24,214</b>	<b>1,505</b>	<b>4,708</b>	<b>–</b>	<b>38,002</b>
<b>Net carrying amount</b>						
<b>At December 31, 2024</b>	<b>7,715</b>	<b>10,079</b>	<b>1,710</b>	<b>2,067</b>	<b>3,108</b>	<b>24,678</b>
<b>Acquisition cost</b>						
<b>At January 1, 2025</b>	<b>15,289</b>	<b>34,293</b>	<b>3,215</b>	<b>6,775</b>	<b>3,108</b>	<b>62,681</b>
Additions	504	636	995	319	1,376	3,830
Business combinations	1	12	–	3	–	16
Divestments and disposals	-562	-858	-371	-342	-39	-2,172
Reclassifications	369	1,220	-237	342	-1,937	-243
Translation differences for the year	-1,216	-2,842	-372	-496	-187	-5,112
<b>At December 31, 2025</b>	<b>14,385</b>	<b>32,462</b>	<b>3,230</b>	<b>6,600</b>	<b>2,321</b>	<b>58,999</b>
<b>Accumulated depreciations and impairments</b>						
<b>At January 1, 2025</b>	<b>7,575</b>	<b>24,214</b>	<b>1,505</b>	<b>4,708</b>	<b>–</b>	<b>38,002</b>
Divestments and disposals	-461	-785	-268	-315	–	-1,830
Impairment losses	2	10	14	–	–	26
Reversal of impairment losses	–	-6	–	–	–	-7
Reclassifications	4	29	-93	55	–	-5
Depreciation for the year	494	1,757	695	541	–	3,488
Translation differences for the year	-584	-1,897	-192	-342	–	-3,015
<b>At December 31, 2025</b>	<b>7,029</b>	<b>23,322</b>	<b>1,661</b>	<b>4,648</b>	<b>–</b>	<b>36,660</b>
<b>Net carrying amount</b>						
<b>At December 31, 2025</b>	<b>7,357</b>	<b>9,140</b>	<b>1,569</b>	<b>1,953</b>	<b>2,321</b>	<b>22,339</b>

### Additional information

In 2025, contractual commitments for the acquisition of property, plant and equipment amounted to SEK 395 million (460). Property, plant and equipment pledged as security for liabilities is described in G26.

when applicable, and estimated useful lives. The following depreciation periods are applied:

#### Land and buildings:

- Land indefinite useful life
- Buildings 10–50 years
- Site improvements 20 years

#### Plant and machinery:

- Plant and machinery 5–15 years
- Rental fleet 3 years

#### Equipment, tools, fixtures and fittings:

- Depreciated over the estimated useful lives
- Computer equipment is depreciated over 3–5 years using the reducing balance method

### § Accounting principles

#### Rental fleet

The fleet is balanced between underground drills, loaders and trucks followed by surface drills. The largest fleets are based in northern Europe, Canada, the US, and Australia.

#### Depreciation of property, plant and equipment

Depreciation is recognized on a straight-line basis (unless otherwise described) based on the cost of the assets, adjusted by residual value

→ G13, continued

If an item of property, plant and equipment comprises components with different useful lives, each such significant component is depreciated separately. Depreciation methods and estimated residual values and useful lives are reviewed at each year-end.

#### Borrowing costs

The capitalization of borrowing costs relating to tangibles are mainly relevant for the construction of production buildings on a proprietary basis.

#### ! Critical estimates and key judgments

##### Impairment of non-current assets

An impairment test is based on estimation of the recoverable amount of the asset, or the cash generating unit to which the asset belongs. To determine the recoverable amount, projections of future cash flows are used. These are based on management best estimate but may differ from actual outcome.

There are production sites in areas with physical climate risks, these may be subject to increased stress from physical weather events. Physical risks bring uncertainties when estimating useful life and indication of impairment.

## G14 Right-of-use assets and customer financing

#### Sandvik as lessee

	Land and buildings	Plant and machinery	Fixture and fittings	Total
<b>Acquisition cost</b>				
At January 1, 2024	6,792	541	1,383	8,716
Additions	1,077	103	502	1,682
Divestments and disposals	-796	-112	-318	-1,226
Other	657	18	72	746
At December 31, 2024	7,729	550	1,638	9,918
<b>Accumulated depreciation and impairment losses</b>				
At January 1, 2024	2,410	258	663	3,332
Depreciation and impairment	1,084	114	402	1,599
Divestments and disposals	-618	-112	-296	-1,025
Other	108	-1	28	135
At December 31, 2024	2,985	259	797	4,040
<b>Net carrying amount</b>				
At December 31, 2024	4,745	291	842	5,877

#### Recognized in the income and cash flow statement

	2024	2025
Depreciations for the year	-1,481	-1,492
Impairment losses / reversal of impairment losses	-119	1
Expenses for low value assets	-41	-35
Expenses for short-term leases	-22	-20
Expenses related to variable lease expenses not included in the lease liability	-92	-88
<b>Recognized in operating income</b>	<b>-1,754</b>	<b>-1,635</b>
Interest expenses related to lease liabilities	-268	-266
<b>Recognized in net financial items</b>	<b>-268</b>	<b>-266</b>
<b>The total cash outflow for leases during the year</b>	<b>-1,861</b>	<b>-1,842</b>

#### Sandvik as lessor

Sandvik offers short- and long-term equipment financing to customers through its own financial services companies and in cooperation with financial institutions and banks. The structures of the offers are financial or operational lease agreements and short-term rentals. The customers of these services are in the mining and construction sectors.

For information related to credit risk, see note G27.

	Land and buildings	Plant and machinery	Fixture and fittings	Total
<b>Acquisition cost</b>				
At January 1, 2025	7,729	550	1,638	9,918
Additions	875	103	429	1,406
Divestments and disposals	-429	-79	-307	-814
Other	-636	-38	-145	-819
At December 31, 2025	7,539	536	1,615	9,690
<b>Accumulated depreciation and impairment losses</b>				
At January 1, 2025	2,985	259	797	4,040
Depreciation and impairment	945	125	422	1,491
Divestments and disposals	-399	-75	-305	-780
Other	-361	-23	-87	-471
At December 31, 2025	3,170	285	826	4,281
<b>Net carrying amount</b>				
At December 31, 2025	4,369	251	789	5,410

#### Maturity analysis of lease payments receivable

	Finance leases	Operating leases
2026	3,220	494
2027	1,804	287
2028	1,002	168
2029	394	66
2030	145	6
2031 or later	15	8
<b>Total undiscounted lease payments</b>	<b>6,579</b>	<b>1,028</b>

#### Finance leases

At year-end, the value of outstanding credits referring to finance leases amounted to SEK 5,650 million (6,332), of which SEK -129 million (-147) was reserved for doubtful receivables.

Finance leases	2024	2025
Profit from sale of equipment subject to finance leases (recognized within sale of goods)	927	872
Interest income	420	428

→ G14, continued

**Operational leases**

The revenue for equipment subject to operational lease contracts is presented in note G3 under rental income. The equipment used in operating lease contracts are presented under rental fleet in note G13.

**§ Accounting principles****Sandvik as a lessee**

The Right of use (RoU) asset is presented within non-current assets and valued at cost less amortization and impairment, if applicable. The asset is depreciated on a straight-line basis over the estimated contract period. Lease liabilities are presented within other interest bearing liabilities, see note G22.

Sandvik separates non-lease components from the lease components in contracts referring to buildings. For all other asset classes, non-lease components are included in the calculation of a RoU asset and lease liability.

Sandvik applies the two expedients concerning leases, leases shorter than one year and low-value assets that are not considered in the RoU assets and lease liabilities.

**Sandvik as a lessor**

In a financial lease contract Sandvik recognizes a non-current and current customer-financing receivable at an amount equal to the net investment in the lease. Expected credit losses is reflected in the valuation of the customer-financing receivable at initial recognition and the provision is reassessed during the contract period. Revenue is recognized in accordance with revenue recognition principles.

In an operating lease contract the asset is classified as rental fleet and is subject to the Group's depreciation policies. The cost of an asset comprises the acquisition value and any initial direct costs related to the contract. The lease revenue is recognized on a straight-line basis over the lease contract period.

**G15 Shares in associates, joint ventures and financial assets**

Shares in associates and joint ventures	2024	2025
<b>Accumulated share of equity</b>		
At the beginning of the year	459	134
Disposal	-2	-
Transfer to assets held for sale	-122	9
Write-down	-125	-
Share of profits for the year	-84	23
Less dividend received	-10	-14
Translation differences during the year	17	-31
<b>Carrying amount at the end of year</b>	<b>134</b>	<b>121</b>

**Additional information**

Associates and joint ventures are recognized one month in arrears.

The dividends paid are included in the calculation of the proportion of equity.

**Summarized financial information of associates and joint ventures**

	Country	2024						2025					
		Revenue	Profit	Assets	Liabilities	Equity	Group's share, %	Revenue	Profit	Assets	Liabilities	Equity	Group's share, %
<b>Associates</b>													
3C Metrologic	Mexico	11	2	13	6	7	40.0	13	2	13	5	8	40.0
AWV Informatik AG	Switzerland	16	2	9	0	8	26.0	8	-1	8	0	8	26.0
Beam IT Spa <sup>1)</sup>	Italy	154	-83	517	405	112	33.2	N/A	N/A	N/A	N/A	N/A	33.2
Eimco Elecon	India	290	50	577	83	494	24.7	-	-	-	-	-	0.0
Fagersta Seco AB	Sweden	-	-	3	2	1	50.0	-	-	3	2	1	50.0
Fagerstahälsan AB	Sweden	9	0	7	5	2	33.3	9	0	8	5	3	33.3
<b>Joint ventures</b>													
Rocbolt Resins Pty Ltd.	Australia	280	24	124	58	67	50.0	237	18	100	36	65	50.0
Shanghai Innovatools Co. Ltd.	China	-	0	8	0	8	47.1	-	-	-	-	-	0.0
Talleres Sema-Dur, SL	Spain	52	7	51	13	38	50.0	54	8	50	12	38	50.0
VWR Cutting Tools	Romania	2	-1	28	24	4	50.0	17	1	23	22	1	50.0

1) Not applicable due to the company being in a process of voluntary liquidation.

→ G15, continued

Financial assets	2024	2025
Long-term receivables associated companies	16	16
Financial investments	500	584
<b>Total</b>	<b>516</b>	<b>600</b>

**Financial investments**

	2024		2025	
	Measured at fair value through OCI	Measured at fair value through P&L	Measured at fair value through OCI	Measured at fair value through P&L
<b>At the beginning of the year</b>	<b>569</b>	<b>293</b>	<b>120</b>	<b>380</b>
Acquisition and capital injection	23	-	2	-
Disposal	-	-28	-	-
Revaluation	-14	115	73	16
Reclassification	-482	-1	-	-
Translation differences during the year	24	2	-7	-
<b>Carrying amount at the end of year</b>	<b>120</b>	<b>380</b>	<b>188</b>	<b>396</b>

**§ Accounting principles****Associates and joint ventures**

Associates and joint ventures are recognized in accordance with the equity method in the consolidated financial statements. The share that belongs to Sandvik of the associated company and joint venture's income, adjusted for dissolution of acquired surplus or deficit values, is recognized as a separate item in the consolidated income statement.

**Financial investments**

The accounting principles of financial investments measured at fair value through OCI and through P&L are described in note G27.

**G16 Non-current receivables**

	2024	2025
Derivatives designated as hedging instruments	4	10
Funded pension plans	1,495	1,762
Other non-interest-bearing receivables	428	452
Other interest-bearing receivables	3,312	3,024
<b>Total</b>	<b>5,239</b>	<b>5,248</b>

**G17 Inventories**

	2024	2025
Raw materials and consumables	6,671	6,936
Work in progress	4,894	4,717
Finished goods	23,261	21,566
<b>Total</b>	<b>34,827</b>	<b>33,219</b>

Cost of goods and services sold includes write-down of inventories of SEK -1,988 million (-1,235) and reversal of write-down of inventories of SEK 1,683 million (724).

**§ Accounting principles**

Inventories are stated at the lowest end of cost and net realizable value, with due consideration of obsolescence.

Cost is either based on the first-in/first-out (FIFO) principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, or the weighted average cost formula. All inventories having a similar nature are valued with the same formula. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

## G18 Trade receivables

	2024		2025	
	Gross	Impaired	Gross	Impaired
Current	16,069	-68	16,532	-56
1–30 days past due	2,044	-32	1,768	-27
31–60 days past due	667	-23	605	-22
61–90 days past due	350	-45	270	-31
91–180 days past due	517	-57	257	-40
181–360 days past due	374	-106	292	-74
More than 360 days past due	644	-500	492	-372
<b>Total</b>	<b>20,665</b>	<b>-830</b>	<b>20,216</b>	<b>-621</b>

Trade receivables, net, amounted to SEK 19,595 million (19,836) and are reported net of expected credit losses and other impairments, which amounted to SEK -621 million (-830). Credit risk and expected credit loss related to financial leases are presented in note G27 under the section Credit risk.

### § Accounting principles

Trade receivables are recognized at amortized cost when the consideration is unconditional, less loss allowance.

## G19 Other current receivables

	2024	2025
Contract assets	422	354
Derivatives designated as hedging instruments	550	185
Other non-interest-bearing receivables	3,917	3,322
Other interest-bearing receivables	3,237	3,120
Advances to suppliers	403	423
<b>Total</b>	<b>8,529</b>	<b>7,403</b>

### § Accounting principles

A contract asset is recognized when the right to consideration for a performance obligation is conditional on completion of promises other than the passage of time.

## G20 Capital and reserves

Specification of the equity item reserves	2024	2025
<b>Translation reserve</b>		
At the beginning of the year	10,693	16,539
Translation differences during the year	5,846	-12,413
<b>At the end of the year</b>	<b>16,539</b>	<b>4,126</b>
<b>Hedging reserve</b>		
At the beginning of the year	727	-561
Net investment hedges recognized in OCI	-1,254	32
Cash-flow hedges recognized in OCI	-34	-12
<b>At the end of the year</b>	<b>-561</b>	<b>-541</b>
<b>Total reserves</b>		
Reserves at the beginning of the year	11,420	15,962
<i>Changes in reserves:</i>		
Translation reserve	5,846	-12,413
Hedging reserve	-1,288	20
Fair value reserve	-16	66
<b>Reserves at the end of the year</b>	<b>15,962</b>	<b>3,635</b>

The Board of Directors proposes an ordinary dividend of SEK 6.00 per share (5.75). The proposal corresponds to 49 percent (48) of Sandvik Group's total adjusted earnings per share. The proposed record date to receive dividends is April 30, 2026. Assuming the General Meeting accepts the dividend proposal, the date to receive dividends will be May 6, 2026, and the dividend will be paid in one installment. The Annual General Meeting will be held on April 28, 2026.

No changes were made to the processes for managing capital during the year. Neither the Parent Company nor any of its subsidiaries have to comply with externally imposed capital requirements.

### § Accounting principles

#### Reserves

##### Translation reserve

The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign operations stated in a currency different from the Group's presentation currency.

##### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash-flow hedging instruments and net investment hedges related to hedged transactions that have not yet occurred. The change in cash-flow hedges that was transferred to profit (loss) for the year amounted to SEK 194 million (17).

##### Put options issued to owners with non-controlling interests

Put options issued to owners with non-controlling interests refer to agreements that give the owner the right to sell interests in the company, either at a fixed price or a fair value at a future period in time. The amount to be paid if the option is exercised is initially recognized, at present value, as a financial liability. The liability is remeasured and any change in present value is recognized in equity. If the option is not exercised by maturity the liability is derecognized with a corresponding adjustment in equity.

## G21 Provisions for pension and other non-current post-employment benefits

Sandvik provides direct pension solutions or participates in defined benefit, defined contribution and other plans for post-employment benefits to all employees. These plans are structured in accordance with local regulations and practices. The Group's most significant defined-benefit pension plans are described below per country.

### Sweden

The Swedish pension plan is funded through a foundation and is based on salary at the time of retirement. It is partly closed for new participants, meaning that only new employees born prior to 1979 have the option of joining the plan. There are no funding requirements for the defined-benefit plan. Payments to retirees are made directly from Sandvik.

The commitment for family pension, also a defined-benefit plan, is insured with Alecta. Sufficient information to use defined-benefit accounting for this plan is not available, and therefore recognized as a defined-contribution plan. At the end of 2025, Alecta reported a preliminary plan surplus of 168 percent (162). The Group's share of Alecta's saving premiums is 0.1 percent, and the total share of active members in Alecta is 0.5 percent. For 2025, the expected contribution to Alecta is SEK 15 million (16).

The Group's mutual responsibility as a credit-insured company of PRI Pensionsgaranti in Sweden is classified as a contingent liability and amounts to SEK 81 million (79). This mutual responsibility can only be imposed in the instance that PRI Pensionsgaranti has consumed all of its assets, and it amounts to a maximum of 2 percent of the Group's pension liability in Sweden.

### UK

The main pension plan in the UK is based on salary at the time of retirement and closed for new participants. The plan is funded through a foundation and the funding level is revalued every third year. If the valuation indicates a requirement to increase the funding, Sandvik contributes with funding to the plan over a certain period of time. The plan is governed by trustees and investment decisions are made after consulting with Sandvik. Payments to retirees are made from the plan.

### US

Sandvik US pension plans are based on salary at the time of retirement and closed for new participants. The funding level is revalued every year with a target of restoring the funding level over a seven-year period. Those eligible for the pension plan are also eligible for the retiree medical plan at the time of retirement. Pension payments to retirees are made from the plan.

### Finland

In Finland, Sandvik sponsors a defined-benefit pension plan funded through a foundation. The benefits offered include an old-age pension and disability pension. In addition to the benefits guaranteed by the Finnish subsidiary, there is also a defined-contribution pension component. Pension payments to retirees are made from the plan.

### Germany

The Sandvik pension plan in Germany contains employer- and employee-financed contributions. The employer provides pension contributions. For each employee, the employer administrates the cash balance in an individual capital account per employee. Pension payments to retirees are generally made directly from Sandvik. In Germany, there are, in general, no funding requirements. The pension assets are covered as plan assets and protected against insolvency in the Sandvik Pension Trust, a Contractual Trust Arrangement held by Sandvik.

Change of defined benefit obligation	2024	2025
<b>Opening Balance, January 1</b>	<b>23,685</b>	<b>25,419</b>
Current service cost	325	416
Past service cost	-24	22
Interest cost (DBO)	1,029	1,015
Contributions by plan participants	32	36
Benefits paid	-1,299	-1,218
Remeasurements loss/(gain) arising from:		
Financial assumptions	142	-954
Demographic assumptions	-10	-176
Experience adjustments	238	109
Acquisition	3	31
Other	-7	-6
Exchange differences	1,305	-2,087
<b>Closing balance, December 31</b>	<b>25,419</b>	<b>22,606</b>

Change of plan assets	2024	2025
<b>Opening Balance, January 1</b>	<b>21,127</b>	<b>22,765</b>
Interest income	967	932
Contributions by the employer	184	163
Benefits paid directly by employer	243	236
Contributions by plan participants	32	36
Benefits paid	-1,299	-1,218
Remeasurements loss/(gain) arising from:		
Return on plan asset excl interest income	-526	287
Effect of Asset ceiling	664	-
Acquisition	0	4
Other	-8	-8
Exchange differences	1,381	-2,189
<b>Closing balance, December 31</b>	<b>22,765</b>	<b>-21,009</b>

Other information	2024	2025
Actual return on plan assets, excl. FX effects	394 <sup>1)</sup>	1,222
Consolidation ration, funded plans, %	95	99
Consolidation ration, all plans, %	89	92
Estimated contributions, next year	418	400
Unfunded pension commitments	1,448	1,285

1) Figure has been updated compared to the annual report 2024.

→ G21, continued

<b>Information by country December 31, 2024</b>	<b>Sweden</b>	<b>UK</b>	<b>US</b>	<b>Finland</b>	<b>Germany</b>	<b>Other</b>	<b>Total</b>
<b>Amounts included in the balance sheet</b>							
Present value of funded and unfunded obligations	5,433	5,145	5,793	4,635	2,478	1,935	25,419
of which for activities	2,319	0	1,041	1,498	1,028	1,385	7,271
of which for vested deferred	1,842	2,308	650	916	402	51	6,169
of which for retirees	1,272	2,837	4,102	2,221	1,047	499	11,978
Plan assets	2,772	5,198	6,451	5,004	1,923	1,418	22,765
<b>Total surplus (deficit)</b>	<b>-2,661</b>	<b>53</b>	<b>658</b>	<b>369</b>	<b>-555</b>	<b>-517</b>	<b>-2,653</b>
Pension plans recognized according to local rules	-	-	-	-	-	-	-235
<b>Total net liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2,888</b>
Provision for pensions	-	-	-	-	-	-	4,383
Over funded pension plans recognized as asset, non-current receivable	-	-	-	-	-	-	1,495
Funding level, %	51	101	111	108	78	73	89
Net medical plans surplus (deficit)	-	-	-202	-	-	-44	-245
Weighted average duration of the obligation, years	22	12	10	17	7	N/A	14
<b>Amount included in the income statement/other comprehensive income</b>							
Total service cost	-98	-	-3	-123	-28	-49	-301
Net interest	-81	13	-7	30	-20	-32	-97
Remeasurements	-123	-290	804	-380	-55	-73	-117
<b>Total expense for defined benefits (pretax)</b>	<b>-302</b>	<b>-277</b>	<b>794</b>	<b>-473</b>	<b>-103</b>	<b>-154</b>	<b>-514</b>
<b>Cash flows</b>							
Contributions by the employer	-3	-101	-	4	-40	-44	-184
Benefits paid	-111	-	-21	-	-63	-16	-211
<b>Major assumptions for the valuation of the liability</b>							
Longevity, years % <sup>1)</sup>	23	23	22	25	22	N/A	N/A
Inflation, %	2.00	3.15	2.50	2.00	2.00	N/A	2.32
Discount rate, % (weighted average)	3.55	5.55	5.55	3.60	3.20	N/A	4.39
Future salary increase, % (weighted average)	3.25	N/A	N/A	3.00	3.25	N/A	3.23

<b>Information by country December 31, 2025</b>	<b>Sweden</b>	<b>UK</b>	<b>US</b>	<b>Finland</b>	<b>Germany</b>	<b>Other</b>	<b>Total</b>
<b>Amounts included in the balance sheet</b>							
Present value of funded and unfunded obligations	4,936	4,343	4,855	4,425	2,274	1,774	22,606
of which for activities	2,029	0	836	1,437	966	1,311	6,580
of which for vested deferred	1,649	2,021	592	831	387	37	5,516
of which for retirees	1,257	2,321	3,427	2,157	921	426	10,510
Plan assets	2,891	4,635	5,517	4,841	1,874	1,250	21,009
<b>Total surplus(deficit)</b>	<b>-2,044</b>	<b>293</b>	<b>663</b>	<b>416</b>	<b>-400</b>	<b>-525</b>	<b>-1,597</b>
Pension plans recognized according to local rules	-	-	-	-	-	-	-210
<b>Total net liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,807</b>
Provision for pensions	-	-	-	-	-	-	-3,569
Over funded pension plans recognized as asset, non-current receivable	-	-	-	-	-	-	1,762
Funding level, %	59	107	114	109	82	70	92
Net medical plans surplus (deficit)	-	-	-165	-	-	-35	-199
Weighted average duration of the obligation, years	21	12	10	17	6	N/A	14
<b>Amount included in the income statement/Other comprehensive income</b>							
Total service cost	-156	-	-2	-153	-33	-94	-437
Net interest	-93	5	33	13	-16	-25	-83
Remeasurements	755	151	73	220	82	29	1,310
<b>Total expense for defined benefits (pretax)</b>	<b>507</b>	<b>156</b>	<b>104</b>	<b>80</b>	<b>33</b>	<b>-90</b>	<b>790</b>
<b>Cash flows</b>							
Contributions by the employer	-6	-96	-	8	-34	-14	-163
Benefits paid	-116	-	-19	-	-60	-20	-236
<b>Major assumptions for the valuation of the liability</b>							
Longevity, years % <sup>1)</sup>	23	22	22	25	22	N/A	N/A
Inflation, %	1.75	2.90	2.50	2.00	2.00	N/A	2.17
Discount rate, % (weighted average)	4.00	5.60	5.35	4.25	3.90	N/A	4.62
Future salary increase, % (weighted average)	3.00	N/A	N/A	3.00	3.00	N/A	3.23

1) Expressed as the expected remaining life expectancy of a 65-year-old in number of years.

→ G21, continued

**Risks and cash flows**

Three main categories of risks are associated with the Company's defined-benefit pension plans.

*Future pension payments*

Greater life expectancy, increased inflation assumptions and higher salaries can increase future pension payments and thus also the liability for the pension obligation.

*Return on assets*

Lower returns on assets in the foundations may, in the future, result in lower returns which are insufficient for covering future pension payments.

*Measurement method*

The measurement methods, primarily regarding the discount rate, being utilized in the measurement of the present value of the pension obligations. The discount rate, can fluctuate between periods, and affect expenses and the net pension liability.

**Discount rate**

To determine the discount rate, AA credit rated corporate bonds are used that correspond to the duration of the pension obligation. If there is no deep market for corporate bonds, government bonds are used. In Sweden, mortgage bonds are used to determine the discount rate.

**Sensitivity analysis**

The weighted average duration for the group-funded pension liability is 14 years, whilst the weighted average duration for the interest-bearing assets is 10 years. Due to the asset allocation and differences in duration, Sandvik is exposed to interest rate fluctuations both when discounting the liability and when revaluing the interest-bearing assets.

A sensitivity analysis of the most important assumptions affecting the recognized pension liability is provided below. Note that this sensitivity analysis is not intended to be the expression of an opinion by the company regarding the probability of such events occurring.

**Sensitivity analysis, change in pension liability**

	SE	UK	US	FI	GER	Total
Life expectancy, +1 year	193	115	136	167	47	<b>681</b>
Discount rate, -50 bps	528	247	246	389	74	<b>1,567</b>
Inflation rate, +50 bps	539	90	-	8	33	<b>673</b>
Equities, -20%	165	49	110	324	81	<b>736</b>

**Plan assets**

The plan assets are distributed between below type of assets.

Class of assets, %	2024	2025
Interest bearing securities	61	58
Shares	17	18
Properties	9	9
Other	9	11
Cash and cash equivalents	4	5

**Governance**

The defined-benefit and defined contribution plans are governed through the Pension Supervisory Board (PSB) at Sandvik. The PSB meets twice a year and has the following areas of responsibility:

- Implement policies and directives
- Ensure efficient administration of the major pension plans and efficient management of reserved plan assets
- Approve establishment of new plans, material changes, or closure of existing plan
- Approve guidelines for management of assets

The Group Pension Committee (GPC) is an operating body, which is also preparatory to the PSB. It has representatives from Group functions who are approved by the PSB. The GPC's task is to monitor developments in countries, submit proposals on changes to pension plans to the PSB, and approve the principle of how to establish actuarial assumptions. The GPC meets twice a year.

**Investment strategy**

The aim of the investment decisions made in the foundations' managing plan assets are:

- Ensure plan assets are sufficient to cover the foundation's future pension commitments
- Achieve optimal returns with a reasonable level of risk

Each foundation must have a written investment policy approved by the GPC. Reviews are performed annually. The foundation makes its own decisions on its investment strategy and takes into consideration the composition of the pension commitments, requirements of cash and cash equivalents, and available investment opportunities. The investment strategy shall be long-term and in line with the guidelines established by the PSB. An investment committee is to be in place.

**§ Accounting principles****Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

**Defined benefit plans**

The Group's net obligation in respect to defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have vested in return for their service in the current and prior periods. This benefit is discounted to its present value. In addition, the fair value of any plan assets is assessed. The calculation is performed annually by a qualified actuary.

The above method of accounting is applied to the most significant defined benefit plans in the Group. A number of plans, which neither individually nor in the aggregate are significant in relation to the Group's total pension obligations, are still recognized in accordance with local regulations.

In measuring the present value of pension obligations and the fair value of plan assets, actuarial gains and losses may accrue either because the actual outcome differs from earlier assumptions (so called experience adjustments) or the assumptions are changed. These actuarial gains and losses are recognized in the balance sheet and in profit or loss under other comprehensive income.

**! Critical estimates and key judgments***Defined benefit obligations*

Actuarial assumptions are used to measure pension obligations and they significantly affect the recognized net liability and the annual pension cost. For the upcoming year, the discount rate affects the expense and the estimate of return on plan assets. For the current year, it affects the present value of the defined benefit obligation. The discount rate is reassessed quarterly for the material plans and at least annually for the other plans. All other assumptions, both financial and demographic, are reassessed at least annually.

## G22 Other interest-bearing liabilities

	2024	2025
<b>Non-current liabilities</b>		
Bond issues	24,062	18,930
Lease liabilities	4,814	4,363
Long-term loans from financial institutions	7,564	8,700
Other	46	34
<b>Total</b>	<b>36,486</b>	<b>32,027</b>
<b>Current liabilities</b>		
Bond issues	3,712	3,783
Lease liabilities	1,297	1,285
Short-term from financial institutions	1,210	2
Other	51	26
<b>Total</b>	<b>6,269</b>	<b>5,094</b>

### § Accounting principles

Financial liabilities excluding derivatives are classified and subsequently measured at amortized cost. Any difference between the loan amount, net of transaction costs, and the repayable amount is allocated to profit or loss for the year over the term of the loan using the effective interest method.

For information on contractual terms, scheduled repayments and the exposure to interest risk and foreign-currency risk, refer to note G27.

## G23 Other provisions

	Warranties	Restructuring	Employee benefits	Environmental obligations	Legal disputes	Other obligations	Total
<b>Balance at January 1, 2025</b>	<b>558</b>	<b>1,286</b>	<b>789</b>	<b>315</b>	<b>326</b>	<b>477</b>	<b>3,751</b>
Provisions made during the year	519	684	733	36	24	376	<b>2,373</b>
Provisions used during the year	-324	-662	-526	-66	-21	-410	<b>-2,010</b>
Unutilized provisions reversed during the year	-127	-85	-32	-15	-114	-39	<b>-412</b>
Reclassifications	-10	-1	6	1	13	-2	<b>8</b>
Translation differences	-40	-46	-54	-25	-24	-43	<b>-232</b>
<b>Balance at December 31, 2025</b>	<b>577</b>	<b>1,177</b>	<b>914</b>	<b>248</b>	<b>203</b>	<b>359</b>	<b>3,478</b>
of which current	467	1,022	435	51	181	259	<b>2,414</b>
of which non-current	110	155	479	196	22	101	<b>1,064</b>

### § Accounting principles

Other provisions are recognized in the Balance sheet when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Other provisions are mainly related to the following:

#### Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighing of all possible outcomes against their associated probabilities.

#### Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

#### Employee benefits

A provision for personnel-related benefits is recognized in accordance with agreements entered for long-term incentive programs, local bonus programs, part-time pensions and other personnel obligations.

#### Environmental obligations

An environmental provision is recognized when there is a legal obligation for a clean up or site restoration.

#### Legal disputes

Legal disputes include provisions for claims which, at the balance sheet date, had not been closed, such as value-added tax issues, and customer and supplier claims relating to ongoing or finished projects.

#### Other obligations

Other obligations include provisions for onerous contracts and obligations within the scope of Sandvik Försäkring AB's operations.

## ! Critical estimates and key judgments

### Provisions

The uncertainties about the amount or timing of outflows vary for different kind of provisions. Provisions for warranties, restructuring, and employee benefits are based on historical statistics and estimated future costs. Regarding the provisions for legal disputes, the uncertainty is higher. Tax disputes are described and recognized within note G10.

### Legal Disputes

Sandvik is party to a number of disputes and legal proceedings in the ordinary course of business. Management consults with legal experts on issues related to legal disputes and with other experts internal or external to Sandvik Group on issues related to the ordinary course of business. It is management best judgment assessment that neither the Parent Company, nor any subsidiary, is involved in legal proceedings or arbitration that may be deemed to have a materially negative effect on the business, the financial position or results of operations.

## G24 Other liabilities

	2024	2025
<b>Other non-current liabilities</b>		
Derivatives designated as hedging instruments	246	193
Other	493	384
<b>Total</b>	<b>739</b>	<b>577</b>
<b>Other current liabilities</b>		
Derivatives designated as hedging instruments	1,747	639
Bills payable	19	77
Contract liabilities	5,105	4,869
Other	4,204	2,631
<b>Total</b>	<b>11,075</b>	<b>8,216</b>

Other non-current liabilities include deferred consideration regarding business combinations and liability to non-controlling interest, see note G30.

## § Accounting principles

### Other liabilities

Other liabilities excluding derivatives are classified and subsequently measured at amortized cost.

### Derivatives

Classified at fair value through profit and loss, with the exception of those that are designated as hedging instruments in a cash-flow hedge.

### Contract liabilities

Recognized when a payment is received before the performance obligation has been satisfied.

## G25 Accrued expenses

	2024	2025
Personnel related	4,929	4,824
Other accrued expenses	3,049	2,709
<b>Total</b>	<b>7,978</b>	<b>7,533</b>

## G26 Contingent liabilities and pledged assets

On occasion, Sandvik is party to litigation and administrative proceedings related to its operations, including responsibility for products, the environment, health and safety. However, Sandvik does not deem that any of these ongoing proceedings and processes will significantly affect Sandvik.

Contingent liabilities	2024	2025
Guarantees issued for customers and others	2,292	2,577
Other contingencies	618	717
<b>Total</b>	<b>2,910</b>	<b>3,294</b>

The Group's contingent liabilities amounted to SEK 3,294 million (2,910) and mainly comprised of guarantees for customers and others as well as ongoing procedures. Banks and financial institutions have guaranteed obligations arising in the normal course of business on behalf of Group companies.

The table provide data for the maximum potential payments of third party guarantees and does not reflect management's expected outcomes.

### Pledged assets

Pledged assets for own liabilities and provisions.

Pledged assets	2024	2025
Property mortgages	247	232
<b>Total</b>	<b>247</b>	<b>232</b>

## § Accounting principles

### Contingent liabilities

A contingent liability is recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

A contingent liability is also recognized when there is a present obligation that cannot be recognized as a liability or provision because it is not probable that an outflow of resources will be required, alternatively because the amount of the obligation cannot be measured with sufficient reliability.

## G27 Supplementary information – financial risk

### Financial risk management

Through its comprehensive international operations, Sandvik is exposed to financial risks.

Group Treasury is the function responsible for managing most of the Group's financial risks. The primary objectives of the function are to contribute to the creation of value by managing the financial risks to which the Group is exposed to during the ordinary course of business, and to optimize the Group's financial net.

The Board of Directors is responsible for establishing the Group's finance policy, which comprises guidelines, objectives, and limits for financial risk management within Group Treasury as well as the management of financial risks within the Group.

Group Treasury supports subsidiaries with loans, deposits, foreign exchange deals, banking solutions, and acts as an advisor in financial matters. The function conducts internal banking operations and is based at the head office in Stockholm. It is also responsible for the Group's bank account arrangements.

In addition, Group Treasury conducts payment advice and payment solutions, and is responsible for the Group's global policy for granting credit to customers in conjunction with sales. The customer finance activity is carried out through the business area Mining at selected locations worldwide.

Finally, Group Treasury also manages the financial risks associated with the Group's defined-benefit pension plans, which are presented in note G21.

Only institutions with a solid financial position and solid credit ratings are accepted as the Sandvik counterparties in financial transactions.

### Currency risk – transaction exposure

#### Risk

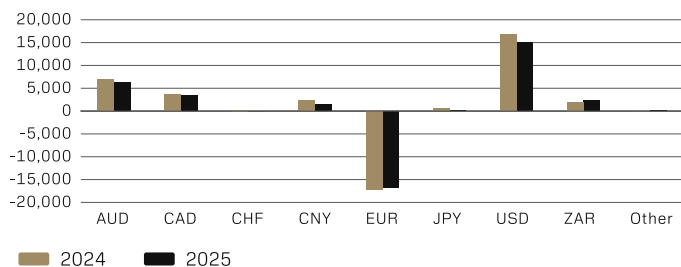
Transaction exposure is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Sandvik annual transaction exposure, meaning the Group's net flow of currencies, after full offsetting of the counter-value in the exporting companies' local currencies, and measured at the average exchange rate, amounted to SEK 13,253 million (14,919) in 2025.

The most important currencies for one year of exposure are shown in the following graph.

#### Exposure

##### Net flow in foreign currencies



#### Comments

Sandvik generally offers customers the possibility to pay in their own currencies through the global sales organization. As a result, the Group is continuously exposed to currency risks associated with account receivables denominated in foreign currency and with future sales to foreign customers. Since a large percentage of production is concentrated in a few countries, while sales occur in many countries, Sandvik is exposed to a large net inflow of foreign currencies.

In order to mitigate the currency risk, pricing is adjusted against both customers and suppliers in circumstances where Sandvik is affected negatively by currency movements. To further reduce exposure to foreign currencies, currencies received are used to pay for purchases in the same currency via a monthly netting structure.

The net flow of all sales and purchases in non-functional currencies is hedged through financial instruments and bank account balances in accordance with guidelines set in the Group's finance policy. In addition, major project orders are currency hedged to protect the gross margin. Under the finance policy, the Chief Financial Officer has a mandate to hedge the annual transaction exposure. At year-end, the total hedged amount was SEK 213 million (2,342). The average duration for the hedged volume of foreign currency was 4 months (2). Unrealized results from outstanding currency contracts for hedging of future net flows amounted to SEK 12 million (-26) at year-end. This amount consists of SEK 8 million in profit related to contracts maturing in 2026 and SEK 4 million in profit related to contracts maturing in 2027 or later.

If all exchange rates for the exposure currencies were to change by 5 percent in an unfavorable direction, total EBIT over a 12-month period would change by approximately SEK -1,773 million (-2,066), assuming that the composition is the same as it was at year-end.

#### Sensitivity analysis by currency

AUD	CAD	CHF	CNY	EUR	USD	ZAR	Other	Total
-192	-136	-1	-64	-509	-631	-98	-141	-1,773

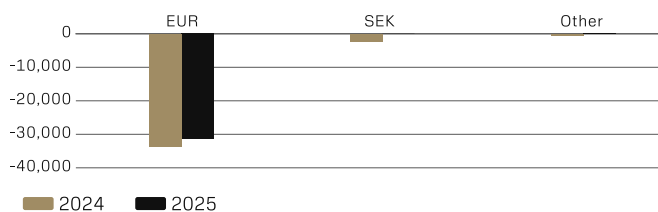
### Currency risk – translation exposure

#### Risk

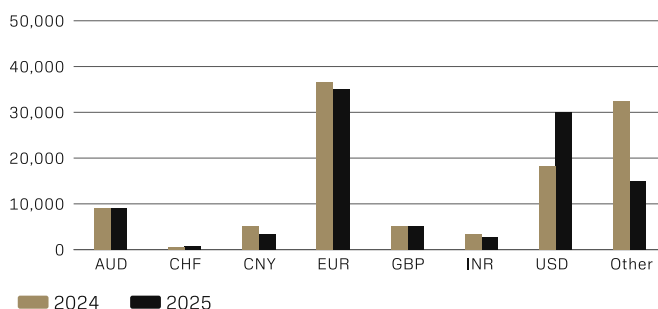
Translation exposure occurs when assets and liabilities are denominated in different currencies. Since the Swedish krona (SEK) is the Sandvik functional currency, a translation risk related to the valuation of the net assets in foreign subsidiaries and the profit/loss in foreign currency achieved during the period occurs. The net assets, which usually consist of the foreign subsidiaries' shareholders equity, are translated to SEK at the rates applied on the balance sheet date. At December 31, the Group's net assets in subsidiaries in local currencies amounted to SEK 101,085 million (110,735).

#### Exposure

##### Group's external debt by currency



##### Net assets by foreign currency



#### Comments

To avoid translation risk in the balance sheets of subsidiaries, they are financed in their functional currency through the internal bank. External borrowing often takes place in a specific currency, as shown in the first graph. The currency risk that arises in the internal bank as a result of this is managed using various derivatives.

→ G27, continued

Sandvik has chosen not to hedge future profits in foreign subsidiaries. The second graph shows the distribution of net assets among various currencies.

If exchange rates were to change by 5 percent in an unfavorable direction, the net effect on other comprehensive income would be approximately SEK -5,059 million (-4,690). This net effect primarily comprises of translation exposure in equity.

#### Sensitivity analysis by currency

AUD	CHF	CNY	EUR	GBP	INR	USD	Other	Total
-454	-33	-173	-1,757	-256	-138	-1,497	-751	<b>-5,059</b>

#### Interest rate risk

##### Risk

Interest rate risk is defined as the impact that changes in market interest rates will have on the Group's net interest items. That impact depends on the interest terms of assets and liabilities. Sandvik measures interest rate risk as the change over the forthcoming 12 months given a 1 percentage point change in interest rates.

Interest rate risk arises in two ways:

- The Company may have invested in interest-bearing assets, the value of which changes when the interest rate changes.
- The cost of the Company's borrowing fluctuates when the general interest rate situation changes.

##### Exposure

If market rates were to rise by 1 percentage point across all tenors, in relation to loans for which the interest rate will be reset during the coming year, interest costs would be impacted by SEK -138 million (-157).

An interest-rate sensitivity analysis of interest rate swap agreements valid at year-end, and to which hedge accounting was applied, shows that other comprehensive income would change by SEK 0 million (0) and interest cost in the income statement would change by SEK -64 million (-69) as a result of a 1 percentage point rise in the interest rate curve.

#### Interest rates and fixed-interest terms on outstanding loans

Including effect of interest-rate derivatives	Effective rate of interest, %	Fixed-interest term, months	Recognized liability, MSEK
Bond loans, MTN	2.8	23	22,711
Commercial papers	0.0	0	0
Other loans from banks	2.7	4	8,763
<b>Total loans</b>	<b>2.8</b>	<b>18</b>	<b>31,474</b>
Interest effect of currency derivatives	0.9		
<b>Total incl. currency derivatives</b>	<b>3.6</b>		

##### Comments

The Group's interest rate risk arises mainly in connection with borrowing. Interest rate swap agreements are sometimes used to achieve the desired fixed interest term. The Group Chief Financial Officer has a mandate to vary the average fixed-interest term of the Group's debt portfolio within an interval of 6–36 months. The average fixed-interest term on the Sandvik borrowing was 18 months (20) at year-end, with consideration given to interest rate swap agreements entered into.

In line with the Group's finance policy, internal lending to foreign subsidiaries is hedged with currency derivatives. Consequently, there is an interest-rate effect in currency derivatives of 0.9 percentage points between the currencies the Group borrows and the currencies the Group lends. The Group's average interest expense, including other loans and effects of various derivatives, was 3.6 percent (5.0).

Hedge accounting is applied when an effective link exists between hedged loans and interest rate swaps. To the extent that fair value

hedges are effective, the values of the hedged items are adjusted and the effects on the profit for the year are reduced. When cash flow hedges are effective, the effects are transferred from profit for the year to other comprehensive income.

The Group has interest rate swap agreements with a notional amount of EUR 1,000 million to which it applies fair value hedging. The hedge relationships for these are 100 percent effective. Further information of all interest rate derivatives can be found at the end of this note.

The Sandvik loan conditions do not currently include financial covenants linked to key figures. Only under exceptional circumstances are assets pledged in connection with debt raising. Such pledging is disclosed in note G26.

In the event that Sandvik has surplus liquidity, it is placed in bank deposits or in short-term money market instruments (durations of up to 90 days), which means that the interest-rate risk (the risk of a change in value) is low.

#### Liquidity and refinancing risk

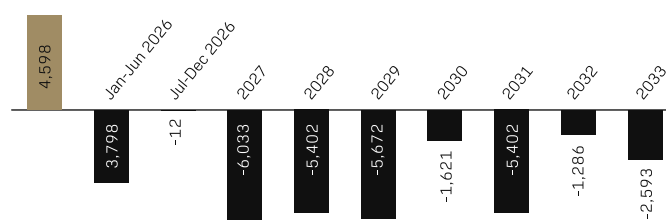
##### Risk

Liquidity and refinancing risk is defined as the risk that financing possibilities will be limited when loans are to be refinanced, and that payment commitments cannot be honored as a result of insufficient liquidity.

##### Exposure

#### Maturity profile for borrowing and liquid assets

Nominal amount



#### Borrowing and remaining credit periods

	Currency	Recognized liability, MSEK	Average remaining credit periods, years
Bond loans, MTN	EUR, SEK	22,711	2.7
Commercial papers	EUR, SEK	0	0.0
Other loans from banks	Other	8,763	5.5
<b>Total borrowings</b>		<b>31,474</b>	<b>3.5</b>

##### Comments

According to the finance policy, the Group's liquidity reserve, comprising of unutilized committed credit facilities and accessible cash and cash equivalents, should at all times exceed 10 percent of the Group's projected annual revenues. The liquidity reserve should also exceed the amount of loans maturing within 12 months. At year-end, the Group's committed long-term credit facilities and accessible cash amounted to SEK 20,985 million. Loans maturing in 2026 are SEK 3,810 million (4,974).

Sandvik has a revolving credit facility totaling SEK 11,000 million maturing in 2029. In addition, Sandvik has a committed credit facility totaling EUR 500 million that can be substituted for a long-term loan before May 2027. The facilities were unutilized at year-end.

The aim of the Sandvik financing strategy is to achieve a well-balanced maturity profile for liabilities to thereby minimize the refinancing risk. The finance policy further stipulates that the debt portfolio's weighted average duration should exceed 3 years. At year-end 2025, the weighted average duration amounted to 3.5 years. The maturity structure for the Group's financial liabilities and derivatives is presented further down in this note.

→ G27, continued

At year-end, Standard & Poor's, the international credit rating agency, had assigned a BBB+ credit rating to the Sandvik long-term borrowing and A-2 for its short-term borrowing. For a continuous update on the Sandvik credit rating, please visit [home.sandvik.com](http://home.sandvik.com).

### Credit risk

#### Risk

The Group's commercial and financial transactions give rise to credit risk in relation to the Sandvik counterparts. Credit risk or counterpart risk is defined as the risk for losses if the counterpart does not honor its commitments.

The credit risk to which Sandvik is exposed to can be divided into three categories:

- Financial credit risk
- Credit risk in trade receivables
- Credit risk in customer financing

Total credit risk	2024	2025
Cash and cash equivalents <sup>1)</sup>	4,528	4,958
Derivatives <sup>1)</sup>	212	39
Other receivables <sup>1)</sup>	753	774
Trade receivables <sup>2)</sup>	19,836	19,595
Customer finance <sup>3)</sup>	6,186	5,893
<b>Total</b>	<b>31,514</b>	<b>31,260</b>

1) Financial credit risk

2) The age structure and expected credit loss of trade receivables are described in note G18

3) Expected credit loss related to customer finance is described in note G14

Expected credit loss	2024	2025
<b>Opening balance, January 1</b>	<b>-971</b>	<b>-975</b>
Provisions made during the year	-287	-145
Provisions used during the year	164	151
Unutilized provisions reversed during the year	208	116
Business combination	-50	-6
Translation difference	-40	110
<b>Closing balance, December 31</b>	<b>-975</b>	<b>-750</b>

#### Comments

Sandvik has entered into agreements with the company's most significant banks, covering such matters as the right to offset assets and liabilities that arise from financial derivative transactions, so-called ISDA agreements. This means that the company's counterpart exposure to the financial sector is limited to the unrealized net gains that arise in derivative agreements, investments and bank balances. At December 31, the value of these amounted to SEK 4,997 million (4,740).

Sandvik companies are generally exposed to credit risk associated with outstanding trade receivables from ongoing sales. The credit risk is normally spread over a large number of customers within different segments in the business areas. The total credit losses belonging to Sandvik, defined as the total of receivables written off

and change in bad debt reserve, amounted to SEK -47 million (-79), equivalent to 0.04 percent of sales.

#### The Group's financial instruments measured at fair value in the balance sheet

	2024	2025
<b>Financial assets</b>		
<i>Derivatives</i>		
Foreign exchange contracts	555	194
<b>Total <sup>1)</sup></b>	<b>555</b>	<b>194</b>
<b>Financial liabilities</b>		
<i>Derivatives</i>		
Foreign exchange contracts	1,747	649
Interest-rate swaps	246	184
<b>Total <sup>2)</sup></b>	<b>1,993</b>	<b>832</b>

1) Included in other receivables and financial assets.

2) Included in other liabilities.

Financial assets and liabilities are not offset in the balance sheet. Derivative contracts are subject to framework agreements governing offsetting, and the carrying amounts of assets not offset in the balance sheet amounted to SEK 194 million. The carrying amount of corresponding liabilities was SEK -832 million. No collateral has been received or pledged. In the event of a default by a derivative counterparty, assets and liabilities for a total value of SEK 155 million would be offset in accordance with the framework agreement governing offsetting.

Calculation at fair value of the Group's non-current borrowings would decrease the total carrying amount by SEK 72 million (263). When measuring interest-bearing liabilities, the company's European bond loans have been remeasured using observable market prices for identical securities to value the Group's marketable debt instruments. Other non-current debt has been remeasured in accordance with the principles described on the following page. For short-term loans and deposits, no remeasurement was carried out, given that the carrying amount is considered to represent a good approximation of the fair value due to the short duration.

→ G27, continued

**Financial assets and liabilities by valuation category**

Balance sheet items	Fair value through OCI		Fair value through profit or loss		Amortized costs		Hedge accounting		Total carrying amount	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
<b>Financial assets</b>										
Financial investments	120	188	380	396	-	-	-	-	500	584
Trade receivables <sup>1)</sup>	-	-	-	-	19,836	19,595	-	-	19,836	19,595
Other receivables <sup>2)</sup>	-	-	-	-	6,971	6,498	-	-	6,971	6,498
Derivatives <sup>3)</sup>	-	-	555	97	-	-	-	97	555	194
Cash and cash equivalents	-	-	-	-	4,528	4,958	-	-	4,528	4,958
<b>Total financial assets</b>	<b>120</b>	<b>188</b>	<b>935</b>	<b>493</b>	<b>31,334</b>	<b>31,051</b>	<b>-</b>	<b>97</b>	<b>32,389</b>	<b>31,830</b>
<b>Financial liabilities</b>										
Borrowings	-	-	377	221	36,644	31,474 <sup>4)</sup>	-	-	37,021	31,694
Derivatives <sup>5)</sup>	-	-	494	606	-	-	1,499	226	1,993	832
Accounts payable <sup>1)</sup>	-	-	-	-	10,077	10,719	-	-	10,077	10,719
Due to associates	-	-	-	-	2	2	-	-	2	2
Other liabilities <sup>6)</sup>	-	-	146	225 <sup>7)</sup>	6,515	5,724	-	-	6,661	5,949
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,017</b>	<b>1,052</b>	<b>53,239</b>	<b>47,918</b>	<b>1,499</b>	<b>226</b>	<b>55,755</b>	<b>49,196</b>

1) Excludes assets held for sales.

2) Comprises parts of the Group's other receivables and accrued income from contract assets, financial leasing, and customer financing recognized in the balance sheet.

3) Derivatives form part of the other receivables and financial assets, recognized in the balance sheet.

4) Recognized in the balance sheet as non-current and current liabilities to financial institutions and other liabilities. Notional EUR 1,000 million is part of a fair value hedge.

5) Derivatives form part of the other liabilities recognized in the balance sheet.

6) Form part of the Group's other liabilities and accrued expenses from leasing recognized in the balance sheet.

7) Contingent considerations measured according to Level 3. The liabilities are valued to fair value through profit or loss, using an internal model where the likelihood of the consideration payout is assessed and the expected payout is discounted to present value each reporting period, using an applicable discount rate specific for each transaction.

**Maturity structure relating to undiscounted cash flows for financial liabilities and derivatives, nominal amounts**

		2024				2025			
		<6 months	6-12 months	1-5 years	>5 years	<6 months	6-12 months	1-5 years	>5 years
Bank loans	EUR, Other	-567	-139	-1,250	-7,838	-134	-130	-2,654	-7,219
Commercial papers	EUR, SEK	-834	-	-	-	-	-	-	-
Bond loans, MTN	EUR, SEK	-3,229	-1,310	-24,115	-2,723	-4,044	-374	-18,219	-2,474
<b>Derivatives</b>									
- Currency derivatives		1,245	-48	-4	-	443	15	0	-
whereof outflow		-411	-139	-4	-	-174	-10	-9	-
whereof inflow		1,656	91	0	-	617	25	9	-
- Interest rate derivatives		-18	-119	-265	-	14	-80	-34	-
Leases		-768	-756	-3,643	-1,801	-768	-745	-3,283	-1,857
Accounts payable <sup>1)</sup>		-10,077	-	-	-	-10,719	-	-	-
<b>Total</b>		<b>-14,248</b>	<b>-2,372</b>	<b>-29,277</b>	<b>-12,362</b>	<b>-15,208</b>	<b>-1,313</b>	<b>-24,190</b>	<b>-11,550</b>

1) Excludes assets held for sales.

**Net result per valuation category**

	2024	2025
Fair value through profit or loss	-1,872	-388
Amortized costs	-2,426	-2,044
Hedge accounting	-1,288	20

**Periods when hedged cash flows in the hedge reserve are expected to occur and impact earnings**

	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	2028 and later
Currency derivatives	-14	-27	-16	-1	1	-1	-2	2	-1
<b>Total</b>	<b>-14</b>	<b>-27</b>	<b>-16</b>	<b>-1</b>	<b>1</b>	<b>-1</b>	<b>-2</b>	<b>2</b>	<b>-1</b>

**Derivative financial instruments – interest rate swaps**

	Fair value hedges	
	2024	2025
Carrying amount (included in other liabilities)	-246	-184
Notional amount	11,478	10,804
Changes in fair value since 1 January	167	62

**Supply chain finance programs (SCF)**

Sandvik engages in programs characterized by finance institutions offering to pay owed amounts to suppliers and Sandvik entity owing the amount agreeing to pay it back to the finance institutions at the same date as the suppliers are paid, or later. These programs are typically designed to provide Sandvik with extended payment terms and the suppliers with terms earlier than the original invoice payment due date. The financial institutions involved with Sandvik are in good financial standing, representing very low liquidity risk.

The outstanding amounts confirmed under the programs are recognized in the balance sheet as part of accounts payable. Neither have any guarantees been issued as security for the finance providers, nor have any assets been pledged.

Liabilities under SCF	90–170 days after invoice date (average)
Normal trade payables other than SCF	30–60 days after invoice date
Carrying amount of liabilities, 31 December 2025	1,583 MSEK
Submitted amount during 2025*	4,072 MSEK

\*Total value of all new payments submitted by buyer and accepted by the finance provider

**§ Accounting principles****Financial instruments**

Financial instruments recognized in the balance sheet include assets, such as account receivables, financial investments and derivatives, and liabilities such as loan liabilities, account payables, and derivatives.

Current investments and derivatives are recognized on the trade date. Financial assets and loans are recognized on the settlement date. Trade receivables and trade payables are recognized in the balance sheet once the invoice has been sent or received, respectively.

**Measurement***Amortized cost*

The majority of the financial assets is held to collect contractual cash flows and are held to maturity, and recognized at amortized cost according to the effective interest method.

All liabilities, excluding derivatives and the liabilities included in a hedging relationship, are measured at amortized cost

*Fair value through other comprehensive income*

For financial assets comprising an equity instrument, the company can, on initial recognition, make an irrevocable choice to recognize the asset at fair value through other comprehensive income without the option of reclassification to profit or loss. Sandvik has made such a choice for financial investments which are also described in G15.

*Fair value through profit or loss*

Financial assets that do not fulfill the requirements as stated in the categories described above are to be measured at fair value through profit or loss.

Derivatives and liabilities that are part of a hedging relationship are recognized in this category.

*Financial instruments measured at fair value*

Almost all of the Sandvik financial instruments measured at fair value are measured according to Level 2. Some minor liabilities are measured at Level 3.

Level 1: Fair value is determined according to prices listed on an active market for the same instrument.

Level 2: Fair value is determined based on either directly (as a price) or indirectly (derived from prices) observable market data that is not included in level 1.

Level 3: Fair value is determined based on input data that is not observable in the market.

The fair value of foreign exchange contracts is determined based on observable market prices. The fair value of interest-rate swaps is based on discounting estimated future cash flows under the contractual terms and conditions and maturity dates and based on the market interest rate for similar instruments on the balance sheet date. Where discounted cash flows are used, the future cash flows are calculated on the best assessments of company management. The discount rate applied is the market-based interest rate of similar instruments at the closing date.

All valuation techniques applied are accepted in the market and take into account all parameters that the market would consider in its pricing. These techniques are reviewed regularly to ensure their reliability. Applied assumptions are compared against actual outcomes to identify any needs for adjusting the measurement or forecasting tools.

For means of payment, receivables and payables with variable interest and current receivables and payables (for example, trade receivables and accounts payable), the fair value has been considered to correspond to the carrying amount.

**Hedge accounting**

Hedge accounting is applied in accordance with IFRS9 to decrease volatility in the income statement.

*Cash flow hedges*

Derivatives are used to hedge the exposure of cash flows. The effective portion of the change in fair value for the year, is recognized in other comprehensive income and the accumulated changes in a separate component of shareholders' equity. The ineffective portion of a gain or loss is immediately recognized in the income statement. The gain or loss relating to the effective portion of hedging instruments is reversed from other comprehensive income to the income statement within the same line as the hedged item.

*Fair-value hedges*

Interest rate swaps are used to hedge the exposure to changes in fair value, changes to the fair value of the instrument are recognized in the income statement for the year. The gain or loss on the hedged item attributable to the hedged risk, adjusts the carrying amount of the hedged liability and the change for the period is recognized in profit or loss. Realized and unrealized interest is reported in the income statement for the year for both the hedge and the hedged item.

Sandvik applies fair-value hedges to hedge the fair value of fixed rate funding recognized in the balance sheet, provided that the hedged item is otherwise recognized at amortized cost. The derivative instrument used is interest rate swaps. If the hedge relationship is discontinued, the carrying amount of the hedged item is adjusted with the accumulated amount referring to the hedge relationship.

→ G27, continued

### **Impairment of financial assets**

#### *Expected credit losses*

Sandvik evaluates its trade receivables, contract assets and financial leases on a collective basis for each category, respectively.

Expected credit loss provisions are based on the full lifetime expected credit loss model. The entities consider reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring the expected credit losses.

Changes to the allowance for expected credit losses for accounts receivables are recognized in selling expenses.

#### *Confirmed credit losses*

The principles for writing off a receivables are based on several prerequisites, such as proof of write-off, insolvency, or failed legal and other collection processes. An assessment is made whether one or several of these prerequisites are fulfilled before the write-off takes place.

### **Credit securities**

The Group selectively utilizes different forms of credit securities, such as letters of credit, retention of title, or credit insurance.

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### **! Critical estimates and judgments**

#### *Allowance for expected credit losses*

A collective assessment is made on the receivables. Historical information regarding credit loss experience is used to forecast future losses, adjusted for current and expected conditions. Also, an individual assessment is made on credit impaired accounts receivables based on the financial condition of the customer.

## G28 Transactions with related parties

### Related-party transactions

The Group's sales to associates and joint ventures amounted to SEK 7 million (8). The Group's purchases from associated companies amounted to SEK 135 million (151). Interest income from associates and joint ventures amounted to SEK 1 million (0) and loan receivables from associates and joint ventures amounted to SEK 16 million (16). Loan payables to associates and joint ventures amounted to SEK 2 million (2). No guarantees have been made for the obligations of associates and joint ventures. All transactions are carried out on market terms.

### Transactions with key management personnel

Sandvik did not enter into any significant transactions with Board members or members of Group Executive Management during the year. For information on remuneration, see note G4.

## G29 Supplementary information to the cash flow statement

	Cash Flow			Non-cash flow changes						December 31, 2024
	January 1, 2024	New loans	Amortization	Reclassification	New leases	Acquisition	Disposal	Currency/ FX	Other	
Interest-bearing liabilities	28,452	5,832	-99	-3,750	-	128	-	1,107	-	31,672
Current interest-bearing liabilities	11,126	95	-10,435	3,731	-	464	-	25	-34	4,972
Lease liabilities	5,503	-	-1,439	2	1,953	104	-172	207	-47	6,111
Dividends paid	-	-	-6,880	-	-	-	-	-	-	-
<b>Total</b>	<b>45,081</b>	<b>5,928</b>	<b>-18,854</b>	<b>-17</b>	<b>1,953</b>	<b>697</b>	<b>-172</b>	<b>1,339</b>	<b>-81</b>	<b>42,755</b>

	Cash Flow			Non-cash flow changes						December 31, 2025
	January 1, 2025	New loans	Amortization	Reclassification	New leases	Acquisition	Disposal	Currency/ FX	Other	
Interest-bearing liabilities	31,672	1,644	-49	-3,811	-	-	-	-1,792	-	27,664
Current interest-bearing liabilities	4,972	121	-4,974	3,811	-	10	-	-129	-1	3,810
Lease liabilities	6,111	-	-1,433	-	1,488	25	-13	-518	-12	5,647
Dividends paid	-	-	-7,203	-	-	-	-	-	-	-
<b>Total</b>	<b>42,755</b>	<b>1,765</b>	<b>-13,660</b>	<b>-</b>	<b>1,488</b>	<b>34</b>	<b>-13</b>	<b>-2,439</b>	<b>-13</b>	<b>37,121</b>

Cash and cash equivalents	2024	2025
Cash and bank	3,583	4,195
Short-term investments comparable to cash and cash equivalents	945	763
<b>Total in the balance sheet</b>	<b>4,528</b>	<b>4,958</b>
<b>Total in the cash flow statement</b>	<b>4,528</b>	<b>4,958</b>

Interest paid and received and dividend received	2024	2025
Dividend received	3	3
Interest received	678	613
Interest paid	-2,737	-2,209
<b>Total</b>	<b>-2,056</b>	<b>-1,592</b>

Other adjustments for non-cash items, etc.	2024	2025
Unappropriated results of associated companies	208	-23
Other provisions	305	-75
Changes in value of financial instruments	748	-459
Gains and losses on disposal of companies and shares	220	-127
Gains and losses on disposal of non-current assets	-63	-245
Provisions for pensions	301	520
Other	102	56
<b>Total</b>	<b>1,822</b>	<b>-352</b>

### § Accounting principles

The consolidated cash flow statement is prepared in accordance with the indirect method. A short-term investment is classified as a cash and cash equivalent if:

- The risk of changes in value is insignificant
- It is readily convertible into cash
- It has a maturity of no more than three months from the date of acquisition.

## G30 Business combinations

The acquisitions of business combinations executed in 2024 and 2025 are set out below. Annual revenue and number of employees reflect the latest available information at the time of the transaction.

Business area	Cash generating unit	Company/unit	Country	Acquisition date	Annual revenue	No. of employees
<b>2024</b>						
Machining and Intelligent Manufacturing	Sandvik Coromant	pro-micron GmbH	Germany	February 1, 2024	88 MSEK in 2022	56
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	Cimquest, Inc.	USA	March 1, 2024	26 MUSD in 2023	55
Machining and Intelligent Manufacturing	Sandvik Coromant	Almü Präzisions-Werkzeug GmbH	Germany	May 1, 2024	7.1 MEUR <sup>1)</sup> in 2023	44
Machining and Intelligent Manufacturing	Walter Group	PDQ Workholding LLC	USA	June 1, 2024	36 MUSD in 2023	107
Machining and Intelligent Manufacturing	China Division	Suzhou Ahno Precision Cutting Tool Technology Co., Ltd.	China	July 1, 2024	1.2 BSEK in 2023	1,200
Mining	Mining	Universal Field Robots	Australia	Dec. 2, 2024	80 MSEK 12M Q3 23-Q2 24	40
<b>2025</b>						
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	FASTech Inc.	USA	January 2, 2025	6.0 MUSD in 2024	8
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	ShopWare, Inc.	USA	February 3, 2025	12.4 MUSD in 2024	21
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	MCAM Northwest, Inc.	USA	February 3, 2025	2.6 MUSD in 2024	9
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	OptiPro Systems, LLC	USA	February 3, 2025	2.6 MUSD in 2024	9
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	CadCam Solutions, Inc.	USA	March 3, 2025	4.5 MUSD in 2024	4
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	CamTech Engineering Services, LLC	USA	March 3, 2025	2.0 MUSD in 2024	3
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	Barefoot CNC, Inc.	USA	March 3, 2025	3.1 MUSD in 2024	6
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	CIMCO PP ApS	Denmark	March 3, 2025	7.4 MSEK in 2024	3
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	Verisurf Software, Inc.	USA	June 2, 2025	130 MSEK in 2024	44
Rock Processing	Rock Processing	Osa Demolition Equipment	Italy	July 1, 2025	150 MSEK in 2024	64
Machining and Intelligent Manufacturing	Machining and Intelligent Manufacturing	QTE Manufacturing Solutions	USA	November 3, 2025	45 MSEK in 2024	12

1) Of which EUR 1.7 million refers to sales to Sandvik

### Acquisitions

The acquisitions during 2025 were made through net asset deals, except for CIMCO PP ApS, Verisurf Software, Inc., and Osa Demolition Equipment where 100 percent of shares and voting rights were acquired.

On February 28, 2025 and September 10, 2025 Sandvik acquired the remaining 28 percent of the shares in Suzhou Ahno and Yongpu, respectively, through the utilization of call options. After the acquisitions, Sandvik owns 100 percent of the shares in both Suzhou Ahno and Yongpu.

For all acquisitions, Sandvik received control over the operations on the date of closing. No equity instruments have been issued in connection with the acquisitions. The acquisitions have been accounted for using the acquisition method.

The amounts presented in the following tables detail the recognized amounts aggregated by business area. The relative amounts of the individual acquisitions are not considered significant. Sandvik is in the process of reviewing the final values for certain of the recently acquired businesses. No adjustments are expected to be material.

### Total fair value of assets and liabilities of acquired businesses in 2025

The fair value of acquired assets and assessed liabilities has been preliminarily established for all acquisitions made during 2025. Only minor IFRS adjustments were made to the acquisition values.

### Acquisitions made by Rock Processing

During 2025, Rock Processing has acquired Osa Demolition Equipment S.r.l. (OSA), an Italy-based manufacturer of demolition tools and hydraulic hammers. The relative amounts of the individual acquisition are not considered significant.

### Acquisitions made by Machining and Intelligent Manufacturing

During 2025, Machining and Intelligent Manufacturing acquired several resellers of Mastercam software and services in the US. Acquisitions of Verisurf Software, Inc., a US-based 3D metrology software solutions provider, and the probing and post processor business lines of CIMCO Group, have also been completed. The relative amounts of the individual acquisition are not considered significant.

→ G30, continued

## Fair value recognized in the Group, 2025

	Rock Processing	Machining and Intelligent Manufacturing	Total
Intangible assets	0	0	0
Property, plant and equipment	19	3	21
Other non-current assets	15	10	25
Inventories	55	2	57
Receivables	44	154	198
Cash and cash equivalents	62	37	99
Interest-bearing loans and borrowings	-25	-10	-34
Other liabilities and provisions	-36	-231	-267
Deferred tax assets/liabilities, net	-18	-33	-50
<b>Net identifiable assets and liabilities</b>	<b>118</b>	<b>-69</b>	<b>49</b>
Goodwill	307	645	952
Other surplus values	92	487	579
<b>Purchase consideration</b>	<b>-516</b>	<b>-1,063</b>	<b>-1,579</b>
Contingent and deferred considerations	75	81	156
Cash and cash equivalents in the acquired business	62	37	99
<b>Net cash outflow</b>	<b>-379</b>	<b>-945</b>	<b>-1,324</b>

## Contributions from companies acquired in 2025 by business area

	Rock Processing	Machining and Intelligent Manufacturing	Total
<b>Contributions as of acquisition date</b>			
Revenues	56	323	379
Profit/loss for the year	0	97	97
<b>Contributions if the acquisition date would have been January 1</b>			
Revenues	114	423	537
Profit/loss for the year	10	107	117

## Change of total fair values recognized in the Group in 2025 from businesses acquired during 2024

	Mining			Machining and Intelligent Manufacturing			Total		
	2024	2025	Change	2024	2025	Change	2024	2025	Change
Intangible assets	10	9	-1	9	9	0	19	18	-1
Property, plant and equipment	5	4	-1	1,003	996	-7	1,009	1,000	-9
Other non-current assets	16	13	-3	140	140	0	155	153	-3
Inventories	3	-	-3	323	323	-1	327	323	-4
Receivables	6	5	-1	923	923	0	930	928	-1
Cash and cash equivalents	2	2	0	241	241	0	244	244	0
Interest-bearing loans and borrowings	-13	-13	0	-682	-682	0	-695	-695	0
Other liabilities and provisions	-9	-10	-1	-606	-604	3	-615	-614	1
Deferred tax assets/liabilities, net	-11	-10	1	-220	-229	-9	-231	-239	-8
<b>Net identifiable assets and liabilities</b>	<b>10</b>	<b>0</b>	<b>-9</b>	<b>1,132</b>	<b>1,117</b>	<b>-15</b>	<b>1,141</b>	<b>1,117</b>	<b>-24</b>
Goodwill	170	164	-6	1,696	1,652	-44	1,866	1,816	-50
Other surplus values	142	156	14	1,821	1,879	59	1,963	2,035	72
External liability to minority shareholders	-	-	-	-1,096	51	1,146	-1,096	51	1,146
<b>Purchase consideration</b>	<b>-322</b>	<b>-319</b>	<b>2</b>	<b>-3,553</b>	<b>-4,699</b>	<b>-1,146</b>	<b>-3,874</b>	<b>-5,019</b>	<b>-1,144</b>
Contingent and deferred considerations	-	-	-	28	28	-	28	28	-
Cash and cash equivalents in the acquired business	2	2	0	241	241	0	244	244	0
<b>Net cash outflow</b>	<b>-319</b>	<b>-317</b>	<b>2</b>	<b>-3,283</b>	<b>-4,430</b>	<b>-1,146</b>	<b>-3,603</b>	<b>-4,747</b>	<b>-1,144</b>

The fair value of the acquisitions made during 2024 have changed due to the establishment of a final purchase price allocation during 2025.

→ G30, continued

## § Accounting principles

The consolidated financial statements are prepared in accordance with the acquisition method. In business combinations, acquired assets and assumed liabilities are identified and classified, and measured at fair value on the date of acquisition (also known as a purchase price allocation).

Transaction costs in conjunction with acquisitions are reported directly in profit or loss for the year as other operating expenses.

Contingent considerations are recognized as financial liabilities and at fair value on the acquisition date. Contingent considerations are remeasured at each reporting period with any change recognized in profit or loss for the year.

In step acquisitions, when a controlling interest is achieved, any net assets acquired earlier in the acquired units are remeasured at fair value and the result of the remeasurement is recognized in profit or loss. If the controlling interest is lost upon divestment, net profit is recognized in profit or loss. Any residual holding in the divested business is then measured at fair value on the date of divestment and its effect is recognized in profit or loss for the year.

## ! Critical estimates and judgments

### Allocation of purchase price

Allocation of the purchase price between goodwill and various identifiable intangible and tangible assets includes estimates, such as projections of future cash flows, useful lives of assets and future earnout payments.

## G31 Divestments and assets held for sale

The divestments of operations executed in 2024 and 2025 are specified below.

Business area	Company/Unit	Divestment date	Annual revenue	No. of employees
<b>2024</b>				
Machining and Intelligent Manufacturing	DWFritz Automation	August 28, 2024	590 MSEK in 2023	228
Mining	Eimco Elecon <sup>1)</sup>	December 13-19, 2024	N/A	N/A
<b>2025</b>				
Machining and Intelligent Manufacturing	Cimquest, Inc.	September 2, 2025	99 MSEK 12M Sep 24-Aug 25	14
Mining	Eimco Elecon <sup>1)</sup>	September 24-25, 2025	N/A	N/A
Machining and Intelligent Manufacturing	Advanced Theodolite Technology, Inc.	October 1, 2025	145 MSEK 12M Oct 24-Sep 25	30

1) Shares in associated company

### Assets and liabilities included in divestments 2025

	2024	2025
Intangible assets	224	43
Property, plant and equipment	79	26
Other non-current assets	2	113
Inventories	29	4
Receivables	150	52
Cash and cash equivalents	1	6
Interest-bearing loans and borrowings	172	13
Other liabilities and provisions	-17	-
Deferred tax assets/liabilities, net	-	-3
<b>Net identifiable assets</b>	<b>638</b>	<b>254</b>
Gain/loss on divested operations	-220	127
<b>Consideration received</b>	<b>-22</b>	<b>342</b>
Less: Cash and cash equivalents in the divested operations	-1	-6
<b>Impact on the Group's cash and cash equivalents, divested operations</b>	<b>-22</b>	<b>336</b>

### Divestments and assets held for sale

Sandvik made no divestments with major impact during 2025. During the year, Sandvik divested its holding of shares in the associated company Eimco Elecon (India) Limited. The holding has previously been reported as assets held for sale. The divestment incurred a capital gain, including transactional costs, of SEK 128 million in the third quarter of 2025 and had a positive cash flow effect for the Group of SEK 253 million.

During the year, Sandvik also divested the American company Advanced Theodolite Technology, Inc. (ATT), a provider of onsite precision measurement services to the aerospace industry, as well as the additive business of Cimquest, Inc. The holding of ATT has previously been reported as assets held for sale.

As of December 31, 2025, the Group recognizes no assets, or liabilities directly attributed to assets held for sale.

## § Accounting principles

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

## G32 Government grants

During 2025, Sandvik received various forms of government grants in countries where the Group operates of SEK 76 million (116). As in 2024, the main part of received grants in 2025 has been recognized as a reduced cost to which the grant is attributable to.

In 2025 the main part of the government grants was related to R&D projects and personnel costs. In 2024, the grants were mainly related to R&D projects.

The majority of the grants have no unfulfilled conditions or contingencies attached to them.

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### § Accounting principles

Government grants are recognized as deferred income in the balance sheet when there is reasonable assurance that the grant will be received, and that the entity will comply with the conditions attached to them. Grants are recognized in profit or loss for the year in the same way and over the same periods as the related costs that they are intended to compensate, on a systematic basis.

Grants related to assets are presented by deducting the grant from the carrying amount of the asset.

## G33 Events after the end of the period

On January 27, 2026, Sandvik announced that Mats Eriksson, President of the Mining business area, has decided to retire in 2027, when he turns 65. In 2026 he will step down from his position and as member of the Group Executive Management once a successor has assumed the role, tentatively July 1, 2026.

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### § Accounting principles

Events after the balance sheet date refer to both favorable and unfavorable events that have occurred after the balance sheet date but before the date the financial statements were authorized for issue by the Board of Directors.

# Financial statements

## Parent Company

Income statement	154
Balance sheet	155
Changes in equity	156
Cash flow statement	156

## Financial notes, Parent Company

<b>P1</b>	Accounting principles	157	<b>P15</b>	Provisions for pensions and other non-current post-employment benefits	167
<b>P2</b>	Categories of revenue	157	<b>P16</b>	Other provisions	168
<b>P3</b>	Personnel information and remuneration to management	157	<b>P17</b>	Non-current interest-bearing liabilities	168
<b>P4</b>	Remuneration to auditors	157	<b>P18</b>	Accrued expenses and deferred income	168
<b>P5</b>	Other operating income and expenses	158	<b>P19</b>	Contingent liabilities and pledged assets	168
<b>P6</b>	Financial income and expenses	158	<b>P20</b>	Transactions with related parties	169
<b>P7</b>	Income tax	158	<b>P21</b>	Supplementary information to the cash flow statement	169
<b>P8</b>	Intangible assets	159	<b>P22</b>	Events after the end of the period	169
<b>P9</b>	Property, plant and equipment	160		Proposed appropriation of profits	171
<b>P10</b>	Leases	161			
<b>P11</b>	Shares in Group companies	161			
<b>P12</b>	Non-current receivables and other current receivables	167			
<b>P13</b>	Inventories	167			
<b>P14</b>	Capital and reserves	167			

# Parent Company income statement

MSEK	Note	2024	2025
Revenue	P2	13,427	13,465
Cost of sales and services		-7,117	-6,784
<b>Gross profit</b>		<b>6,310</b>	<b>6,681</b>
Selling expenses		-945	-890
Administrative expenses		-2,024	-1,998
Research and development costs		-1,609	-1,390
Other operating income	P5	78	128
Other operating expenses	P5	-1,017	-869
<b>Operating profit</b>	P3, P4, P10	<b>793</b>	<b>1,662</b>
Result from shares in Group companies	P6	9,147	12,311
Interest income and similar items	P6	106	32
Interest expenses and similar items	P6	-1,753	-1,078
<b>Profit after financial items</b>		<b>8,293</b>	<b>12,927</b>
Appropriations		128	-22
Income tax	P7	296	-774
<b>Profit for the year</b>		<b>8,717</b>	<b>12,131</b>

Profit for the year corresponds to total comprehensive income for the year.

# Parent Company balance sheet

MSEK	Note	Dec 31, 2024	Dec 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	P8	186	51
Property, plant and equipment	P9	3,082	2,918
<b>Financial assets</b>			
Shares in Group companies	P11	58,007	57,997
Due from Group companies		24,717	19,337
Other investments		0	0
Non-current receivables	P12	24	24
Deferred tax assets	P7	207	110
<b>Total non-current assets</b>		<b>86,223</b>	<b>80,437</b>
<b>Current assets</b>			
Inventories	P13	1,062	1,145
<b>Current receivables</b>			
Trade receivables		372	403
Due from Group companies		5,798	8,486
Income tax receivables	P7	1,955	1,867
Other current receivables	P12	440	343
Prepaid expenses and accrued income		1,056	1,024
Cash and cash equivalents		0	0
<b>Total current assets</b>		<b>10,683</b>	<b>13,268</b>
<b>TOTAL ASSETS</b>		<b>96,906</b>	<b>93,705</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Non-distributable equity</i>			
Share capital		1,505	1,505
Statutory reserve		1,611	1,611
<i>Distributable equity</i>			
Profit brought forward		19,273	20,819
Profit for the year		8,717	12,131
<b>Total equity</b>	P14	<b>31,106</b>	<b>36,066</b>
Other untaxed reserves		929	951
Provisions for pensions	P15	945	975
Other provisions	P16	401	434
<b>Non-current interest-bearing liabilities</b>			
Loans from Group companies	P17	1	1
Other liabilities	P17	24,062	18,929
<b>Non-current non-interest-bearing liabilities</b>			
Other liabilities		246	192
<b>Current interest-bearing liabilities</b>			
Loans from Group companies		31,185	29,132
Other liabilities		3,710	3,781
<b>Total current interest-bearing liabilities</b>		<b>34,895</b>	<b>32,913</b>
<b>Current non-interest-bearing liabilities</b>			
Advance payments from customers		48	18
Accounts payable		1,100	876
Due to Group companies		738	542
Income tax liabilities	P7	0	0
Other liabilities		295	212
Accrued expenses and deferred income	P18	2,140	1,596
<b>Total current non-interest-bearing liabilities</b>		<b>4,321</b>	<b>3,244</b>
<b>Equity and liabilities</b>		<b>96,906</b>	<b>93,705</b>

## Parent Company changes in equity

MSEK	Share capital	Statutory reserve	Distributable equity	Total equity
<b>Equity at January 1, 2024</b>	<b>1,505</b>	<b>1,611</b>	<b>26,133</b>	<b>29,249</b>
Comprehensive income for the year	-	-	8,717	8,717
Dividend	-	-	-6,880	-6,880
Share-based payment settled by equity instruments	-	-	20	20
<b>Equity at December 31, 2024</b>	<b>1,505</b>	<b>1,611</b>	<b>27,990</b>	<b>31,106</b>
<b>Equity at January 1, 2025</b>	<b>1,505</b>	<b>1,611</b>	<b>27,990</b>	<b>31,106</b>
Comprehensive income for the year	-	-	12,131	12,131
Dividend	-	-	-7,203	-7,203
Share-based payment settled by equity instruments	-	-	32	32
<b>Equity at December 31, 2025</b>	<b>1,505</b>	<b>1,611</b>	<b>32,950</b>	<b>36,066</b>

## Parent Company cash flow statement

MSEK	Note	2024	2025
<b>Cash flow from operating activities</b>			
Profit before tax		8,422	12,905
Adjustment for depreciation, amortization and impairment losses		557	507
Adjustment for non-cash items, etc.	P21	-5,850	-1,991
Income tax paid		288	-590
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,417</b>	<b>10,831</b>
<b>Changes in working capital</b>			
Changes in inventories		19	-82
Changes in operating receivables		-214	4,976
Changes in operating liabilities		103	-391
<b>Cash flow from operating activities</b>		<b>3,325</b>	<b>15,333</b>
<b>Cash flow from investing activities</b>			
Acquisition of companies and shares, net of cash acquired		-13	-12
Acquisition of property, plant and equipment		-438	-240
Proceeds from sale of companies and shares, net of cash disposed of		11	2
Proceeds from sale of property, plant and equipment		29	45
Net cash used in investing activities		-411	-205
<b>Net cash flow after investing activities</b>		<b>2,914</b>	<b>15,128</b>
<b>Cash flow from financing activities</b>			
Changes in advances/loans to Group companies		3,500	-2,212
Changes in advances/loans from Group companies		4,304	-2,053
Proceeds from external borrowings		0	0
Repayment of external borrowings		-3,838	-3,659
Dividend paid		-6,880	-7,204
<b>Net cash used in financing activities</b>		<b>-2,914</b>	<b>-15,128</b>
<b>Cash flow for the year</b>		<b>0</b>	<b>0</b>
Cash and cash equivalents at beginning of year		0	0
<b>Cash and cash equivalents at end of year</b>		<b>0</b>	<b>0</b>

## P1 Accounting principles, Parent Company

The Parent Company has prepared its Annual Report in accordance with the Annual Accounts Act (1995:1554) and the standard, RFR 2 Reporting by a legal entity, issued by the Swedish Financial Reporting Board. The interpretations issued by the Financial Reporting Board valid for listed companies have also been applied. Under RFR 2, the Parent Company in its Annual Report is to apply all the IFRS and IFRIC interpretations approved by the EU to the extent possible within the framework of the Annual Accounts Act, the Act on Income Security, and taking into account the close tie between financial reporting and taxation. The standard specifies what exceptions from or additions to the IFRS shall be made.

The Parent Company generally applies accounting principles as the consolidated financial statements. When an exception is made, the accounting principle applied for the Parent Company is presented in the respective note.

### § Accounting principles

The symbol and heading show where the accounting principles are described in the note.

#### Changed accounting principles

The Parent Company's accounting principles has changed in accordance with the amendments described for the Group in note G1.

#### Classification and presentation

The Parent Company's income statement and balance sheet adhere to the presentation included in the Annual Accounts Act. The differences compared with IAS 1 Presentation of Financial Statements applied when presenting the consolidated financial statements mainly pertain to the presentation of finance income and expenses, non-current assets, equity, and the presentation of provisions as a separate heading in the balance sheet.

## P2 Categories of revenue

	2024	2025
<b>Primary geographical markets</b>		
Europe	12,582	12,558
North America	174	146
South America	102	79
Africa and Middle East	69	86
Asia	421	524
Australia and New Zealand	79	72
<b>Total</b>	<b>13,427</b>	<b>13,465</b>
<b>Major goods/service lines</b>		
Sale of goods	13,306	13,371
Rendering of services	92	75
Rental income	29	19
<b>Total</b>	<b>13,427</b>	<b>13,465</b>

Contract asset and contract liability balances are not disclosed for the Parent Company, due to the small balances and corresponding small movements.

## P3 Personnel information and remuneration to management

The average number of employees was 3,559 (3,605) of which 30 percent were women (29). All personnel in the Parent Company are based in Sweden.

### Wages, salaries, other remuneration and social costs

	2024	2025
Wages, salaries and other remuneration	2,664	2,819
Social costs	804	845
Pension costs	563	526
<b>Total</b>	<b>4,031</b>	<b>4,190</b>
<i>of which to Board of Directors, President and members of Group Executive Management<sup>1)</sup></i>		
Salaries and other remunerations	47	53
Variable salary	2	16
Pension costs	19	17

1) The Parent Company's pension liability relating to these persons amounted to SEK 3 million (3).

### Gender distribution in senior management

Proportion of women, %	2024	2025
Senior management	30	30
Other senior executives	44	44

For information regarding incentive programs, see note G4.

### § Accounting principles

#### Employee benefits

The Parent Company calculates expenses for defined-benefit pension plans differently from the manner prescribed in IAS 19. The Parent Company applies the Act on Income Security and regulations issued by the Swedish Financial Supervisory Authority, which is a prerequisite for income tax purposes. Compared to IAS 19, the most significant differences relate to the determination of the discount rate and the fact that the obligation is calculated based on the current salary level disregarding assumptions about future levels.

## P4 Remuneration to auditors

	2024	2025
<b>PwC</b>		
Audit fees	-16	-18
Audit activities other than the audit assignment	0	-4
Other services	-6	-3
<b>Total</b>	<b>-22</b>	<b>-25</b>

## P5 Other operating income and expenses

The Parent Company's other operating income amounted to SEK 128 million (78). The amount is mainly related to Transfer Price Adjustment SEK 77 million (45) between Group companies, gain on disposals of assets SEK 10 million (15), currency exchange gain SEK 16 million (3), unrealized hedges SEK 8 million (11), and other operating income SEK 17 million (4).

The Parent Company's other operating expenses amounted to SEK -869 million (-1,017). The amount is mainly related to royalties between Group companies of SEK -759 million (-957), loss on divestments of business SEK -22 million (0), and currency exchange losses of SEK -45 million (-4).

## P6 Financial income and expenses

### Result from shares in Group companies

	2024	2025
Dividend, net of withholding tax	7,629	10,100
Group contributions paid/received	1,518	2,211
Impairment	-	-
<b>Total</b>	<b>9,147</b>	<b>12,311</b>

### Interest income and similar items

	2024	2025
Interest income, Group companies	24	17
Derivatives, Group companies	30	4
Other	52	11
<b>Total</b>	<b>106</b>	<b>32</b>

### Interest expense and similar items

	2024	2025
Interest expense, Group companies	-677	-298
Other interest expense	-1,060	-746
Derivatives, Group companies	-16	-33
Other	0	-1
<b>Total</b>	<b>-1,753</b>	<b>-1,078</b>

## § Accounting principles

### Group contributions and shareholders' contributions in legal entity accounts

Group contributions that a Parent Company receives from a subsidiary are recognized in the Parent Company in accordance with the same policies as normal dividends from subsidiaries. Shareholder contributions paid by the Parent Company to subsidiaries are recognized as investments in shares in the subsidiaries.

### Anticipated dividends

Anticipated dividends from subsidiaries are recognized in cases where the Parent Company unilaterally may determine the size of the dividend, provided that the Parent Company has made such a decision before it published its financial statements.

### Financial guarantee

The Parent Company applies a relaxation rule permitted by the Swedish Financial Reporting Board to the reporting of financial guarantees as opposed to the rules stipulated by IFRS 9. This relaxation rule pertains to financial guarantee agreements issued for the benefit of subsidiaries, associated companies and joint ventures. The Parent Company recognizes financial guarantees as a provision in the balance sheet when the company has an obligation for which payment is probably necessary to settle the commitment.

## P7 Income tax

### Recognized in profit and loss

Income tax expense for the year	2024	2025
Current tax	-371	-651
Adjustment of taxes attributable to prior years	577	-26
<b>Total current tax expense</b>	<b>206</b>	<b>-677</b>
Deferred taxes relating to temporary differences and tax losses carried forward	90	-97
<b>Total tax expense</b>	<b>296</b>	<b>-774</b>

### Reconciliation of the Parent Company's tax expense

The Parent Company's effective tax rate is lower than the nominal tax rate in Sweden, mainly due to received dividends from shares in Group companies which are non-taxable incomes.

### Reconciliation of the Parent Company's nominal tax rate and actual tax expense:

	2024		2025	
	MSEK	%	MSEK	%
Profit after financial items	8,421		12,905	
Weighted average tax based on each country's tax rate	-1,735	-20.6	-2,658	-20.6
<b>Tax effect of</b>				
Non-deductible expenses	-126	-1.5	-185	-1.4
Tax-exempt income	1,578	18.7	2,087	16.1
Adjustments relating to prior years	577	6.9	-26	-0.2
Other	2	0.0	8	0.1
<b>Total recognized tax expense</b>	<b>296</b>	<b>3.5</b>	<b>-774</b>	<b>-6.0</b>

→ P7, continued

**Recognized in the balance sheet***Deferred tax assets and liabilities*

The deferred tax assets and liabilities recognized in the balance sheet are attributable to the following assets and liabilities.

	2024			2025		
	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Property, plant and equipment	-	-24	-24	-	-24	-24
Inventories	23	-	23	28	-	28
Provisions	-	-22	-22	-	-15	-15
Non-interest-bearing assets and liabilities	241	-11	230	121	0	121
<b>Total</b>	<b>264</b>	<b>-57</b>	<b>207</b>	<b>149</b>	<b>-39</b>	<b>110</b>
Offsetting	-264	264	-	-149	149	-
<b>Total deferred tax assets and liabilities</b>	<b>-</b>	<b>207</b>	<b>207</b>	<b>-</b>	<b>110</b>	<b>110</b>

**Change of deferred tax in temporary differences and unutilized tax losses carried forward**

	2024	2025
Balance at the beginning of the year, net	117	207
Recognized in profit and loss	90	-97
<b>Balance at end of year, net</b>	<b>207</b>	<b>110</b>

In addition to the deferred tax assets and liabilities, Sandvik reports the following tax liabilities and receivables:

	2024	2025
Income tax liabilities	-	-
Income tax receivables	1,955	1,867
<b>Net tax liabilities/receivables</b>	<b>1,955</b>	<b>1,867</b>

**P8 Intangible assets**

	Patents and other intangible assets	Goodwill	Total
<b>Cost at January 1, 2024</b>	<b>754</b>	<b>139</b>	<b>893</b>
Additions	8	-	8
Divestments and disposals	-10	-	-10
<b>At December 31, 2024</b>	<b>752</b>	<b>139</b>	<b>891</b>
<i>Accumulated amortization</i>			
<b>At January 1, 2024</b>	<b>442</b>	<b>139</b>	<b>581</b>
Amortization for the year	134	-	134
Divestments and disposals	-10	-	-10
<b>At December 31, 2024</b>	<b>566</b>	<b>139</b>	<b>705</b>
<i>Net carrying amount</i>			
<b>At December 31, 2024</b>	<b>186</b>	<b>-</b>	<b>186</b>
<b>Cost at January 1, 2025</b>	<b>752</b>	<b>139</b>	<b>891</b>
<b>At December 31, 2025</b>	<b>752</b>	<b>139</b>	<b>891</b>
<i>Accumulated amortization</i>			
<b>At January 1, 2025</b>	<b>566</b>	<b>139</b>	<b>705</b>
Amortization for the year	135	-	135
<b>At December 31, 2025</b>	<b>701</b>	<b>139</b>	<b>840</b>
<i>Net carrying amount</i>			
<b>At December 31, 2025</b>	<b>51</b>	<b>-</b>	<b>51</b>

**§ Accounting principles****Income tax**

The Parent Company recognizes untaxed reserves including the deferred tax component.

In the consolidated financial statements, untaxed reserves are recognized in their equity and deferred tax components. Correspondingly, portions of appropriations are not allocated to deferred tax expenses in the Parent Company's income statement.

**Amortization for the year is included in the following lines in the income statement**

	2024	2025
Cost of goods and services sold	0	0
Research and development costs	-134	-135
<b>Total</b>	<b>-134</b>	<b>-135</b>

**§ Accounting principles****Intangible assets**

The Parent Company recognizes all expenditure for research and development conducted on a proprietary basis as an expense in profit or loss.

**Amortization of intangible assets**

Intangible assets are amortized on a straight-line basis over the estimated useful lives. Intangible assets are amortized from the date they are available to use. The estimated useful lives are as follows:

— Patents	10–20 years
— Goodwill	10 years

**Borrowing costs**

In the Parent Company, borrowing costs are expensed in the periods to which they relate. Borrowing costs for assets are not capitalized.

## P9 Property, plant and equipment

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
<i>Cost</i>					
<b>At January 1, 2024</b>	<b>1,592</b>	<b>5,681</b>	<b>1,110</b>	<b>603</b>	<b>8,986</b>
Additions	24	197	56	189	466
Divestments and disposals	-13	-206	-83	-2	-304
Reclassifications	48	112	36	-207	-11
<b>At December 31, 2024</b>	<b>1,651</b>	<b>5,784</b>	<b>1,119</b>	<b>583</b>	<b>9,137</b>
<i>Revaluations</i>					
<b>At January 1, 2024</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>
Divestments and disposals	0	-	-	-	0
<b>At December 31, 2024</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>
<i>Accumulated depreciation and impairment losses</i>					
<b>At January 1, 2024</b>	<b>779</b>	<b>4,347</b>	<b>828</b>	<b>-</b>	<b>5,954</b>
Divestments and disposals	-11	-198	-81	-	-290
Reclassifications	19	-8	-11	-	0
Depreciation for the year	48	253	67	-	368
Impairment losses	9	43	3	-	55
<b>At December 31, 2024</b>	<b>844</b>	<b>4,437</b>	<b>806</b>	<b>-</b>	<b>6,087</b>
<i>Net carrying amount</i>					
<b>At December 31, 2024</b>	<b>839</b>	<b>1,347</b>	<b>313</b>	<b>583</b>	<b>3,082</b>

	Land and buildings	Plant and machinery	Equipment, fixtures and fittings	Construction in progress	Total
<i>Cost</i>					
<b>At January 1, 2025</b>	<b>1,651</b>	<b>5,784</b>	<b>1,119</b>	<b>583</b>	<b>9,137</b>
Additions	3	74	8	177	262
Divestments and disposals	-9	-212	-20	-23	-264
Reclassifications	44	207	55	-306	0
<b>At December 31, 2025</b>	<b>1,689</b>	<b>5,853</b>	<b>1,162</b>	<b>431</b>	<b>9,135</b>
<i>Revaluations</i>					
<b>At January 1, 2025</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>
Divestments and disposals	0	-	-	-	0
<b>At December 31, 2025</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>
<i>Accumulated depreciation and impairment losses</i>					
<b>At January 1, 2025</b>	<b>844</b>	<b>4,437</b>	<b>806</b>	<b>-</b>	<b>6,087</b>
Divestments and disposals	-9	-183	-18	-	-210
Depreciation for the year	49	245	70	-	364
Impairment losses	1	7	0	-	8
<b>At December 31, 2025</b>	<b>885</b>	<b>4,506</b>	<b>858</b>	<b>-</b>	<b>6,249</b>
<i>Net carrying amount</i>					
<b>At December 31, 2025</b>	<b>836</b>	<b>1,347</b>	<b>304</b>	<b>431</b>	<b>2,918</b>

### § Accounting principles

#### Borrowing costs

In the Parent Company, borrowing costs are expensed in the periods to which they relate. Borrowing costs for assets are not capitalized.

→ P9, continued

## P10 Leases

### Operating leases with Sandvik as lessee according to RFR 2

Operating leases with Sandvik as lessee	2024	2025
Within one year	174	179
Between one and five years	501	517
Later than five years	321	276
<b>Net carrying amount</b>	<b>996</b>	<b>972</b>

Leasing fees for assets under operating leases, such as leased premises, machinery and office equipment are recognized within operating expenses. In 2025, the Parent Company expensed SEK 209 million.

### Operating leases with Sandvik as lessor

The Parent Company has SEK 9 million (0) in minimum lease payments under non-cancellable operating lease contracts within one year.

## § Accounting principles

### Leased assets

The Parent Company recognizes all lease contracts according to the rules for operating leases.

## P11 Shares in Group companies

	2024	2025
<i>Cost</i>		
At the beginning of the year	58,522	58,525
Additions	0	0
Capital contributions	13	12
Capital reductions	0	0
Divestment	-10	-100
<b>Total</b>	<b>58,525</b>	<b>58,437</b>
<i>Accumulated impairment losses</i>		
At the beginning of the year	-518	-518
Impairment losses for the year	0	78
Impairment reversed for the year	0	0
<b>Total</b>	<b>-518</b>	<b>-440</b>
<i>Accumulated revaluations</i>		
At the beginning of the year	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at year-end</b>	<b>58,007</b>	<b>57,997</b>

### Sandvik AB's holdings of shares and participations in subsidiaries, direct holdings, according to balance sheet at December 31

Company, domicile	Corp. Reg. number	2024			2025		
		No. of shares	Holding, % <sup>2)</sup>	Carrying amount SEK thousand	No. of shares	Holding, % <sup>2)</sup>	Carrying amount SEK thousand
<b>Sweden</b>							
Gimo Utbildningsaktiebolag, Gimo	556061-4041	910	91	19,377	910	91	21,635
Industri AB Skomab, Sandviken	556008-8345	2,000	100	21,946	2,000	0	0
Sandvik Global Purchasing AB, Stockholm	556052-4315	1,000	100	50	1,000	100	50
AB Sandvik Coromant, Sandviken <sup>1)</sup>	556234-6865	1,000	100	50	1,000	100	50
Sandvik Coromant Sverige AB, Stockholm <sup>1)</sup>	556350-7846	1,000	100	100	1,000	100	100
Sandvik Försäkrings AB, Sandviken	516401-6742	1,500	100	81,000	1,500	100	81,000
Sandvik Besökservice AB, Sandviken <sup>1)</sup>	556235-3838	1,000	100	50	1,000	100	50
Sandvik Intellectual Property AB, Sandviken	556288-9401	1,000,000	100	3,499,950	1,000,000	100	3,499,950
AB Sandvik International, Sandviken <sup>1)</sup>	556147-2977	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Sverige AB, Sandviken <sup>1)</sup>	556288-9443	1,000	100	50	1,000	100	50
Sandvik Mining and Construction Tools AB, Sandviken <sup>1)</sup>	556234-7343	1,000	100	50	1,000	100	50
Sandvik Rotary Tools AB, Köping	556191-8920	101,000	100	103,230	101,000	100	103,230
AB Sandvik Skogsfastigheter, Sandviken	556579-5464	1,000	100	51	1,000	0	0
Sandvik Machining Solutions AB, Sandviken <sup>1)</sup>	556692-0053	1,000	100	100	1,000	100	100
Sandvik Utbildnings AB, Sandviken	556304-8791	910	91	78,203	910	91	88,381
Dormer Pramet AB, Halmstad	556240-8210	80,000	100	46,145	80,000	100	46,145
Walter Norden AB, Halmstad	556752-4698	15,000	100	6,839	15,000	100	6,839
Sandvik Group IT, Sandviken <sup>1)</sup>	556788-9059	1,000	100	100	1,000	100	100
Sandvik Venture AB, Stockholm	556868-7155	1,000	100	281,048	1,000	100	281,048
Sandvik Financial Services AB, Stockholm	556843-7296	10,000	100	75,000	10,000	100	75,000
Seco Tools AB, Fagersta	556071-1060	145,467,690	100	15,658,859	145,467,690	100	15,658,859
Sandvik Invest Aktiebolag, Sandviken	556020-6517	1	0	0	1	0	—
Sandnest 3 AB, Stockholm	559291-1035	25,000	100	25	25,000	100	25

1) Subsidiaries conducting business on behalf of the Parent Company.

2) Refers to voting rights, which also equals share of capital unless otherwise indicated.

**Sandvik AB's holdings of shares and participations in foreign subsidiaries, direct holdings, according to balance sheet at December 31**

Country/location	Company	2024			2025		
		No. of shares	Holding, % <sup>1)</sup>	Carrying amount KSEK	No. of shares	Holding, % <sup>1)</sup>	Carrying amount KSEK
Brazil	Sandvik Holding Do Brasil Ltda	339,135,756	100	1,080,289	339,135,756	100	1,080,289
Bulgaria	Sandvik Bulgaria Ltd	—	100	0	—	100	0
Chile	Sandvik Financial Services S.A.	9,900	99 <sup>2)</sup>	165,331	9,900	99 <sup>2)</sup>	165,331
	Sandvik Rock Processing Chile S.A.	1	0 <sup>2)</sup>	8	1	0 <sup>2)</sup>	8
China	Sandvik China Holding Co Ltd.	—	100	2,009,106	—	100	2,009,106
Czech Republic	Sandvik CZ s.r.o.	—	100	0	—	100	0
Democratic Republic of Congo	Sandvik Mining and Construction DRC S.P.R.L.	9,990	100	43,235	9,990	100	43,235
Hungary	Sandvik Magyarorszag Kft.	—	100	3,258	—	100	3,258
India	Sandvik Coromant India Private Ltd.	1,801,241	75 <sup>2)</sup>	252,482	1,801,241	75 <sup>2)</sup>	252,482
	Sandvik Mining and Rock Technology India Private Limited	1,801,241	75 <sup>2)</sup>	2,084	1,801,241	75 <sup>2)</sup>	2,084
Ireland	Sandvik Mining and Construction Logistics Ltd.	100	100	5,508	100	100	5,508
Japan	Sandvik K.K.	8,000	100	224,207	8,000	100	224,207
Luxembourg	DSI Underground Holdings SA.	1,539,861	100	7,435,652	1,539,861	100	7,435,652
Mali	Sandvik Mining and Construction Mali Ltd	25,000	100	3,462	25,000	100	3,462
Mauritius	Rocbolt of Mauritius Ltd	956,768	50 <sup>2)</sup>	0	956,768	50 <sup>2)</sup>	0
Mexico	Sandvik de Mexicana S.A.	406,642,873	90 <sup>2)</sup>	712,312	406,642,873	90 <sup>2)</sup>	712,312
Mongolia	Sandvik Mongolia LLC.	400,000	100	2,682	400,000	100	2,682
Netherlands	Sandvik Finance B.V.	18,788	100	23,552,902	18,788	100	23,552,902
Peru	Sandvik del Peru S.A.	6,562,795	90 <sup>2)</sup>	26,025	6,562,795	90 <sup>2)</sup>	26,025
Portugal	Frezigest SGPS S.A.	1,001,069	100	1,071,546	1,001,069	100	1,071,546
Republic of Korea	Sandvik Korea Ltd.	752,730	100	5,992	752,730	100	5,992
Serbia	Sandvik Mining and Rock Technology LLC Belgrade	—	100	7,898	—	100	7,898
Slovakia	Sandvik Slovakia s.r.o.	—	100	1,238	—	100	1,238
South Africa	Sandvik Holding Southern Africa (Pty) Ltd	1,107,501	100	1,377,126	1,107,501	100	1,377,126
	Rocbolt Technologies Holdings Pty Ltd	500,000	50 <sup>2)</sup>	125,966	500,000	50 <sup>2)</sup>	125,966
Türkiye	Sandvik Endüstriyel Mamüller Sanayi ve Ticaret A.S.	125,154,588	100	3,200	125,154,588	100	3,200
UAE	Sandvik Middle East FZE.	1	100	19,886	1	100	19,886
Zimbabwe	Sandvik Mining and Construction Zimbabwe (Pty) Ltd.	233,677	100	3,269	233,677	100	3,269
<b>Total</b>				<b>58,006,938</b>			<b>57,997,377</b>

1) Refers to voting rights, which also equals share of capital unless otherwise indicated.

2) Remaining shares are held by other Group companies.

**Sandvik AB's holdings of shares and participations in subsidiaries, indirect holdings in %<sup>1)</sup>**

Country/Location	Company	2024	2025	Country/Location	Company	2024	2025
Sweden	DSI Underground Nordics AB*	100	100		Seco Tools Argentina S.A.	100	100
	Edvirt AB*	100	100	Armenia	Sandvik Mining and Rock Technology AM LLC*	100	100
	Metrolog Services Nordic AB	100	0	Australia	Deswik Brazil Holdings Pty Ltd	100	100
	Pramet Scandinavia AB	100	100		Deswik Group Pty Ltd	100	100
	Sandvik Financial Services SPV AB	100	100		Deswik Mining Consultants (Australia) Pty Ltd*	100	100
	Sandvik Invest Aktiebolag	100	100		Deswik Software Solutions Pty Ltd	100	100
	Sandvik SRP AB*	100	100		DSI Australia (Holdings) Pty Ltd	100	100
	Sandvik Treasury AB*	100	100		DSI Holdings 1 Australia Pty Ltd	100	100
	Seco AB	100	100		DSI Holdings 2 Australia Pty Ltd	100	100
	Argentina	DSI Underground Argentina S.A.*	100	100		DSI Underground Australia Pty Limited*	100
Sandvik Argentina S.A.*		100	100		Fero Group (Queensland) Pty Ltd*	100	100
Sandvik Mining and Construction Argentina S.A.*		100	100		Fero Group Pty Ltd*	100	100
					Fero Reinforcing Pty Ltd	100	0

1) Refers to share of capital, which also corresponds to voting rights for the total number of shares unless otherwise stated.

\* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025	Country/ Location	Company	2024	2025
Australia	NTX Australia Pty Ltd	100	100		DSI Underground Chile SpA*	100	100
	Sandvik Australia Holdings Pty Ltd	100	100		DSI Underground Ventilation Systems S.p.A.*	51	51
	Sandvik Australia Pty Ltd*	100	100		NTX Chile SpA	100	100
	Sandvik Financial Services Pty Ltd*	100	100		Sandvik Chile S.A.*	100	100
	Sandvik Mining and Construction Australia (Production/Supply) Pty Ltd*	100	100		Sandvik Financial Services S.A.*	1	1
	Sandvik Mining and Construction Australia Pty Ltd*	100	100		Sandvik Mining and Construction Chile S.A.*	100	100
	Sandvik Rock Processing Australia Pty Limited*	100	100		Sandvik Rentals Chile SPA	100	100
	Seco Tools Australia Pty Ltd*	100	100		Sandvik Rock Processing Chile S.A.	100	100
	SigmaTEK Pty. Ltd. (Australia)*	100	100	China	Beijing CGTech Software Co., Ltd.	100	100
	S-Process Equipment Australia Pty Limited	100	100		Chuzhou OMK Carbide Tools Co., Ltd.	72	100
	Stratabolt Resins Australia Pty Ltd	100	100		Chuzhou Yongpu Carbide Tools Co., Ltd.	72	100
	Terelion (Australia) Pty Ltd	100	100		Cimatron (Beijing) Technologies Co. Ltd.*	100	100
	Tricon Drilling Solutions Pty Ltd*	100	100		Dormer Tools (Shanghai) Co Ltd*	100	100
	UFR Holdings Pty Ltd	100	100		DSI Underground Consulting (Shanghai) Co., Ltd.*	100	100
	UFR Technology Pty Ltd	100	100		Jinan Lingong Mining and Rock Technology Co Ltd	85	85
	Universal Field Robots Pty Ltd*	100	100		Kunshan OSK Precision Tools Co., Ltd	100	100
Austria	DSI Underground Austria GmbH*	100	100		Sandvik (Jining) Rocbolt Technologies China Co., Ltd*	100	100
	Sandvik in Austria Gesellschaft GmbH*	100	100		Sandvik Coromant Cutting Tools (Shanghai) Co., Ltd*	100	100
	Sandvik Mining and Construction G.m.b.H.*	100	100		Sandvik Industrial Equipment (Shanghai) Co., Ltd.*	100	100
	Seco Tools Gesellschaft GmbH*	100	100		Sandvik Industry Equipment (ChangZhou) Co., Ltd.*	100	100
	Walter Austria GmbH*	100	100		Sandvik Logistics (Shanghai) Co. Ltd*	100	100
	Wolfram Bergbau und Hütten AG*	100	100		Sandvik Mining and Construction (China) Co Ltd	100	100
	WBH Holding GmbH	100	100		Sandvik Mining and Construction (Luoyang) Co Ltd	100	100
Belgium	S.A. Seco Tools Benelux N.V.*	100	100		Sandvik Mining and Construction Trading (Shanghai) Co.*	100	100
	Walter Benelux N.V./S.A.*	100	100		Sandvik Mining Technology (Tianjin) Co., LTD*	100	100
Botswana	Sandvik Botswana (Pty) Ltd*	100	100		Sandvik Rock Tools Technology (Wuxi) Co., Ltd	100	100
Brazil	CGTech Brasil Consultoria de Software Eireli	100	100		Sandvik Tooling Production (Langfang) Co. Ltd*	100	100
	Dormer Pramet Solucoes Para Usinagem Ltda*	100	100		Seco Tools (Shanghai) Co Ltd*	100	100
	DSI Underground System Brasil Indústria e Comercio Ltda*	100	100		Seco Tools Manufacturing (Shanghai) Co Ltd*	100	100
	Frezite Ferramentas de Corte LTDA*	100	100		Shanghai Jianshe Luqiao Machinery Co. Ltd	100	100
	MCB Serviços e Mineração Ltda.*	100	100		SigmaTEK Systems China, LLC*	100	100
	Sandvik Coromant Do Brasil Industria e Comercio de Ferramentas Ltda*	100	100		Suzhou Xinlan Nano Technology Co., Ltd.	72	100
	Sandvik Mining and Rock Technology do Brasil Ltda*	100	100		Suzhou Yongpu Precision Technology Co., Ltd.	72	100
	Sandvik Rock Processing Brasil Ltda*	100	100		Suzhou Yongpu Technology Management Co., Ltd.	72	100
	Seco Tools Indústria e Comércio Ltda.*	100	100		Walter Wuxi Co. Ltd.*	100	100
	SigmaTEK Systems Brasil Ltda.*	100	100		Wuhan Yongpu Carbide Tools Co., Ltd.	72	100
	Walter do Brazil Ltda*	100	100		YP INTL Trade (Shanghai) Co., Ltd	72	100
Burkina Faso	Sandvik Mining and Rock Technology Burkina Faso SARL*	100	100		Suzhou Ahno Precision Cutting Tool Technology Co. Ltd	72	100
Canada	11740750 Canada Limited	100	100		Ahno (Beijing) Precision Tool Co., Ltd.	72	100
	Artisan Vehicles, Inc.	100	100		Chongqing Ahno-Well Cutting Tool Co., Ltd.	72	100
	Cimatron Technologies Inc (Canada)*	100	100		Access Precision Tools (Suzhou) Co., Ltd	72	100
	Deswik (Canada) Inc*	100	100		Changshu Ahno Cutting Tools Co., Ltd.	72	100
	DSI Underground Canada Ltd.*	100	100		Changshu Wanke Precision Tools Technology Co., Ltd.	72	100
	ICAM Technologies Corporation	100	100		Hangzhou Bino Precision Cutting Tool Co., Ltd	72	100
	Indexable Cutting Tools of Canada LLC*	100	100		Hefei Ahno Precision Tool Co., Ltd.	72	100
	Inrock Ltd.*	100	100		Jinan Ahno Cutting Tool Co., Ltd	72	100
	Newtrax Holdings Inc	100	100		Ningbo Ahno Precision Tool Co., Ltd.	72	100
	Newtrax Technologies Inc*	100	100		Suzhou Ahno Cutting Tool Technology Co., Ltd	72	100
	Norgalv Limited*	100	100		Suzhou Ahno Medical Devices Co., Ltd.	72	100
	Norprop Limited	100	100		Suzhou Jiheng Nano Technology Co., Ltd.	72	100
	Postability Inc.	100	100				
	Sandvik Canada, Inc.*	100	100				
	SigmaTEK Canada, LLC (Delaware)*	100	100				
Chile	Deswik Chile SpA*	100	100				

\* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025	
China	Guangdong Jiheng Nano Technology Co., Ltd.	72	100	
	Tianjin Jiheng Nano Technology Co., Ltd.	72	100	
	Wuhan Ahno Precision Tool Co., Ltd.	72	100	
	Yantai Ahno Cutting Tool Co., Ltd.	72	100	
	Zhuzhou Kern Advanced Materials Co.,Ltd.	72	100	
	Chongqing Ahno-Well Cutting Tool Co., Ltd.	72	100	
Colombia	Deswik Colombia S.A.S.*	100	100	
	DSI Underground Colombia S.A.S.*	100	100	
	Sandvik Colombia S.A.S.*	100	100	
Côte d'Ivoire	Sandvik Mining and Rock Solutions Cote d'Ivoire SARLU*	100	100	
Czech Republic	Dormer Pramet s.r.o.*	100	100	
	FREZITE s.r.o.*	100	100	
	Seco Tools CZ s.r.o.*	100	100	
	WALTER CZ s.r.o.*	100	100	
Denmark	Sandvik A/S*	100	100	
	Seco Tools A/S*	100	100	
	Mastercam Denmark ApS	0	100	
DR Congo	Sandvik DRC Services SASU	49	49	
Finland	Oy Tampella Ab	100	100	
	Sandvik Coromant Finland Oy*	100	100	
	Sandvik Mining and Construction Finland Oy	100	100	
	Sandvik Mining and Construction Oy*	100	100	
	Seco Tools Oy*	100	100	
	Tammerfors Linne och Jern Ab	100	100	
	Tamrock Oy	100	100	
	Velroq Oy	100	100	
France	A.O.B. S.A.S	100	0	
	CGTech SARL	100	100	
	Industrial Metrology Solutions SAS*	100	100	
	Financiere Metrolog SAS*	100	100	
	Gunther Tools*	100	100	
	Metrologic Group SAS*	100	100	
	Metrologic Services SAS	100	0	
	Sandvik Coromant Inserts France S.A.S	100	0	
	Sandvik Holding France S.A.S.*	100	100	
	Sandvik Mining and Construction France S.A.S.*	100	100	
	Sandvik Mining and Construction Lyon S.A.S.*	100	100	
	Sandvik Tooling France S.A.S	100	100	
	Seco Ressources et Finances SA	100	100	
	Seco Tools France S.A.S.*	100	100	
	Seco Tools Reaming SAS*	100	100	
	SECO Tools Tooling Systems SAS*	100	100	
	SigmaNEST France*	100	100	
	Walter France S.A.S.*	100	100	
	Germany	Almü Präzisions-Werkzeug GmbH	100	100
		CGTech Deutschland GmbH	100	100
Cimatron Technologies GmbH*		100	100	
DSI Underground GmbH*		100	100	
FMT Frezite Metal Tooling GmbH		100	100	
Gold Werkzeugfabrik GmbH*		100	100	
Metrologic Group GmbH*		100	100	
pro-micron GmbH*		100	100	
Protomedical GmbH		100	100	
Prototyp-Werke GmbH*		100	100	
Sandvik Holding GmbH*		100	100	
Sandvik Mining and Construction Central Europe GmbH*		100	100	

Country/ Location	Company	2024	2025
	Sandvik Mining and Construction Deutschland GmbH*	100	100
	Sandvik Tooling Deutschland GmbH*	100	100
	Schaum-Chemie Beteiligungen 1 GmbH	100	100
	Seco Tools GmbH*	100	100
	SigmaNEST GmbH*	100	100
	TDM Systems GmbH*	100	100
	Walter AG*	100	100
	Walter Deutschland GmbH*	100	100
	WALTER Deutschland Service GmbH*	100	100
	Werner Schmitt PKD-Werkzeug GmbH*	100	100
Ghana	Sandvik Mining & Construction Ghana Limited*	100	100
Hong Kong	Sandvik Hongkong Ltd*	100	100
Hungary	Seco Tools Kereskedelmi Kft*	100	100
	Walter Hungaria Kft*	100	100
India	CGTech India Software Solutions PLC	100	100
	Deswik Software Solutions India Private Limited*	100	100
	Dormer Pramet India Private Limited*	100	100
	Sandvik Coromant India Private Limited*	25	25
	Sandvik Mining and Rock Technology India Private Limited*	25	25
	Seco Tools India Private Limited*	100	100
	SigmaTEK Systems India Private Limited*	100	100
	Vaal Triangle Systems Private Limited*	100	100
Indonesia	Pt. DSI Indonesia*	100	100
	Pt. DSI Underground*	100	100
	PT Sandvik Indonesia*	100	100
	PT Sandvik Mining and Construction Indonesia*	100	100
	PT Sandvik SMC*	100	100
	PT Seco Tools Indonesia*	100	100
	PT Deswik Software Indonesia*	0	100
	Premier Machine Tools (Ireland)*	100	100
Ireland	Premier Machine Tools (Ireland)*	100	100
Israel	Cimatron Limited*	100	100
	Cimatron Technologies srl (Italy)*	100	100
Italy	CGTech srl	100	100
	Cimatron Technologies srl (Italy)*	100	100
	Metrologic Group Italia S.R.L.*	100	100
	Preziss, SRL	100	100
	Sandvik Italia S.p.A.*	100	100
	Seco Tools Italia S.p.A SU*	100	100
	SigmaTEK Srl (Italy)*	100	100
	SSC Holding Italia SRL	100	100
	Walter Italia SRL*	100	100
	OSA Demolition Equipment S.r.l.*	0	100
	Rent Demolition S.r.l.*	0	100
	Japan	KK CGTech	100
Sandvik Tooling Supply Japan K.K.*		100	100
Seco Tools Japan K.K.*		100	100
SigmaTEK Japan LTD.*		100	100
Walter Japan K.K.*		100	100
Kazakhstan	Deswik Kazakhstan LLP*	100	100
	Sandvik Mining and Construction Kazakhstan Ltd*	100	100
Korea	CGTech Co. Ltd	100	100
	Sandvik SuhJun Ltd*	100	100
	Seco Tools Korea Ltd*	100	100
	SigmaTEK Systems LLC Korea*	100	100
	Walter Korea Ltd*	100	100

\* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025	Country/ Location	Company	2024	2025
Luxembourg	DSI Underground IP Holding Luxembourg S.à r.l	100	100		Frezite - Ferramentas de Corte S.A.*	100	100
	DSI Underground SMART S.à r.l	100	100		Sandvik SRL*	100	100
	Jupiter LuxCo 2 S.à r.l.	100	100		Seco Tools Portugal Lda	100	100
	Rocbolt Technologies Holdings Mongolia S.à r.l.	100	100		Seri - Sociedade de Estudos E Realizações Industriais, Unipessoal, LDA*	100	100
Malaysia	Sandvik Equipment Sdn Bhd*	100	100	Romania	Sandvik SRL*	100	100
	Sandvik Mining And Construction (M) Sdn Bhd*	100	100		Seco Tools Romania SRL*	100	100
	Seco Tools Sdn Bhd*	100	100		Walter Tools SRL*	100	100
	Walter Malaysia Sdn Bhd*	100	100	Serbia	Seco Tools SRB d.o.o.*	100	100
Mauritius	Rocbolt of Mauritius Ltd	50	50	Singapore	Ahno Precision Cutting Tools Pte. Ltd.	72	100
Mexico	Deswik Mexico S.A de C.V.*	100	100		Sandvik Mining and Construction S.E. Asia Pte Ltd*	100	100
	DSI Underground Mexico S.A. de C.V.*	100	100		Sandvik South East Asia Ptd Ltd*	100	100
	FMT Tooling Systems S de RL de CV*	100	100		Seco Tools (SEA) Pte Ltd*	100	100
	Mansour Mining Technolog De Mexico S.A DE C.V	100	100		Walter AG Singapore Pte Ltd*	100	100
	Mansour Mining Technolog De Mexico Servicios S.A. de C.V.	100	100	Slovakia	PRAMET Slovakia, spol. s r.o.*	100	100
	NTX Mining Services S de RL de CV	100	100		Seco Tools SK, s.r.o.*	100	100
	Preziss Tools de Mexico, S de R.L. de C.V.	100	100		Walter Slovakia s.r.o.*	100	100
	Sandvik de Mexicana S.A.*	10	10	Slovenia	Seco Tools SI trgovina d.o.o.*	100	100
	Sandvik Hard Materials de Mexico S.A. de C.V.	100	100		Walter Tools, trgovina in storitve d.o.o.*	100	100
	Sandvik Mining and Construction de Mexico S.A. de C.V.*	100	100	South Africa	Business Venture Investments No 2263 (Pty) Ltd	75	75
	Sandvik SA de CV*	100	100		Deswik Mining Consultants (Pty) Ltd*	100	100
	Seco Tools de Mexico S.A. de C.V.*	100	100		Kwatani (Pty) Ltd*	75	75
	SigmaTEK Systems Mexico S. de R.L. de C.V.*	100	100		Kwatani Global (Pty) Ltd	75	0
	Terelion de Mexico S.A. de C.V.	100	100		Kwatani Holding Pty Ltd	75	0
	Walter Tools S.A. de C.V.*	100	100		Mine & Quarry Supplies (Pty) Ltd*	100	100
Mongolia	Rocbolt Technologies Mongolia LLC	100	100		Newtrax Pty. Ltd	100	100
	Sandvik Mongolia Engineering Solutions LLC*	100	100		RB Technology Holdings (Pty) Ltd	65	65
Morocco	Seco Tools S.A.	100	100		Rocbolt Technologies Africa Pty Ltd	100	100
Mozambique	Sandvik Mining & Construction Mozambique Lda	100	100		Rocbolt Technologies Holdings Pty. Ltd.*	50	50
Namibia	Sandvik Namibia (Pty) Ltd*	100	100		Rocbolt Technologies Pty. Ltd*	75	75
Netherlands	Sandvik Benelux B.V.*	100	100		Sandvik (Pty) Ltd*	100	100
	Sandvik Mining and Construction B.V.*	100	100		Sandvik Financial Services (Pty) Ltd	100	100
	Seco Tools BV*	100	100		Sandvik Mining & Construction Delmas (Pty) Ltd	100	100
Nigeria	Sandvik Mining & Construction Nigeria Limited	100	100		Sandvik Mining RSA (Pty) Ltd*	75	75
Norway	Sandvik Norge AS*	100	100		Sandvik Rock Processing Solutions International (PTY) LTD*	100	100
	Sandvik Coromant AS*	100	100		Sandvik SRP Holdings South Africa	100	100
	Seco Tools AS*	100	100		Sandvik SRP RSA (PTY) LTD*	75	75
Papua New Guinea	Sandvik Mining and Construction PNG Limited*	100	100		Schenck Process Africa (Pty) Limited	100	100
Peru	Deswik Peru S.A.C*	100	100		Schenck Process South Africa (Pty) Limited	100	0
	DSI Underground Peru S.A.C.*	100	100		Seco Tools South Africa (Pty) Ltd	100	0
	Sandvik del Peru S.A.*	10	10		Zebenza Kanzima (Pty) Ltd	49	49
	Sandvik Forestal S.A.	100	100	Spain	DSI Underground Spain SAU*	100	100
	Terelion, LLC Sucursal Del Peru*	100	100		Frezite Herramientas de Corte SL*	100	100
Philippines	Sandvik Philippines Inc*	100	100		Herramientas Preziss, S.L.	100	100
	Sandvik Tamrock Philippines Inc*	100	100		Metrologic Group Spain S.L.*	100	100
Poland	"DSI Schaum Chemie" Sp. z o.o.*	100	100		Preziss Diamant S.L.	100	0
	DSI Underground Chemicals sp. z o.o.*	100	100		Sandvik Española*	100	100
	DSI Underground Merol Sp. z.o.o.*	100	100		Seco Tools España S.A.*	100	100
	DSI Underground Poland Sp. z.o.o. w likwidacji	100	0		Walter Tools Iberica S.A.U.*	100	100
	Fabryka Narzędzi FANAR S.A.*	100	100	Switzerland	HC Holding Alpha AG	100	100
	Pramet Sp. Z.o.o.*	100	100		P. Rieger Werkzeugfabrik AG	100	100
	Sandvik Polska Sp. Z.o.o.*	100	100		Sandvik AG*	100	100
	Seco Tools (Poland) sp. z.o.o.*	100	100		Sandvik Holding AG	100	100
	Walter Polska SP. Z.o.o.*	100	100		Santrade Ltd*	100	100
Portugal	FHP - Frezite High Performance, Unipessoal, LDA*	100	100		Seco Tools AG*	100	100
					Sphinx Werkzeuge AG	100	100

\* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

→ P11, continued

Country/ Location	Company	2024	2025
Switzerland	Walter (Schweiz) AG*	100	100
Taiwan	Sandvik Taiwan Ltd	100	0
Tanzania	Sandvik Mining & Construction Tanzania Limited*	80	80
Thailand	Sandvik Thailand Limited*	91	91
	Seco Tools (Thailand) Co Ltd*	100	100
	Walter (Thailand) Co Ltd*	100	100
Türkiye	Seco Tools Kesici Takimlar Makina San.Tic.A.S.*	100	100
	Walter Cutting Tools Industry and Trade LLC*	100	100
Ukraine	Sandvik Ukraine (Enterprise with 100% foreign Investment Sandvik)*	100	100
United Kingdom	CGTech Limited	100	100
	Deswik Europe Ltd*	100	100
	Dormer Pramet Ltd*	100	100
	DSI Underground UK Holdings Ltd.	100	100
	DSI Underground UK Ltd.	100	100
	Edvirt UK Limited	100	100
	Extec Mobile Crushers and Screens Limited	100	100
	Fintec Crushing and Screening Limited	100	100
	FMT Tooling Systems Limited	100	0
	Inrock Ltd. (UK)*	100	100
	Mastercam UK Limited	100	100
	Premier Machine Tools (UK)*	100	100
	Sandvik Holdings Ltd*	100	100
	Sandvik Ltd*	100	100
	Sandvik Materials Limited	100	100
	Sandvik Mining and Construction LTD	100	100
	Sandvik Osprey Ltd*	100	100
	Sandvik Services Limited	100	0
	Seco Tools (UK) Limited*	100	100
	SigmaTEK Europe Limited*	100	100
	Tamrock Great Britain Holdings Ltd	100	100
	Walter GB Ltd*	100	100
USA	Advanced Theodolite Technology, Inc.	100	0
	Alliance CNC LLC	100	0
	Artisan Vehicle Systems, Inc.*	100	100
	Benchmark Carbide LLC	100	0
	Buffalo Tungsten Inc*	100	100
	Cambrio Acquisition, LLC	100	100
	CGTech	100	100
	Cimatron Gibbs LLC (California)	100	100
	Cimatron Technologies, Inc. (Michigan)	100	100
	Cimquest, Inc.	100	0
	CJT Tool LLC	100	0
	CNC Software, LLC	100	100
	CTMI Tool LLC	100	0
	Deswik USA Inc.*	100	100
	Diamond Tool Coating, LLC	100	0
	Dimensional Control Systems, Inc.*	100	100
	Dormer Pramet LLC*	100	100
	Industrial Metrology Solutions LLC*	100	100
	GWS Tool Group LLC*	100	100
	GWS Tool LLC	100	0
	Indexable Holding LLC	100	0
	Inrock Acquisitions, Inc.*	100	100
	Inrock Drilling Systems, inc.*	100	100
	Intrepid LLC	100	0

Country/ Location	Company	2024	2025
	Melin Tool Company, Inc.*	100	100
	Metrologic Group Services, Inc.*	100	100
	MG USA Properties, Inc.	100	0
	Monster Tool LLC	100	0
	NATC LLC	100	0
	Niagara Cutter LLC*	100	100
	PDQ Workholding LLC*	100	100
	Sandvik Financial Services LLC	100	100
	Sandvik Machining Solutions USA LLC	100	100
	Sandvik Mining and Construction USA LLC	100	100
	Sandvik Rock Processing Solutions North America*	100	100
	Sandvik, Inc.*	100	100
	Seco Tools, LLC*	100	100
	SigmaTEK Systems, LLC (Delaware)*	100	100
	ST Acquisition Co.	100	100
	STF Precision LLC	100	0
	Taurus Tool LLC	100	0
	TDM Systems Inc*	100	100
	Terelion LLC*	100	100
	uFab LLC	100	100
	Valenite LLC	100	100
	Walter USA LLC*	100	100
	Wetmore Tool and Engineering Company	100	100
	Verisurf Software Inc	0	100
Vietnam	Sandvik Vietnam Company Ltd*	100	100
	Seco Tools Vietnam Co Ltd*	100	100
Zambia	Sandvik Mining and Construction Zambia Limited*	100	100

## § Accounting principles

### Shares in Group companies and associated companies

The Parent Company recognizes shares in Group companies and associated companies in accordance with the cost model, meaning that transaction costs are included in the carrying amount of holdings in subsidiaries and associated companies. Transaction costs related to shares in Group companies are recognized directly in profit or loss in the consolidated financial statements when they arise. Contingent consideration is valued based on the probability that the consideration will be paid. Any changes in the provision/receivable are added to/deducted from the cost. Contingent consideration is measured at fair value in the consolidated financial statements with changes in value recognized in profit or loss. Dividends from subsidiaries are recognized in full as income in profit or loss for the year.

\* Entities included in disclosure requirement S1-5 and target related to female managers in the Sustainability statement.

## P12 Non-current receivables and other current receivables

	2024	2025
<b>Non-current receivables</b>		
Derivatives	2	1
Other interest-bearing receivables	22	23
<b>Total</b>	<b>24</b>	<b>24</b>
<b>Other current receivables</b>		
Derivatives	–	–
Other non-interest-bearing receivables	440	343
Other interest-bearing receivables	0	0
<b>Total</b>	<b>440</b>	<b>343</b>

## P13 Inventories

	2024	2025
Raw materials and consumables	672	875
Work in progress	277	187
Finished goods and goods for resale	113	83
<b>Total</b>	<b>1,062</b>	<b>1,145</b>

## P14 Capital and reserves

### Share capital

According to the Articles of Association of Sandvik AB, the share capital shall amount to a minimum of SEK 700,000,000 and a maximum of SEK 2,800,000,000. All issued shares are fully paid, have the same voting rights and are equally entitled to the Company's assets. Share capital has changed as follows over the past two years:

Share capital at:	No. of shares	Quotient value SEK/share	Share capital SEK
December 31, 2023	1,254,385,923	1.20	1,505,263,108
December 31, 2024	1,254,385,923	1.20	1,505,263,108
December 31, 2025	1,254,385,923	1.20	1,505,263,108

A dividend is proposed by the Board of Directors in accordance with the stipulations in the Swedish Companies' Act, and is approved at the Annual General Meeting. The proposed dividend for 2025 is estimated to amount to SEK 7,526 million, corresponding to SEK 6.00 per share. The amount has not been recognized as a liability.

No shares have been reserved for transfer under options or other agreements.

The Sandvik share is officially listed only on Nasdaq Stockholm. Shares can also be traded in the US in the form of ADRs (American Depositary Receipts).

The following information is presented in accordance with the provisions of Chapter 6, Section 2.a. of the Swedish Annual Accounts Act.

The Parent Company has issued one series of shares and each share carries one vote. The total number of shares shall be no less than 1,000,000,000 and no more than 4,000,000,000.

At the end of 2025, 1,254,385,923 shares (1,254,385,923) with a quotient value of SEK 1.20 per share had been issued. Shareholders have a preferential right to subscribe to newly issued shares issued for cash or with terms and conditions concerning rights of set off. All shares are fully negotiable.

### § Accounting principles

#### Undistributable equity

Undistributable equity may not be paid to the shareholders in the form of dividends.

#### Statutory reserve

The purpose of the statutory reserve has been to tie up part of the net profit that is not needed to cover an accumulated deficit. The statutory reserve includes amounts that before January 1, 2006, were included in the share premium reserve.

#### Distributable equity

##### Share premium reserve

Comprises the value of shares that have been issued at a premium, meaning the price paid was in excess of the share's quotient value. The amount received in excess of the quotient value was transferred to the share premium reserve.

##### Retained earnings

Retained earnings comprise the distributable reserves recognized in the preceding year less any dividend declared. The total of such profits brought forward and the profit for the year constitute the total distributable reserves, that is the maximum amount available for distribution to the shareholders.

## P15 Provisions for pension and other non-current post-employment benefits

The Parent Company's recognized pension provision was SEK 975 million (945). The Parent Company's PRI pensions are secured through the pension foundation belonging to Sandvik, the Sandvik Pension Foundation in Sweden. Sandvik AB and most of its Swedish subsidiaries are members of the foundation. The deficit was recognized as a liability in the companies. The Parent Company's funded obligations mainly comprise ITP Plans.

### Present value of funded and unfunded pension obligations

	2024	2025
Present value of funded and unfunded pension obligations	2,915	2,978
Plan assets	2,068	2,160
Deficit in the assets of the pension foundation	-99	-158
<b>Net amount recognized for pension obligations</b>	<b>-945</b>	<b>-975</b>

## P16 Other provisions

	Warranties	Restructuring	Employee benefits	Environmental obligations	Legal disputes	Other obligations	Total
<b>Balance at January 1, 2024</b>	<b>3</b>	<b>149</b>	<b>178</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330</b>
Provisions made during the year	8	323	128	1	–	1	461
Provisions used during the year	-3	-250	-136	–	–	-1	-390
Unutilized provisions reversed during the year	–	–	–	–	–	0	0
Reclassifications	–	0	–	–	–	–	0
<b>Balance at December 31, 2024</b>	<b>8</b>	<b>222</b>	<b>170</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>401</b>
<b>Balance at January 1, 2025</b>	<b>8</b>	<b>222</b>	<b>170</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>401</b>
Provisions made during the year	9	193	125	–	–	1	328
Provisions used during the year	-3	-164	-126	–	–	-1	-294
Unutilized provisions reversed during the year	-1	–	–	–	–	–	-1
Reclassifications	–	–	–	–	–	–	–
<b>Balance at December 31, 2025</b>	<b>13</b>	<b>251</b>	<b>169</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>434</b>

## P17 Non-current interest-bearing liabilities

Non-current interest-bearing liabilities fall due as follows:

	2024			2025		
	Within one to five years	Later than five years	Total	Within one to five years	Later than five years	Total
Loans from Group companies	–	1	1	–	1	1
Other liabilities <sup>1)</sup>	21,670	2,392	24,062	16,677	2,252	18,929
<b>Total</b>	<b>21,670</b>	<b>2,393</b>	<b>24,063</b>	<b>16,677</b>	<b>2,253</b>	<b>18,930</b>

1) Other liabilities mainly comprise bond loans.

## P18 Accrued expenses and deferred income

	2024	2025
Personnel related	1,072	1,221
Expense related to finance	267	194
Other	801	181
<b>Total</b>	<b>2,140</b>	<b>1,596</b>

## P19 Contingent liabilities and pledged assets

Contingent liabilities	2024	2025
Guarantees issued for customers and others	80	82
Other contingencies	17,684	17,049
<b>Total</b>	<b>17,764</b>	<b>17,131</b>

The Parent Company's surety undertakings and contingent liabilities amounted to SEK 17,131 million (17,764), of which SEK 8,644 million (8,294) related to the Parent Company's guarantees for Sandvik Treasury AB's financial borrowings. The remainder comprised mainly of indemnity bonds for commitments of Group companies to their customers and vendors on advances received and various types of performance bonds and guarantees to financial institutions relating to local borrowings, and guarantee facilities as well as to pension commitments.

No assets of the Parent Company were pledged in 2024 and 2025.

## P20 Transactions with related parties

Sales to Group companies from the Parent Company amounted to SEK 11,957 million (11,826), or 89 percent (88) of total sales. The share of exports was 58 percent (60). The Parent Company's purchases from Group companies amounted to SEK 2,204 million (2,325), or 22 percent (12) of total purchases. The Parent Company granted no loans to associated companies. Guarantees have been made for obligations of associated companies in the amount of SEK 0 million (0). All transactions were held at arm's length.

For information regarding employment agreements, see note G4.

## P21 Supplementary information to the cash flow statement

<b>Cash and cash equivalents</b>	<b>2024</b>	<b>2025</b>
Cash and cash equivalents comprise:		
Cash and bank	0	0
<b>Total in the balance sheet</b>	<b>0</b>	<b>0</b>
<b>Total in the cash flow statement</b>	<b>0</b>	<b>0</b>

<b>Interest and dividend paid and received</b>	<b>2024</b>	<b>2025</b>
Dividend received	7,629	10,100
Interest received	49	32
Interest paid	-1,627	-1,078
<b>Total</b>	<b>6,051</b>	<b>9,054</b>

<b>Other adjustments for non-cash items, etc.</b>	<b>2024</b>	<b>2025</b>
Changes in value if financial instruments	-161	-50
Unappropriated results of associated companies	-	-
Gains and losses on disposal of non-current assets	-42	-8
Gains on disposal of companies and shares	0	20
Provision for pensions	97	30
Other provisions	71	30
Other	-5,814	-2,013
<b>Total</b>	<b>-5,849</b>	<b>-1,991</b>

## P22 Events after the end of the period

No major events to report after the end of the reporting period.

# Board statement on dividend proposal

Board statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The nature and extent of the company's operations are stated in the Articles of Association and issued annual reports. Such nature and extent do not entail risks over and above those inherent, or reasonably to be expected, in the industry or otherwise inherent in business operations. For information on significant events, reference is made to the Directors' Report.

The company's financial position as of December 31, 2025, is apparent from this Annual Report. The proposed dividend does not infringe on investments deemed to be required. In addition, the company's main liquidity reserve is in the form of an unutilized

revolving credit facility amounting to SEK 11,000 million, which means that the company should reasonably be able to meet unexpected events and temporary fluctuations in cash flows of reasonable proportions. The company's financial position supports the assessment that the company will be able to continue its business and meet its obligations in both the short and long term.

In view of the above and based on what the Board is otherwise aware of, the proposed dividend in the Board's opinion is justified considering the requirements which the nature, extent and risks associated with the operations place on the size of the equity of the company, and also taking into consideration the company's need to strengthen its balance sheet, liquidity and financial position in general.

Stockholm, March 6, 2026

Sandvik Aktiebolag (publ)  
BOARD OF DIRECTORS

# Proposed appropriation of profits

The Board of Directors proposes that the profits at the disposal of the Annual General Meeting:

profits carried forward	20,818,946,027
and result for the year	12,130,554,387
<b>SEK</b>	<b>32,949,500,414</b>

be appropriated as follows:

a dividend of 6.00 SEK per share to the shareholders	7,526,315,538
profits carried forward	25,423,184,876
<b>SEK</b>	<b>32,949,500,414</b>

The proposed record date for dividends is Thursday, April 30, 2026. The income statements and the balance sheets of the Group and of the Parent Company are subject to adoption by the Annual General Meeting on Tuesday, April 28, 2026.

The Board of Directors and the President hereby certify that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden, that the consolidated financial statements have been prepared in accordance with the international accounting standards IFRS as adopted by the EU and that the Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted pursuant to Article 8(4) of the EU Taxonomy Regulation. The Annual Report and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results. The Directors' Report pertaining to the Parent Company and the Group gives a fair overview of the development of the Parent Company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The Annual Report, including the Sustainability Statement, was approved by the Board and dated March 6, 2026.

Stockholm, March 6, 2026

Johan Molin  
Chairman

Claes Boustedt  
Board member

Marika Fredriksson  
Board member

Fredrik Håf  
Board member

Thomas Lilja  
Board member

Andreas Nordbrandt  
Board member

Susanna Schneeberger  
Board member

Helena Stjernholm  
Board member

Kai Wörn  
Board member

Stefan Widing  
Board member  
President and CEO

Our Auditor's Report and Assurance Report over the Sustainability Statement were submitted on March 9, 2026

Öhrlings PricewaterhouseCoopers AB

Anna Rosendal  
Authorized Public Accountant  
Partner in charge

Martin By  
Authorized Public Accountant

# Auditor's report

To the general meeting of the shareholders of Sandvik AB (publ),  
corporate identity number 556000-3468

## Report on the annual accounts and consolidated accounts

### Opinions

We have performed an audit of the annual accounts and consolidated accounts of Sandvik AB (publ) for year 2025 except for the statutory sustainability report on pages 51–111. The annual accounts and consolidated accounts of the company are included on pages 32–171 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 51–111.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### *Focus and scope of the audit*

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the company and the group, the accounting processes and controls, and the industry in which the group operates.

#### *Materiality*

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

## Key Audit Matters

### *Point in time for revenue recognition*

We refer to the notes G2, G3 and P2 which provide further information on how the Group recognizes its revenues.

The Group manufactures and sells products and services to customers worldwide. Sales are conducted mainly via its own distribution channels. The sales agreements include various delivery and contractual terms and the point in time when material delivery obligations are fulfilled varies although it most often occurs at a specific point in time.

The Group has analyzed its various sales agreements and taken a position on in which period or periods a sales transaction should be recognized as revenue.

## How our audit addressed the Key Audit Matters

*Our audit has included among other things the following steps:*

- Mapped and evaluated selected systems and processes for revenue recognition and tested a selection of key controls.
- Evaluated whether the company's accounting principles are consistent with IFRS.
- Tested a selection of sales transactions to test whether they are recognized according to the Group's policies.
- Performed data analysis to identify and evaluate a selection of manual and automatic accounting entries.
- Tested the disclosures provided against the books and other accounting information.

### *Valuation of goodwill as well as intangible fixed assets with an indefinite use right period*

We refer to note G12 which contains further information on the Group's intangible assets and significant assumptions used in the impairment testing.

The majority of Sandvik's intangible assets have been acquired externally, primarily through business combinations, and amount in total to material amounts. Assets with an indefinite useful life, such as goodwill, are not amortized. Instead, an annual test is performed of whether the carrying amounts of these assets for a cash-generating unit can continue to be justified. There are a number of elements where management's judgments and estimates about future outcomes are decisive for assessing any need for impairment.

*Our audit has included among other things the following steps:*

- On a sample basis tested the Group's models for impairment testing and evaluated significant assumptions used to determine forecast cash flows and discount rates and in the calculation of the assets' value in use. In the evaluation we have compared with the operations' history, the Group's forecasts and strategic planning as well as with external data sources where this was possible and relevant. We have involved valuation specialists from PwC in this work.
- Tested the disclosures provided against the books and other accounting information.

### *Valuation of inventory*

We refer to notes G17 and P13 which sets out the company's principles for inventory valuation.

Sandvik has significant inventories of raw materials, spare parts and work in progress at its production units and finished goods primarily at its sales units. The inventory value amounts in total to material amounts and the valuation of inventories is important so that gross profit is fairly stated.

It is challenging to correctly account for the acquisition cost when purchasing, manufacturing and logistics processes are complex. In determining product costings there are a number of trade-offs that need to be made by management that have an impact on the reported values. This concerns, among other things, making judgments regarding normal production volumes, exchange rates, raw material prices as well as allocation keys for other direct and indirect costs. For finished goods an assessment needs to be made of whether the products have been subject to obsolescence and how saleable they are. Finally, there is a complexity in controlling and measuring volumes, not least of raw materials and work in progress, as well as in eliminating effects from intra-group transactions.

*Our audit has included among other things the following steps:*

- Mapped and evaluated selected systems and processes for inventory accounting and tested a selection of key controls for the determination of inventory volumes and for the determination of carrying amounts.
- On a sample basis tested raw material inventories against actual purchase prices, evaluated the reasonableness of product costings for work in progress and finished goods inventory.
- Participated in stock takes at a selection of inventory locations and tested cut-off of receipts and shipments.
- Tested a selection of key controls related to the inventory valuation process.
- Tested the disclosures provided against the books and other accounting information.

### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–31 and 176–178 and the statutory sustainability report on pages 51–111. The other information also includes the Remuneration Report which we received before the signing date of this Auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### Report on other legal and regulatory requirements

#### The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sandvik AB (publ) for year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the management of the company's affairs. This includes among other things continuous assessment of the company and group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### The auditor's examination of the Esef report

#### *Opinion*

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Sandvik AB (publ) for the year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### *Basis for Opinion*

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sandvik AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97, Stockholm, was appointed auditor of Sandvik AB (publ) by the general meeting of the shareholders on 29 April 2025 and has been the company's auditor since 27 April 2018.

Stockholm March 9th, 2026  
Öhrlings PricewaterhouseCoopers AB

Anna Rosendal  
Authorized Public Accountant  
Auditor in charge

Martin By  
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.